

**Panasonic**

**PERFORMANCE  
I CAN TRUST**

**No.1  
Brand in  
Japan**



*Sales*

**45<sup>th</sup>  
Annual Report  
2016 - 2017**

**Panasonic Energy India Co. Ltd.**  
The **Only** Panasonic Battery Company in India



# Panasonic Energy India Co. Ltd.

CIN : L31400GJ1972PLC002091

## Corporate Information

### BOARD OF DIRECTORS

#### CHAIRMAN & MANAGING DIRECTOR

Mr. Mikio Morikawa

#### DIRECTORS

Mr. Gautam Punj

Ms. Geeta Goradia

Mr. Mayur Swadia

Mr. Atul Dalmia

Mr. Chiaki Kidani (upto 31-3-2017)

Mr. Kazuo Tadanobu (w.e.f. 30-5-2017)

#### COMPANY SECRETARY

Ms. Susheela Maheshwari

#### AUDITORS

M/s. K. C. Mehta & Co.

Chartered Accountants, Vadodara

#### BANKERS

State Bank of India

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

#### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Limited

B-102 & 103, Shangrila Complex,

First Floor, Opp. HDFC Bank,

Near Radhakrishna Char Rasta,

Akota, Vadodara - 390 020,

Gujarat - India

#### REGISTERED OFFICE

GIDC, Makarpura,

Vadodara - 390 010, Gujarat - India

#### WORKS

1. GIDC, Makarpura,

Vadodara - 390 010, Gujarat - India

2. Plot No. 112, Sector III,

Pithampur Industrial Area,

Dist. Dhar - 454 774,

Madhya Pradesh - India

**45<sup>th</sup> Annual General Meeting** of the Company is scheduled to be held on **Thursday, August 10, 2017 at 10:00 a.m. at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara 390 002.**

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

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# Panasonic Energy India Co. Ltd.

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**NOTICE** is hereby given that the **45<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of Panasonic Energy India Co. Ltd. will be held at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara – 390 002 on Thursday, August 10, 2017, at 10.00 a.m. to transact the following businesses:

## ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Results of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare final dividend on equity shares for the year ended March 31, 2017.
3. To appoint a director in place of Mr. Mikio Morikawa, Chairman & Managing Director (holding DIN 02611904), who retires by rotation and is eligible for re-appointment.
4. To appoint the Statutory Auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and other applicable rules, if any, M/s. B S R & Associates LLP., Chartered Accountants, Ahmedabad having ICAI Firm Registration No. 116231W/W-100024, who have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and rule 4 of the Rules, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 50<sup>th</sup> AGM of the Company to be held for the FY 2021-22 (subject to ratification by Members at every AGM) at such remuneration plus service tax, out of pocket and travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors based on the recommendation of the Audit Committee.”

## SPECIAL BUSINESS

### 5. 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 and all other applicable provisions 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 lac twenty five thousand only) plus service tax at the applicable rates and reimbursement of out of pocket expenses 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 ending on March 31, 2018.”

### 6. Appointment of Mr. Kazuo Tadanobu as Non-executive Director

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

**“RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 and such other applicable provisions, if any, of the Companies Act, 2013, Mr. Kazuo Tadanobu (DIN 07818992) who was appointed as an additional director of the Company pursuant to Article 134 of the Articles of Association of the Company and provision of Section 161 of the Companies Act, 2013 and in respect of whom the Company received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature for the office of the Director of the Company and who holds office up to the date of ensuing Annual General Meeting, be and is hereby appointed as Non-executive Director of the Company (promoter category) and his period of office shall be liable to determination by retirement of director by rotation.”

### 7. Revision in remuneration payable to Mr. Mikio Morikawa, Chairman & Managing Director from April 01, 2017

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 other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to revise the terms of remuneration payable to Mr. Mikio Morikawa (DIN 02611904), Chairman & Managing Director of the Company with effect from April 01, 2017 on the terms as to revised remuneration as set out in the addendum to the agreement made between the Company on one part and Mr. Morikawa on the other part the details of which are given in the explanatory statement in respect of this item of the Notice.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination and Remuneration Committee subject to the same not exceeding the limits specified under Section 197 read with

Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force)".

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

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

**Susheela Maheshwari  
Company Secretary  
Vadodara, May 30, 2017**

## NOTES

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

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

2. Members /proxies should bring the attendance slips duly filled in and PHOTO ID Proof for attending the meeting.
3. The register of members and share transfer books of the Company will remain closed from Friday, August 04, 2017 to Thursday, August 10, 2017 (both days inclusive) for the purpose of determining payment of dividend.
4. Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item Nos. 5 to 7 of the accompanying Notice is annexed hereto.
5. Dividend on equity shares as recommended by the Directors, if declared at this Annual General Meeting, will be paid on Monday, August 28, 2017 to those Members whose names appear on the Company's register of Members at the close of business on August 10, 2017.
6. Dividend payment
  - a) Members holding shares in electronic mode may please note that the dividend payable to them would be paid through National Electronic Clearing Services (NECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the Members to their Depository Participants (DPs). In absence of availability of NECS facility, the dividend will be paid through warrants and the bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations.
  - b) In respect of shares held in physical form, Members desirous of receiving dividend by way of direct credit to their bank accounts through NECS may authorize the Company with their NECS mandate. The shareholders desirous of obtaining the NECS mandate may download it from the website of the Company at [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in) or may write to the Company Secretary at the registered office of the Company.
7. Unclaimed dividend

The Company has transferred the unclaimed dividend for the financial year 2008-09 to the Investor Education and Protection Fund (IEPF) established by the Central Government. 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). Members are requested to note that no claims shall lie against the Company or IEPF in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date they first became due for payment and no payment shall be made in respect of any such claims. The details of the unpaid/unclaimed dividend as on July 28, 2016 (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).

8. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form SH. 13) to Link Intime India Pvt. Ltd., Vadodara (Company's Registrar & Share Transfer Agent) or to the Company Secretary at the registered office of the Company.

## Panasonic Energy India Co. Ltd.

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9. Members are requested to notify immediately:
  - (a) any change in their residential address.
  - (b) Income-tax Permanent Account Number (PAN).
  - (c) Bank details – Name and address of the bank; A/c No.; type of A/c
10. 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.
11. Members are requested to bring their copies of the Annual Reports along with duly filled attendance slip to the meeting.
12. Members seeking any information or clarification with regard to the accounts are requested to write to the Company at least TEN DAYS in advance of the meeting so that the information required can be made readily available at the Meeting.
13. 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.
14. In view of the circular issued by SEBI, the electronic clearing services (ECS/NECS) facility should mandatorily be used by the companies for the distribution of dividend to its Members. In order to avail the facility of ECS/NECS, Members holding shares in physical form are requested to provide bank account details to the Company and its Registrar and Share Transfer Agents. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. Any changes in such bank mandate must be advised only to the Depository Participant of the Members.
15. E-voting

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its Members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 45<sup>th</sup> Annual General Meeting (AGM). The business shall be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 45<sup>th</sup> AGM. The Members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The Members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

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

**Electronic Voting Sequence Number (EVSN): 170706005**

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on August 07, 2017 at 09.00 a.m. and ends on August 09, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on August 03, 2017 (cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the address label affixed on the Annual Report.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN (170706005) for the <Panasonic Energy India Company Limited> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for all mobile users. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the board resolution and power of attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

16. In terms of the Circulars No. 17/2011 of 21<sup>st</sup> April, 2011 and 18/2011 of 29<sup>th</sup> April, 2011 issued by the Ministry of Corporate Affairs (MCA) as part of its "green initiative in Corporate Governance", MCA allows paperless compliances including service of a notice/document by companies to their Members through electronic mode. Therefore as was done last year, the Company proposes to send documents required to be sent to Members like Notices of General

# Panasonic Energy India Co. Ltd.

Meetings (including AGM), Audited Financial Statements, Report of the Directors and Independent Auditor's Report etc. to the Members in electronic form to the e-mail IDs provided by them and made available to the Company by the Depositories. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents will also be available on the Company's website [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in) for download by the Members. The physical copies of the Annual Report will be made available upon receipt of a requisition from the Members, any time as a Member of the Company.

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

### **ITEM NO. 5**

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 ended March 31, 2018.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the year 2017-18 as set out in the Resolution for the aforesaid services to be rendered by them.

The Board of Directors accordingly recommends the passing of the resolution at item No. 5 of the accompanying notice. None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said Resolution.

### **ITEM NO. 6**

Mr. Kazuo Tadanobu has been appointed as an additional director (Non-Executive Director) (Promoter category) on the Board of the Company w.e.f. May 30, 2017. Mr. Tadanobu holds office upto the date of this Annual General Meeting.

Mr. Tadanobu has done his Master's in Chemistry from Hiroshima University, Japan. He joined Matsushita Electronic Components Co., Ltd. in 1992. He worked in different domains including Director, Film Capacitor Division of Panasonic Corporation in 2013. Mr. Tadanobu worked in different positions at Panasonic Corporation. He is having vast experience in the overseas operations including Singapore, Malaysia etc. Currently, he is Director of Energy Device Business Division, Automotive and Industrial Systems Company, Panasonic Corporation.

The Board of Directors accordingly recommends the passing of the resolution at item No. 6 of the accompanying notice. Pursuant to the requirements of SEBI (LODR) Regulations, 2015 on appointment of Director, a statement containing briefly the details of Mr. Tadanobu is given in Report on Corporate Governance.

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

### **ITEM No. 7**

Mr. Morikawa aged 53 is an Industrial Engineer from Waseda University, Tokyo, Japan. He has over 30 years of rich experience in the battery Industry and held senior management positions and top leadership roles in global battery business of Panasonic including heading their battery operations in USA. He has been working with Panasonic Corporation since April 01, 1986 in different capacities.

The Members had already approved his Appointment from August 01, 2016 to September 30, 2019 as Chairman and Managing Director through postal ballot on October 18, 2016.

The Board upon recommendation of Nomination & Remuneration Committee, at its meeting held on May 30, 2017, revised the remuneration payable to Mr. Morikawa,

Specific approval of the Members by way of special resolution is now sought to the above revision in the remuneration of Mr. Morikawa. The terms and conditions proposed are keeping in line with the remuneration package that is necessary to encourage good professional with a sound career record to important position as that of the Chairman & Managing Director. The details of which are given below.

The material terms of appointment and remuneration as contained in the agreement are given below.

The Board accordingly recommends the passing of the Resolution at Item No.7 of the accompanied notice.

#### **(A) Salary**

Sr. No.	Particulars	w.e.f. 1-Oct-16 Per month (Present)	w.e.f. 1-Apr-17 Per month (Proposed)
1	Basic Salary	2,37,653	2,18,983
2	Special Allowance	5,54,523	5,10,961
3	*Tax Allowance	73,489	3,92,000

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



**(B) Perquisites:**

- I. Furnished Accommodation
- II. Use of Chauffeur driven company car
- III. Gas, electricity and water
- IV. Following perquisites shall not be included in computation of the ceiling on perquisites specified hereinabove.
  - a. Contribution to Provident Fund;
  - b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972;
  - c. 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.

Other benefits shall be as per the Personnel Services Companion – Overseas Personnel Affairs Volume issued by Panasonic Corporation and as amended from time to time

**(C) Minimum Remuneration:**

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

Provided that the above limits shall be doubled if the resolution passed by the shareholders is a special resolution.

**(D) Notice for termination of the Agreement:**

Either party has option to terminate this appointment by giving a Notice in writing to the other party of his intention to resign at least 3 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.

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

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

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

Susheela Maheshwari  
Company Secretary  
Vadodara, May 30, 2017

# Panasonic Energy India Co. Ltd.

Dear Shareholders,

Your Directors have great pleasure to report you at the end of another challenging year and presenting the forty fifth annual report together with the audited financial statement for the year ended March 31, 2017.

## 1. Socio economic environment

The year was marked by two major reforms by the Central Government.

Firstly, constitutional amendment during the year has paved the way for implementation of revolutionary Goods and Services Tax (GST), w.e.f. July 01, 2017.

Secondly, the action taken in the form of demonetization of two highest currencies which together comprised to 86% of the cash in circulation.

Implementation of GST is expected to involve transformation of various functions of business. One of the objectives of GST is to create a seamless credit chain leading to an opportunity to reduce tax cost.

Though government's decision to demonetize holds potential for long term benefits, it had an adverse impact on several fast moving consumer goods categories particularly impulsive category covering batteries. Demonetization resulted in liquidity crunch as an impact, there was as immediate fall in demand of consumer goods particularly in wholesale segment which is highly cash driven.

## 2. Financial Results Summary

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Sales Turnover</b>	<b>24666.20</b>	27794.06
<b>Profit/(Loss) before tax</b>	<b>810.18</b>	2491.13
Less: Provision for taxation (Net of deferred tax)	<b>295.07</b>	868.28
Less: Provision for taxation of earlier years (Net of refund/demand)	<b>5.63</b>	(30.23)
<b>Profit/(Loss) after tax</b>	<b>509.45</b>	1653.08
Add : Profit brought forward from previous year	<b>217.99</b>	196.79
<b>Net available surplus for appropriation</b>	<b>727.44</b>	1849.87
<b>Appropriations</b>		
Proposed Dividend	<b>412.50</b>	525.00
Dividend Distribution Tax	<b>83.98</b>	106.88
General Reserve	-	1000.00
Surplus carried to Balance Sheet	<b>230.96</b>	217.99
	<b>727.44</b>	1849.87

## 3. Operational Review

During the year, your Company has taken key reformation initiatives which will have strong positive impact on overall strength of the Company. In the FY 2016-17, the Company brought changes in receivable collection policy by making it stricter which helped the Company to regularize its account receivable to the greater extent with the known risk of reduction in revenue for initial few months.

Demonetization also had its impact, however your Company took various initiatives including marketing investments to boost sales.

Under such adverse challenging situations faced during the year, your Company registered sales amount of ₹ 24666.20 lakhs as against ₹ 27794.06 lakhs compared to the previous year.

The profit before tax in the year stood at ₹ 810.18 lakhs which is less as against ₹ 2491.13 lakhs registered in the last year.

### Batteries and Flashlights

The overall battery industry in the organized sector is witnessing de-growth, largely post demonetization which is likely to continue till the first quarter of the FY 2017-18. During the rest of the financial year, we believe its impact on Battery segment is expected to be positive.

Flash light market is dominated by unorganized players and registered sales around 85% in organized sector against the previous year. During the year, your Company maintained its sales at 73% vs. the previous year.

### Prospects

Dumping of cheap imported batteries in Indian market which is being mainly done in cash is a great challenge faced by organized battery sector. As a result of demonetization, inflow of cheap imported batteries should reduce

and the price gap is expected to narrow down which will make organized players more competitive to face the challenge of inflow of cheap batteries.

#### 4. Dividend

Keeping in view the current profitability of the Company, your Directors are pleased to recommend payment of dividend of ₹ 5.50 per equity share (@ 55% at par value of ₹ 10/- each) (previous year ₹ 7.00 per equity share), subject to the approval of shareholders at the forthcoming Annual General Meeting. The dividend, when approved, will entail payment to shareholders of ₹ 412.50 lakhs. It will be tax free income in the hands of recipients. However, the Company's outflow towards dividend distribution tax would be to the tune of ₹ 83.98 lakhs.

#### 5. Management Discussion and Analysis

##### A. Business Overview

###### Zinc carbon batteries

Zinc carbon share of organized manufacturers is estimated to have registered steep fall to the extent of 90% of previous year's volumes. Demonetization dented the purchase and sales which lead to reduction in its production quantity. Its impact on secondary sales is forecasted to be at 98%.

Your Company has successfully maintained its market share at secondary sales level. Significant factor which has affected the sales turnover is the shift in consumer preference from high value D size batteries towards low priced AA / AAA size batteries due to change in usage pattern in various appliances. Maintaining the trend in the FY 2016-17 also, D Size share continues to drop, AA Size continues to dominate the volume share and AAA Size continues to be fast-growing.

###### Alkaline batteries

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

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

In the FY 2016-17, your Company has successfully clinched orders of Alkaline AA for the electronic voting machine which have been successfully executed recently.

###### Flashlights

Flashlight market is shared equally by organized and unorganized sectors. Coupled with weak monsoon and cash liquidity crunch faced by consumers and traders in rural markets, flashlight segment is estimated to have de-grown and registered sales around 85% in the organized sector.

Your Company has achieved sales of 73% compared to the previous year sales. The Company foresees large opportunity in qualitative flash light market especially in growing E-Commerce and Modern trade business. We have a plan to launch high end products in the FY 2017-18 to cater to this growing market.

###### Rechargeable batteries

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

Your Company has successfully marked its presence in marketing and sales of high quality "eneloop" brand of rechargeable batteries and chargers. The Company intends to aggressively face the challenges from cheap imported products.

Dealers and consumers appreciate the quality & superiority of our rechargeable batteries but are attracted by huge margins and low offer rates of low value imported rechargeable batteries.

##### B. Industry Structure and Development

Organized battery industry has experienced sharp fall in its sales and revenue in the FY 2016-17. It was also affected by change in the buying preferences of the consumer especially, "D Size" batteries.

However, the Company foresees positive impacts of demonetization, introduction of GST and slow but steady shift towards Alkalization of Indian market. The Company also witnessed growing trend of other categories of cylindrical / coin batteries like lithium batteries.

Your Company has successfully started exports and launched Zinc Carbon, AA/AAA/R20 batteries in the neighbouring country, Nepal. Your Company shall continue their efforts in this direction.

###### Marketing and Distribution

During the year, your Company has successfully launched 100% Eco friendly batteries. After elimination of lead, now your company is the only Company in India to claim 100% Eco friendly battery manufacturer. Panasonic Batteries have now 0% Mercury, Cadmium and lead contents in its batteries. In order to educate the sales team members and trade partners, educative programs were undertaken. On its launch programme, Company organized press meets at Company's home towns at Vadodara and Indore wherein, all prominent media agencies attended the press meet and welcomed the initiative taken by your Company.

Your Company is also pleased to inform that for the first time in the history, your Company has appointed Olympic Silver Medalist, Badminton player, Ms. P.V.Sindhu for promoting Panasonic brand of Alkaline batteries. We are planning to have aggressive promotion and publicity campaign to promote Alkaline batteries in the FY 2017-18.

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

### **C. Opportunities and threats**

#### Opportunities

Presently, per capita consumption of batteries in India continues to remain quite low as compared to other developed countries. It indicates potential for higher future growth. 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

Import of huge quantity of low performance cheap Chinese batteries poses a big threat to the organized sector of the industry. It not only poses more pressure on the pricing of economy range of batteries but also augments price competition giving lower operating margins which leaves less scope for research and development.

### **D. Risks & Concerns**

Continuous upward trend in raw material cost and fluctuating valuation of rupee are matters of concern for the Indian economy including battery industry. During the FY 2016-17, the average price of key raw materials viz. EMD, NMD, Carbon Rods, Acetylene Black, Separator papers etc. have remained lower as compared to the FY 2015-16 with exception of Zinc, Tin Plate & PVC Resins.

During the year, the major impact in direct material cost has come from main material Zinc & Tin Plates whose average price stayed around 105% as compared to the FY 2015-16. In the same period, your company also had to face tough challenge of negotiating the weakening Indian rupee against USD, with the highest customs exchange rate touched the level of INR 69.40 per USD in the month of Dec-2016. In summary, the landed cost of import materials shot up abnormally due to the exchange rate effect alone and the average price impact was seen about 103% as compared to the FY 2015-16.

### **E. 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.

Further, implementation of GST during the FY 2017-18 is likely to create a uniform Indian market, improve tax compliance and governance which will boost investment and growth. The Government is also taking various steps simultaneously to boost rural income which will also have positive impact on consumer purchasing power in rural Indian markets.

### **F. Internal Financial Controls**

The Company has an internal control system commensurate with the size and scale of its operations. The internal financial controls are adequate and operating effectively so as to ensure orderly and efficient conduct of business operations. The internal auditor of an independent firm of Chartered Accountants 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 Internal Auditor's Reports, the Company undertakes corrective actions, thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board for their review.

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

Your directors wish to place on record their appreciation to all its employees for their sustained efforts and valuable contribution. Your Company is very much concerned of the employees to provide them safe and accident free environment with a motto "Safety First" at the working place.

The total employee strength of the Company as on March 31, 2017 stood at 827.

### **H. Research & Development**

The goal of your Company is to provide the products with latest technology as desired by the customers with additional feature of eco-friendly & safe usage in their appliances. The usage pattern of appliances is changing very fast. Changes in the products are to be carried out either based on need of customer or by Company as additional feature to delight the customer without extra cost.

Keeping the above objective in mind, research and development activities were focused towards manufacturing

of Lead free batteries without affecting the quality and cost of the products. By elimination of Lead from all zinc carbon batteries, all the products have become eco-friendly with the support of Panasonic Corporation.

Further, during the year under review, your Company developed new source for recycling the waste generated out of manufacturing activities. This resulted into increase of recycle rate as per the guidelines of the collaborator.

**6. Corporate Governance**

As per requirement of SEBI (LODR) Regulations, 2015, 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.

**7. 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")

**8. 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.

**9. Directors' Responsibility Statement**

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

- (a) that in the preparation of the annual accounts for the year ended March 31, 2017 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, 2017 and of the profit and loss of the Company for the year ended on that date;
- (c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors had prepared the annual accounts on a going concern basis;
- (e) that the Directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**10. Declaration by Independent Directors**

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 SEBI (LODR) Regulations, 2015.

**11. Nomination & Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, senior management and their remuneration. The details of the remuneration policy are stated in the corporate governance report.

**12. Auditor's Report**

No qualifications or adverse remarks have been made by any of the Auditors in their report.

**13. Related Party Transactions**

All related party transactions that were entered into during the financial year were on arm's length basis and majority of those transactions were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions were placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and a statement giving details of all related party transactions was placed before the Audit Committee and the Board of Directors for their approval on quarterly basis.

The policy on related party transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The particulars of contracts or arrangements with related parties given in Form AOC-2 are annexed herewith. (Ref. "Annexure-B")

### 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-C")

### 15. Corporate Social Responsibility

During the year under review, as part of its initiatives under corporate social responsibility (CSR), the Company has expanded its activities and participated in the projects in the areas of eradication of hunger, health, hygiene, medical to specially abled people 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-D")

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

The Company has been employing about 20 women employees in various cadres within the factory premises. The Company has constituted an Anti-harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaint Committee has also been set up to redress complaints received regularly. All female employees are covered under the policy. No complaints are received from any employee during the FY 2016-17 and hence, no complaints are outstanding as on March 31, 2017 for redressal.

### 17. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and schedule IV of SEBI (LODR) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its committees. The Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The Board of Directors expressed their satisfaction with the evaluation process.

### 18. Directors

In accordance with the succession planning of Mr. S. K. Khurana, Mr. Mikio Morikawa had been inducted on the Board of the Company as Joint Managing Director effective from July 01, 2015 subject to approval of the Central Government.

But due to non-availability of employment visa, his approval as Joint Managing Director was rejected by the Central Government and the Board had to re-designate him as Non-executive Director of the Company w.e.f. January 28, 2016.

Thereafter the Board decided to appoint Mr. Morikawa as Managing Director of the Company w.e.f. October 01, 2016 which was approved by the members at the 44<sup>th</sup> Annual General Meeting of the Company. Due to certain circumstances, Mr. Khurana could not complete the term and tendered resignation from his position w.e.f. July 31, 2016.

Consequent to that, the Board had decided to pre-pone the appointment of Mr. Morikawa and appointed him as Chairman & Managing Director w.e.f. August 01, 2016 subject to the approval of the Members and the Central Government. The appointment of Mr. Morikawa had been approved by the members by way of resolution passed by postal ballot in October 2016 which was also approved by the Central Government vide letter dated March 01, 2017.

As per the provisions of the Companies Act, 2013, Mr. Morikawa, Chairman & Managing Director, retires by rotation and being eligible, offers himself for re-appointment and his retirement by rotation shall not tantamount to termination of his agreement with the Company as Chairman & Managing Director.

Mr. Chiaki Kidani had resigned from the Board w.e.f. April 01, 2017. The Board had placed on record its appreciation for the valuable contribution provided by Mr. Kidani during his tenure as Director of the Company. The Board appoints Mr. Kazuo Tadanobu as Additional Director w.e.f. May 30, 2017.

As required by SEBI (LODR) Regulations, 2015, 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 Directors recommend all the resolutions placed before the members relating to appointment of the Directors for their approval.

### 19. Statutory Auditors

The Company's Auditors, M/s K. C. Mehta & Co., Chartered Accountants, Vadodara, have already been appointed for a term of three years subject to ratification by shareholders at every Annual General Meeting and as per the provisions of the Companies Act, 2013 their tenure as Statutory Auditors expires at the conclusion of 45<sup>th</sup> Annual General Meeting. The Board on the recommendation of the Audit Committee had approved the appointment of M/s B S R & Associates LLP as Statutory Auditors for a period of 5 years from the conclusion of 45<sup>th</sup> Annual General Meeting till the conclusion of 50<sup>th</sup> Annual General Meeting of the Company. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed thereunder for appointment as Auditors of the Company. As required under SEBI (LODR) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

**20. Cost Auditors**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Diwanji & Co. to audit the cost accounts of the Company for the FY 2016-17 on a remuneration of ₹ 1,25,000/-. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s. Diwanji & Co., Cost Auditors is included at Item No. 5 of the Notice convening the Annual General Meeting.

**21. 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., a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The secretarial audit report is annexed herewith as "Annexure-E".

**22. Subsidiaries**

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

**23. Deposits**

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

**24. Disclosure under Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014**

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

**25. Significant and Material Orders passed by the Regulators or Courts**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**26. Acknowledgment**

Your Directors have pleasure to acknowledge the continued and wholehearted support received from all its trade partners, valued customers and vendors.

Directors also place on record sincere appreciation of the commitment and enthusiasm of all employees.

Directors also place on record sincere gratitude and deep appreciation to our promoters "Panasonic Corporation, Japan" and to all our valued stakeholders.

For and on behalf of the Board

Mikio Morikawa  
Chairman & Managing Director

Vadodara,  
May 30, 2017

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

Extract of Annual Return

As on the financial year ended 31.3.2017

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

**Form No. MGT - 9**

**I. REGISTRATION AND OTHER DETAILS:**

1	CIN	L31400GJ1972PLC002091
2	Registration Date	24.05.1972
3	Name of the Company	Panasonic Energy India Co. Ltd.
4	Sub Category of the Company	Company having share capital
5	Address of the Registered Office & contact details	G.I.D.C. Makarpura, Vadodara – 390 010 Tel. No. 0265-2642661-62
6	Whether listed Company	Yes
7	Name and Address of Registrar & Transfer Agents, if any	Link Intime India Pvt. Ltd. B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radha Krishna Char Rasta, Akota, Vadodara – 390 020 Tel. No. 0265-2356573 / 2356794

**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	3622	92

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

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	% OF SHARES HELD	APPLICABLE SECTION	HOLDING/ SUBSIDIARY/ ASSOCIATE
1	Panasonic Corporation	Foreign Company	58.06	2(46)	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, 2016]				No. of shares held at the end of the year [As on March 31, 2017]				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub – Total (A) (1)</b>	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate (Foreign Promoter)	4354144	-	4354144	58.06	4354144	-	4354144	58.06	-
d) Banks FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>4354144</b>	-	<b>4354144</b>	<b>58.06</b>	<b>4354144</b>	-	<b>4354144</b>	<b>58.06</b>	-



Category of Shareholders	No. of shares held at the beginning of the year [As on April 01, 2016]				No. of shares held at the end of the year [As on March 31, 2017]				% 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	-	525	525	0.01	42442	525	42967	0.57	0.56
b) Banks / FI	73	75	148	0.00	73	75	148	0.00	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	295288	300	295588	3.94	295288	300	295588	3.94	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>295361</b>	<b>900</b>	<b>296261</b>	<b>3.95</b>	<b>337803</b>	<b>900</b>	<b>338703</b>	<b>4.51</b>	<b>0.56</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	168818	168915	337733	4.50	302225	168915	471140	6.28	1.78
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	1471963	396850	1868813	24.92	1413906	385716	1799622	24.00	-0.92
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	289731	118319	408050	5.44	212214	118319	330533	4.41	-1.03
<b>c) Others (specify)</b>									
Non Resident Indians	85779	-	85779	1.14	73105	-	73105	0.97	-0.42
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Other Directors	4524	264	4788	0.06	-	264	264	0.00	-0.06
Clearing Members	15531	-	15531	0.21	18286	-	18286	0.24	0.03
Trust	28	-	28	-	28	-	28	0.00	-
HUF	128873	-	128873	1.72	114175	-	114175	1.52	-0.20
Foreign Bodies-DR	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>2165247</b>	<b>684348</b>	<b>2849595</b>	<b>37.99</b>	<b>2133939</b>	<b>673214</b>	<b>2807153</b>	<b>37.42</b>	<b>-0.57</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2460608</b>	<b>685248</b>	<b>3145856</b>	<b>41.94</b>	<b>2471742</b>	<b>674114</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>6814752</b>	<b>685248</b>	<b>7500000</b>	<b>100.00</b>	<b>6825886</b>	<b>674114</b>	<b>7500000</b>	<b>100.00</b>	<b>-</b>

## Panasonic Energy India Co. Ltd.

### (ii) Shareholding of Promoter

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

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

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

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

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Acacia partners. LP	207474	2.76	207474	2.76
2	Punj-Lloyd Private Ltd.	166920	2.22	166920	2.22
3	Priyanka Finance Private Limited	-	-	125000	1.67
4	Vijay Kishanlal Kedia	93004	1.24	93004	1.24
5	Acacia Banyan Partners	85800	1.14	85800	1.14
6	Uday Prakash Punj	80099	1.07	80099	1.07
7	Alembic Limited	72824	0.97	72824	0.97
8	N. Rangappa	54800	0.73	61200	0.82
9	Mauryan First	-	-	42442	0.57
10	Madan Daulatram Bahal	53514	0.71	-	-
11	Atul Prakash Punj	38220	0.50	38220	0.50
12	Dhruti Madhup Rathi	31182	0.41	-	-
13	Lincoln P Coelho	30000	0.40	-	-
	Date wise Increase / Decrease in Share holding 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. Gautam Punj	264	0.001	264	0.001
3	Ms. Geeta Goradia	-	-	-	-
4	Mr. Mayur Swadia	-	-	-	-
5	Mr. Atul Dalmia	500	0.007	-	-
6	Mr. Chiaki Kidani	-	-	-	-
7	Mr. Anjan Shah, DGM (Finance)	-	-	-	-
8	Ms. Susheela Maheshwari, Company Secretary	2	-	2	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Transfer			
	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>				

NA

# Panasonic Energy India Co. Ltd.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. S. K. Khurana Chairman & Managing Director (Till 31.07.2016)	Mr. Mikio Morikawa Chairman & Managing Director (From 01.08.2016)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36.04	36.12	72.16
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.61	3.10	3.71
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	9.57	17.00	26.57
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit (1%) - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	46.22	56.22	102.44
	Ceiling as per the Act	28.00	56.00	84.00

### B. Remuneration to other directors

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total
1	Independent Directors	Mr. Punj	Ms. Goradia	Mr. Swadia	Mr. Dalmia	
	Fees for attending Board / Committee Meeting	40000	240000	180000	220000	680000
	Commission	179765	179765	179765	179766	719061
	Others, please specify	-	-	-	-	-
	Total (1)	219765	419765	359765	399766	1399061
2	Other non-executive Directors	Mr. Kidani				
	Fees for attending Board / Committee Meeting	-				
	Commission	179766				179766
	Others, please specify	-				-
	Total (2)	179766				179766
	Total (1)+(2)					1578827
	Total Managerial Remuneration					*898827
	Overall ceiling as per the Act					*898827

\* Commission to all non-executive directors being 1% of the net profit of the Company for FY 2016-17.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD** (₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Anjan Shah CFO	Ms. Susheela Maheshwari CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.01	4.66	11.67
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	0.42	0.42
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	4.47	3.95	8.42
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others specify...	-	-	-
5	Others, please specify	-	-	-
	Total	11.48	9.03	20.51

**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**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm’s length basis :** Not Applicable

**2. Details of contracts or arrangements or transactions at arm’s length basis :** (₹ in Lakhs)

Sr. No.	Name Of Related Party	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements/ transactions	Terms of the contracts	Value of contract	Date(s) of approval by the Board
1	Panasonic Carbon India Co. Ltd.	Purchase - Carbon Rods	Yearly	Prevailing market price	738.03	11/2/2016
2	Panasonic Corporation	Purchase - Spares/ Dies	Yearly	Prevailing market price	0.73	11/2/2016
		Services - royalty & trademark license fees	10 & 5 Years Respectively	Mutually agreed terms	625.21	11/2/2016
		Service - IT services - group mail, warp & Gpclm	Yearly	Mutually agreed terms	5.11	11/2/2016
		Expenses incurred on behalf of the Company	Yearly	Mutually agreed terms	61.29	11/2/2016
		Service - Reimbursement of brand awareness expenses	Yearly	Mutually agreed terms	229.00	11/2/2016
3	Panasonic Energy (Shanghai) Co. Ltd.	Purchase - Dry Cell	Yearly	Prevailing market price	162.67	11/2/2016
		Purchase -Dies	Yearly	Prevailing market price	1.57	11/2/2016
4	Panasonic Energy (Thailand) Co. Ltd.	Purchase - Alkaline Batteries	Yearly	Prevailing market price	199.17	11/2/2016
5	Panasonic India Pvt. Ltd.	Service - IT Network	Yearly	Mutually agreed terms	7.88	11/2/2016
		Sale- Dry Cell	Yearly	Prevailing market price	6.33	11/2/2016
		Service- Reimbursement of website maintenance expenses	Yearly	Mutually agreed terms	6.70	11/2/2016
6	Panasonic Asia Pacific Pte Ltd.	Purchase - Raw Material	Yearly	Prevailing market price	62.59	11/2/2016
7	Panasonic Peruana S.A.	Sale - Spares	Yearly	Prevailing market price	31.74	11/2/2016
		Payment made on behalf of the Company	Yearly	Prevailing market price	3.51	11/2/2016
8	Panasonic Energy Tanzania Co. Ltd.	Sale - Raw Material	Yearly	Prevailing market price	456.70	11/2/2016
		Sale - Spares	Yearly	Prevailing market price	0.27	11/2/2016
		Purchase- Computer	One time	Prevailing market price	0.45	11/2/2016
		Payment made by Company on behalf of	Yearly	Mutually agreed terms	7.73	11/2/2016
9	P.T. Panasonic Gobel Energy Indonesia	Purchase - Alkaline Batteries	Yearly	Prevailing market price	14.52	11/2/2016
10	Panasonic Hong Kong Co. Ltd.	Purchase - Eneloop Batteries & Charger	Yearly	Prevailing market price	2.20	11/2/2016
11	Relo Panasonic Excel Internation Co. Ltd.	Payment made on behalf of the Company	One time	Prevailing market price	1.54	11/2/2016
12	Panasonic Industrial Devices Sales (HKG) Co. Ltd.	Purchase - Eneloop Batteries & Charger	Yearly	Prevailing market price	14.11	11/2/2016
13	Panasonic Energy (Wuxi) Co. Ltd.	Purchase - Eneloop Batteries & Charger	Yearly	Prevailing market price	536.33	11/2/2016
14	Panasonic Procurement China Co. Ltd.	Purchase - Raw Material	Yearly	Prevailing market price	4.86	11/2/2016
15	Panasonic Do Brasil Limitada	Sale - Raw Material	Yearly	Prevailing market price	10.42	11/2/2016
<b>TOTAL</b>					<b>3190.66</b>	

No advance has been paid to any of the above related parties during the year.

**For and on behalf of the Board**  
**Mikio Morikawa**  
**Chairman & Managing Director**

Vadodara, May 30, 2017

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

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

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

**(A) Conservation of energy**

- (i) the steps taken or impact on conservation of energy;
- ❖ Electricity consumption of compressor reduced by 6% due to various measures taken by air saving techniques.
  - ❖ Electrical load reduction by 11 Kw by modification in various machinery processes.
  - ❖ Energy checking by internal departments to improve energy efficiency of the factory & office.
  - ❖ Implemented various production engineering techniques to improve performance of machineries.
- (ii) the steps taken by the company for utilising alternate sources of energy;
- ❖ Presently solar water heating systems are being used.
- (iii) the capital investment on energy conservation equipments;
- ❖ Capital investment on energy conservation equipment’s is to the tune of ₹ 1.7 lakhs.

**(B) Technology Absorption**

1	The efforts made towards technology absorption	Mass production of 100 % eco- friendly batteries after elimination of Lead. Efforts are made to conserve energy through adoption of innovative ideas and technology. Improvement in component design with the help of Panasonic Corporation.
2	The benefit derived like product improvement, cost reduction, product development, import substitution	Contributing to the betterment of the society by manufacturing eco-friendly batteries. Reduction of cost by using alternate raw materials without compromising the quality of the products. Reduction in emission of CO <sub>2</sub> by adopting various technologies and by implementing innovative ideas.
3	The expenditure incurred in research & development.	₹ 178.90 lakhs

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

1	Foreign Exchange Earned	₹ 502.77 lakhs
2	Foreign Exchange Outgo	₹ 4800.90 lakhs

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

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

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

CSR Policy is stated herein below:

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

2. Composition of the CSR Committee:

1. Ms. Geeta Goradia, Chairperson (Independent Director)
2. Mr. Mayur Swadia, Member (Independent Director)
3. Mr. Mikio Morikawa, Member (Chairman & Managing Director)

3. Average net profit of the Company for last three financial years : ₹ 2148.67 lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item above):

The Company is required to spend ₹ 43 lakhs towards CSR.

5. Details of CSR spent for the financial year:

- a. Total amount spent for the financial year: ₹ 43 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	Education to under privileged students in the area where Company is located. 1) Ashadeep centers 2) Kayakalp project for education and soft skill training for deserving students at Mother’s School.	Vadodara	7	7	7	7
2	Pujya Yogini Vasantdevi Smarak Trust	Medical Equipments for physiotherapy and eye treatment.	Vadodara	10	10	10	10
3	Hari Om Seva Trust	Medical support to under privileged for knee replacement, hip replacement, etc. in SSG Hospital.	Vadodara	10	10	10	10
4	Medical Care Centre Trust	Medical assistance for pediatric cancer patients in Kashiba Children Hospital.	Vadodara	5	5	5	5
5	The Akshaya Patra Foundation	Food Distribution Vehicle under Mid-day meal program for the Government school students.	Vadodara	11	11	11	11

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

**For and on behalf of the Board**  
**Mikio Morikawa**  
**Chairman & Managing Director**  
**Vadodara, May 30, 2017**

**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 Swachh 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 vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- ❖ Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- ❖ Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 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 art and handicrafts.
- ❖ Measures for the benefit of armed forces veterans, war widows and their dependents.
- ❖ Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- ❖ Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- ❖ Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- ❖ Rural development projects
- ❖ Slum area development.

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

**Secretarial Audit Report**

**(For the Financial year ended on March 31, 2017)**

**[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]**

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

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 March 31, 2017, 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 March 31, 2017, 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, 1992;
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. - Not Applicable to the Company during the Audit Period;
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable to the Company during the Audit Period;
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period;
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period; and
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable to the Company during the Audit Period;
6. Considering representation of management and products, process and location of the Company, following laws are applicable specifically to the Company. Having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws;
  - A. The Water (prevention and control of pollution) Act, 1974
  - B. The Air (Prevention and Control of Pollution) Act, 1981
  - C. The Environment (Protection) Act, 1984
  - D. The Petroleum Act, 1934

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

- (i) Secretarial Standards 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 except that the

Company has paid managerial remuneration of ₹ 11.84 lakhs in excess of the limits and approvals prescribed under Section 197 read with Schedule V to the Act to the Managing Director during the year. However, the same has been refunded back by the Managing Director to the Company on 23<sup>rd</sup> May, 2017.

**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 is 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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.

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

**Place : Vadodara  
Date : May 30, 2017**

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

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

**Annexure to Secretarial Audit Report**

Date: May 30, 2017

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 Account of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Place : Vadodara  
Date : May 30, 2017**

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

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

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

- 1 Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17:

Sr. No.	Name of Director	Ratio
1	*Mr.Mikio Morikawa - Chairman & Managing Director	30:1
2	*Mr.S.K.Khurana - Chairman & Managing Director	25:1
3	Mr.Gautam Punj	1:1
4	Ms.Geeta Goradia	2:1
5	Mr.Mayur Swadia	1:1
6	Mr. Atul Dalmia	1:1
7	Mr.Chiaki Kidani	1:1

\* Part of the year

- 2 The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, for the FY 2016-17 compared to 2015-16:

Sr. No.	Name of Director	% of increase
1	*Mr. Mikio Morikawa - Chairman & Managing Director	NA
2	Mr.S.K.Khurana - Chairman & Managing Director	-24
3	Mr.Gautam Punj - Director	-60
4	Ms.Geeta Goradia - Director	-45
5	Mr.Mayur Swadia - Director	-52
6	Mr. Atul Dalmia - Director	-45
7	Mr. Chiaki Kidani - Director	-64
8	Mr.Anjan Shah - DGM (Finance)	13
9	Ms.Susheela Maheshwari - Company Secretary	13

\* Part of the year

- 3 The Percentage increase in the median remuneration of employees in the financial year 2016-17 as compared to 2015-16 : 8.00%

4	The number of permanent employees on the roll of company :	31-03-2017	31-03-2016
		827	836

- 5 Average percentile increase in salaries of employees other than managerial personnel: 15%
- 6 The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

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

Statement of Top 10 Employees in terms of remuneration drawn											
Sr. No.	Name	Designation	Nature of Employment	Remuneration received per annum	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.Mikio Morikawa	Chairman & Managing Director	Chief Executive Officer	84,00,000	B.E.	31	01/06/2016	54	Panasonic Energy Tanzania Co. Ltd.	Nil	No
2	Mr.Osamu Tanida	Import Product Marketing Manager	Import Product Marketing	29,85,474	B.Com	6	07/12/2015	30	Panasonic Corporation	Nil	No
3	Mr.Parimal S. Vazir	General Manager	Institutional Marketing	14,00,580	B.Com, PG Diploma in Marketing Management	30	09/03/1996	52	Lloyd Rockfibres Ltd.	Nil	No
4	Mr.Prasad D. Joshi	General Manager	Factory Head - Pithampur	13,13,580	B.E. (Electrical), PG Diploma in HRM	36	01/06/1989	56	M/s. Arun Kumar Jain & Co.	Nil	No
5	Mr.Hans Raj Sheoran	Deputy General Manager	Sales	11,51,640	B.A.	34	01/03/2004	53	Lakhanpal Pvt. Ltd.	Nil	No
6	Mr.Anjan R. Shah	Deputy General Manager	Finance	11,44,740	B.Com	28	18/04/2011	52	Jord Engineers India Ltd.	Nil	No
7	Mr.ChetanKumar D. Mistry	Deputy General Manager	Development & Quality Assurance and Quality Control	11,23,080	Diploma in Mechanical Engineering	37	25/12/1979	57	N.A.	Nil	No
8	Mr.Raju R. Desai	Deputy General Manager	Marketing	11,01,360	B.Com, Diploma in Marketing & Sales Management	35	28/05/1982	58	Apar Pvt.Ltd.	Nil	No
9	Mr.Gulam Ali Badshah	Deputy General Manager	Personnel - Pithampur	10,94,940	M.Com, PG Diploma in Personnel Management & Industrial Relations	32	08/06/1989	59	Gajara Bevel Gears Ltd.	Nil	No
10	Mr.Sunil S. Shah	Deputy General Manager	Materials	10,80,540	B.Sc.	36	04/09/1981	56	N.A.	Nil	No

# Panasonic Energy India Co. Ltd.

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

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

## 2. BOARD OF DIRECTORS

The Company has a balanced structure of Board of Directors which is in conformity with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on March 31, 2017 the Board comprises of six Directors (Five being Non-Executive Directors), of which four Directors are the Independent Directors. The Non-Independent Directors include a Chairman & Managing Director and one Promoter 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 respective fields. They actively participate in the Board and Committee Meetings which is a great value addition in the decision making process.

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

During the year ended on March 31, 2017, four Board Meetings were held on following dates.

May 24, 2016, July 28, 2016, October 27, 2016 and February 08, 2017. The last Annual General Meeting was held on July 28, 2016.

Composition and category of Directors, attendance of each Director at Board Meetings and the last AGM, number of other companies on the Board (excluding private limited companies, foreign companies and section 8 companies) or committees (only Audit Committee and Stakeholders Relationship Committee included) of which, a Director is a member or chairman is as under:

Name of the Director	Category of Director	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships held in Public Companies	No. of Audit Committees and Shareholders/ Investors Grievance Committees	
					Chairman	Member
Mr. Mikio Morikawa (w.e.f. 01.08.2016)	Chairman & Managing Director	4/4	Yes	1	-	2
Mr. S. K. Khurana (Till 31.07.2016)	Chairman & Managing Director	2/4	Yes	1	-	2
Mr. Gautam Punj	Non-Executive (Independent)	1/4	Yes	1	1	-
Ms. Geeta Goradia	Non-Executive (Independent)	4/4	Yes	4	-	3
Mr. Mayur Swadia	Non-Executive (Independent)	4/4	Yes	1	1	1
Mr. Atul Dalmia	Non-Executive (Independent)	4/4	Yes	2	-	1
Mr. Chiaki Kidani	Non-Executive (Non Independent)	2/4	Yes	2	-	-

## 3. COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee. The terms of reference of these Committees are determined by the Board and their relevance is being reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairperson of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

## A) Audit Committee

### Terms of Reference

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 terms of reference of the Audit Committee are in conformity with the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. Some of the important functions performed by the Committee are:

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

### Composition

The Audit Committee was constituted by the Board of Directors at its meeting held on January 23, 2001 and was reconstituted from time to time. The Committee comprises of 3 Independent Directors and 1 Non-Independent Director.

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 (w.e.f. 01.08.2016)	Member	4	2
5	Mr. S. K. Khurana (Till 31.07.2016)	Member	4	2

The Company's Internal Auditors, Statutory Auditors and head of finance department generally remain present at the Audit Committee meetings. The Company Secretary acts as the secretary of the Audit Committee. Mr. Mayur Swadia, Chairman of the Audit Committee was present at the 44<sup>th</sup> Annual General Meeting of the Company held on July 28, 2016.

## B) Nomination & Remuneration Committee

### Terms of Reference

In compliance with Section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee recommends the appointment, re-appointment and remuneration payable to Executive Directors. The packages are determined by the committee keeping in view (i) financial position of the Company; (ii) trends in the industry; (iii) appointee's qualification, experience, past performance and past remuneration etc.

Some of the important functions performed by the committee are given below.

- ❖ Succession planning of the Board of Directors and senior management employees.
- ❖ Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria.
- ❖ Identifying potential individuals for appointment as key managerial personnel and to other senior management positions.
- ❖ Formulate and review from time to time the policy for selection and appointment of Directors, key managerial personnel and senior management employees and their remuneration.
- ❖ Review the performance of the Board of Directors and senior management employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and senior management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent.

## Composition

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

The present composition of the Nomination & Remuneration 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	Mr. Gautam Punj	Member	3	1
3	Ms. Geeta Goradia	Member	3	3
4	Mr. Mikio Morikawa (w.e.f. 01.08.2016)	Member	3	0
5	Mr. S. K. Khurana (Till 31.07.2016)	Member	3	1

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

## Remuneration Policy

### A. Role of Nomination and Remuneration Committee:

- ❖ To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- ❖ To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- ❖ To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on the performance.
- ❖ To recommend to the Board on (i) policy relating to remuneration for Directors, key managerial personnel and senior management and (ii) Executive Directors remuneration and incentive.
- ❖ To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- ❖ To ensure that level and composition of remuneration is reasonable and sufficient and relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- ❖ To devise a policy on Board diversity.
- ❖ To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- ❖ To perform such other functions as may be necessary or appropriate for the performance of its duties.

### B. Nomination Duties

- ❖ Ensuring that there is an appropriate induction & training program in place for new Directors and members of senior management and reviewing its effectiveness.
- ❖ Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the guidelines provided under the Companies Act, 2013.
- ❖ Identifying and recommending Directors who are to be put forward for retirement by rotation.
- ❖ Determining the appropriate size, diversity and composition of the Board.
- ❖ Setting a formal and transparent procedure for selecting new Directors for appointment to the Board.
- ❖ Developing a succession plan for the Board and senior management and regularly reviewing the plan.
- ❖ Evaluating the performance of the Board members and senior management in the context of the Company's performance from business and compliance perspective.
- ❖ Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- ❖ Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- ❖ Recommend any necessary changes to the Board.
- ❖ Considering any other matters as may be requested by the Board.

### C. Remuneration Duties

- ❖ To consider and determine the remuneration policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate.



- ❖ To approve the remuneration of the senior management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- ❖ To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- ❖ To consider any other matters as may be requested by the Board.
- ❖ Professional indemnity and liability insurance for Directors and senior management.

#### Executive Directors' Compensation

##### (i) Pecuniary Relationships

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

In compliance with the requirements of Accounting Standard 18 (AS-18) issued by ICAI, transactions with related parties have been furnished under Note No. 32 of notes to the accounts of the financial statements.

##### (ii) Remuneration to Executive Directors

The remuneration of Chairman & Managing Director comprises of salary, perquisites and contribution to provident & superannuation funds.

Sr. No.	Name & Designation	Salary	Perquisites	Contribution to PF & other funds [Exempted Perks]	Total
		(₹) (A)	(₹) (B)	(₹) (C)	(₹) (D=A+B+C)
1	Mr. Mikio Morikawa Chairman & Managing Director (w.e.f. 01.08.2016)	35,89,623	20,10,377	85,292	*56,85,292
2	Mr. S. K. Khurana Chairman & Managing Director (Till 31.07.2016)	9,90,000	10,17,562	2,67,300	22,74,862
	<b>Total</b>	<b>42,79,623</b>	<b>30,27,939</b>	<b>3,52,592</b>	<b>79,60,154</b>

#### Note:

- 1) The aforesaid figures exclude the accruals for gratuity as it is funded on the basis of an actuarial valuation of the Company as a whole.
- 2) The Chairman & Managing Directors were not paid any sitting fees.
- 3) \*Refer Note No. 15 of notes to the accounts of the financial statements.

##### (iii) Remuneration to Non - Executive Directors and number of shares held by them

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)	No. of shares (Nos.) (D)
1	Mr. Gautam Punj	Independent	40,000	179765	219765	264
2	Ms. Geeta Goradia	Independent	2,40,000	179765	419765	-
3	Mr. Mayur Swadia	Independent	1,80,000	179765	359765	-
4	Mr. Atul Dalmia	Independent	2,20,000	179766	399766	-
5	Mr. Mikio Morikawa	Non-Independent	-	-	-	-
6	Mr. Chiaki Kidani	Non-Independent	-	179766	179766	-

No Severance fee was paid to Executive Director during the year. The Company has not issued stock options to any of its Directors.

#### C) Stakeholders' Relationship / Grievance Committee

##### Terms of Reference

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

## Composition

The Committee comprises of 2 Independent Directors and 1 Non-Independent Director. The present composition of the Committee is as under:

Sr. No.	Name of Member	Status
1	Mr. Gautam Punj	Chairman
2	Mr. Mayur Swadia	Member
3	Mr. Mikio Morikawa (w.e.f. 01.08.2016)	Member
4	Mr. S. K. Khurana (Till 31.07.2016)	Member

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

During the year under review, the Company has received two complaints of shareholders and the same have been resolved to the satisfaction of the shareholder. However, the Company had also received 170 requests for change in address, registration of NECS mandate, re-validation of dividend warrants etc. and all the requests have been fully attended by the Company.

No investor correspondence remains unattended for more than 30 days.

## D) Corporate Social Responsibility Committee

### Terms of Reference

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

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- ❖ To formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- ❖ To recommend the amount of expenditure to be incurred on the CSR activities; and
- ❖ To monitor the corporate social responsibility policy of the Company from time to time.

### Composition

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

Sr. No.	Name of Member	Status	No. of Meetings Held	No. of Meetings Attended
1	Ms. Geeta Goradia	Chairperson	1	1
2	Mr. Mayur Swadia	Member	1	1
3	Mr. Mikio Morikawa (w.e.f. 01.08.2016)	Member	1	1
4	Mr. S. K. Khurana (Till 31.07.2016)	Member	1	0

## 4. GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings & special resolutions passed are given below:

Financial Year	Date & Time	Venue	Special Resolutions passed
2013-14 (42 <sup>nd</sup> AGM)	July 28, 2014 11.00 AM	C.C. Mehta Auditorium, M.S. University, Vadodara	Increase in remuneration of Mr. S. K. Khurana w.e.f. October 01, 2013 to September 30, 2014.
2014-15 (43 <sup>rd</sup> AGM)	July 24, 2015 11.00 AM	C.C. Mehta Auditorium, M.S. University, Vadodara	No special resolution was passed.
2015-16 (44 <sup>th</sup> AGM)	July 28, 2016 11.00 AM	C.C. Mehta Auditorium, M.S. University, Vadodara	No special resolution was passed.

All the aforesaid resolutions were passed by e-voting.

### Postal Ballot Resolution

No special resolution through postal ballot was passed during the year 2016-17.

## 5. DISCLOSURES

### a) Related Party Transaction

All transactions entered into with related parties as defined under the Companies Act, 2013 and regulation 23

of the SEBI (LODR) Regulations, 2015 during the financial year were on arm's length basis and majority of those transactions were in the ordinary course of business. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the accounting standards (AS18) have been made in the notes to the financial statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

**b) Non Compliance**

There were 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.

**c) Vigil Mechanism / Whistle Blower Policy**

The Company had established a vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of Director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The details of establishment of such mechanism have been posted by the Company on its website. None of the Directors and employees of the Company has been denied access to the Audit Committee.

**d) CEO & CFO Certification**

The Company has complied with and adopted the mandatory requirements stipulated under regulation 17(8) of SEBI (LODR) Regulation, 2015. The Company has obtained CEO & CFO certificate from the Chairman & Managing Director and the person heading the finance function in terms of the said regulation.

**e) Share Capital Audit**

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

**f) Accounting Standards**

The accounting standards laid down by the Institute of Chartered Accountants of India which are applicable to the Company, were followed by the Company in preparation of the financial statements of the Company.

**g) Audit Qualifications**

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

**6. Code of Conduct**

**a) Code of Conduct for Directors and Senior Management Personnel**

The Company has laid down the rules for code of conduct for the members of the Board and senior management personnel of the Company. The code of conduct has also been posted on Company's website ([www.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, 2017. A declaration to this effect duly signed by the Chairman & Managing Director forms part of this Annual Report.

**b) Code of Conduct for Prevention of Insider Trading**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a code of conduct for prevention of insider trading w.e.f. May 15, 2015.

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

**7. MEANS OF COMMUNICATIONS**

**a)** Quarterly, half yearly and annual audited results have been submitted to BSE as well as published in dailies having wide coverage in English & vernacular language.

**b)** The results are also uploaded on the Company's website ([www.panasonicenergyindia.in](http://www.panasonicenergyindia.in)).

**c)** Management Discussion & Analysis forms part of the annual report which is posted to the shareholders of the Company.

## Panasonic Energy India Co. Ltd.

### 8. PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING 45<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY

<b>Name of the Director</b>	: Mr. Kazuo Tadanobu
<b>Date of Birth</b>	: January 14, 1968
<b>Educational Qualification</b>	: Master of Chemistry, Hiroshima University.
<b>Specific functional Area</b>	: Company Executive
<b>Brief Resume of the Director</b>	: Mr. Kazuo Tadanobu joined Panasonic Corporation in 1992. During his 25 years of tenure, he has been in-charge of various business divisions.
<b>Shareholding of the Director</b>	: Nil
<b>Other directorships held</b>	: <p><b>Public Companies</b> Panasonic Carbon India Co. Ltd.</p> <p><b>Private Companies</b> NIL</p> <p><b>Foreign Companies</b> Panasonic Energy Belgium N.V. Panasonic Energy Poland S.A. Panasonic Energy Europe N.V. Panasonic Energy Corporation of America Panasonic Energy Tanzania Co. Ltd. Panasonic Energy Thailand Co. Ltd. Panasonic Energy Shanghai Co. Ltd. Panasonic Energy Wuxi Co. Ltd. PT. Panasonic Gobel Energy Indonesia Panasonic Carbon Anyang Co. Ltd. Panasonic Storage Battery Shenyang Co. Ltd</p>
<b>Other Committees of Directors where membership held</b>	: None

### 9. GENERAL SHAREHOLDER'S INFORMATION

#### a) Annual General Meeting

Day, date and time	Thursday, August 10, 2017 at 10.00 A.M.
Venue	C. C. Mehta Auditorium, M.S. University, Sayajigunj, Vadodara - 390 005.

#### b) Financial Calendar

For the financial year 2017-18, financial results will be announced as per the following tentative schedule:

1 <sup>st</sup> quarter ended on June 30, 2017	Third week of July, 2017
2 <sup>nd</sup> quarter ended on September 30, 2017	Third week of October, 2017
3 <sup>rd</sup> quarter ended on December 31, 2017	Third week of January, 2018
Audited financial results for the year ended on March 31, 2018	Third week of May, 2018

#### c) Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Friday, August 4, 2017 to Thursday, August 10, 2017 (both days inclusive).

#### d) Dividend payment date

The dividend for the financial year 2016-17 shall be declared under agenda No. 2 of the forthcoming 45<sup>th</sup> Annual General Meeting scheduled on August 10, 2017. The mandate date on the dividend warrants shall be August 28, 2017.

#### 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 2017-18 to BSE.

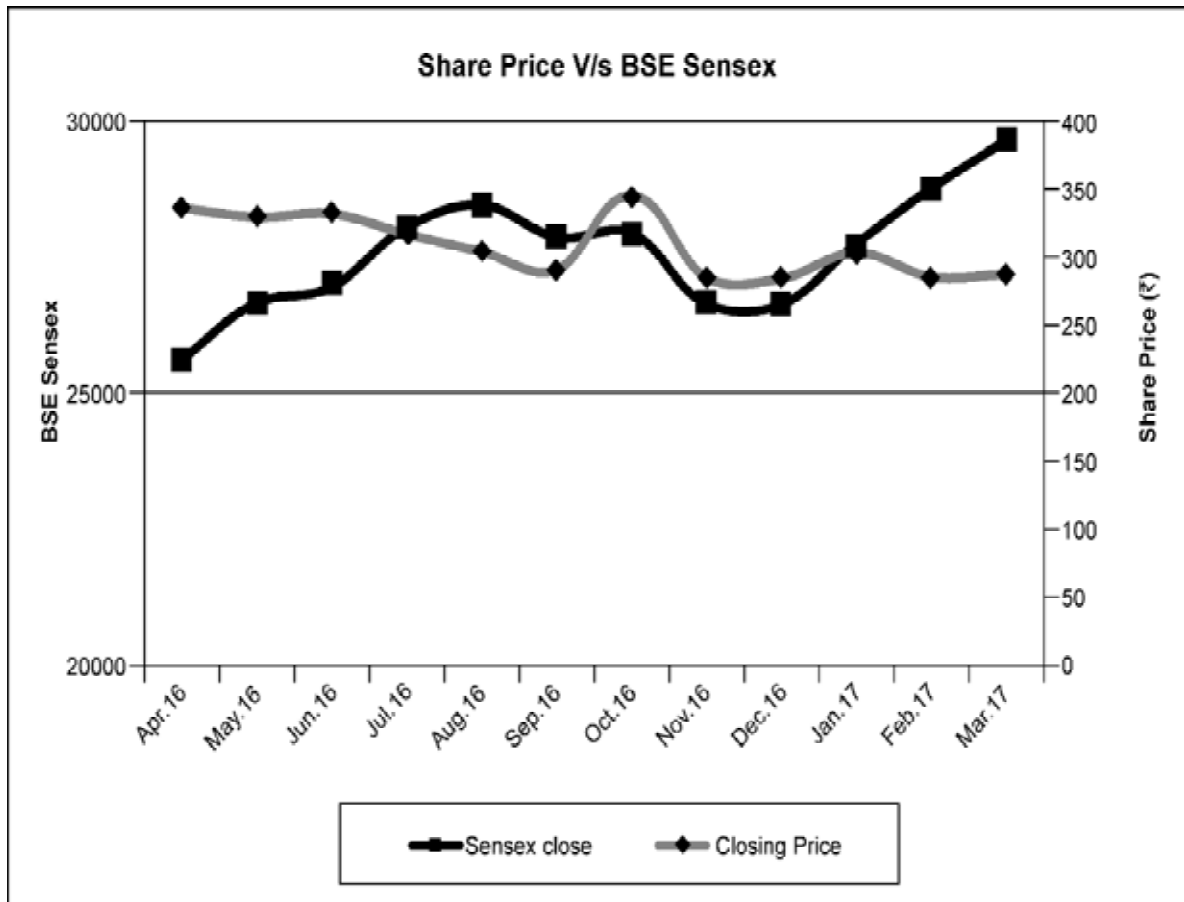
#### f) Stock Code

The BSE Ltd.	504093
International Securities Identification No. (ISIN)	INE795A01017

g) Market price data for the year 2016-17 of the Company on BSE

Month	Months High price (₹)	Months low price (₹)	Sensex	
			High	Low
April' 16	341.10	293.00	26100.54	24523.20
May'16	345.00	302.00	26837.20	25057.93
June'16	363.00	315.50	27105.41	25911.33
July'16	383.50	317.00	28240.20	27034.14
August'16	331.00	291.00	28532.25	27627.97
September'16	314.80	282.00	29077.28	27716.78
October'16	365.00	290.00	28477.65	27488.30
November'16	345.90	263.00	28029.80	25717.93
December'16	295.00	265.10	26803.76	25753.74
January'17	338.90	276.10	27980.39	26447.06
February'17	327.50	275.15	29065.31	27590.10
March'17	299.80	235.00	29824.62	28716.21

h) Company's closing share price movement during the financial year 2016-17 on BSE vis-à-vis Sensex



i) Registrar & Transfer Agent

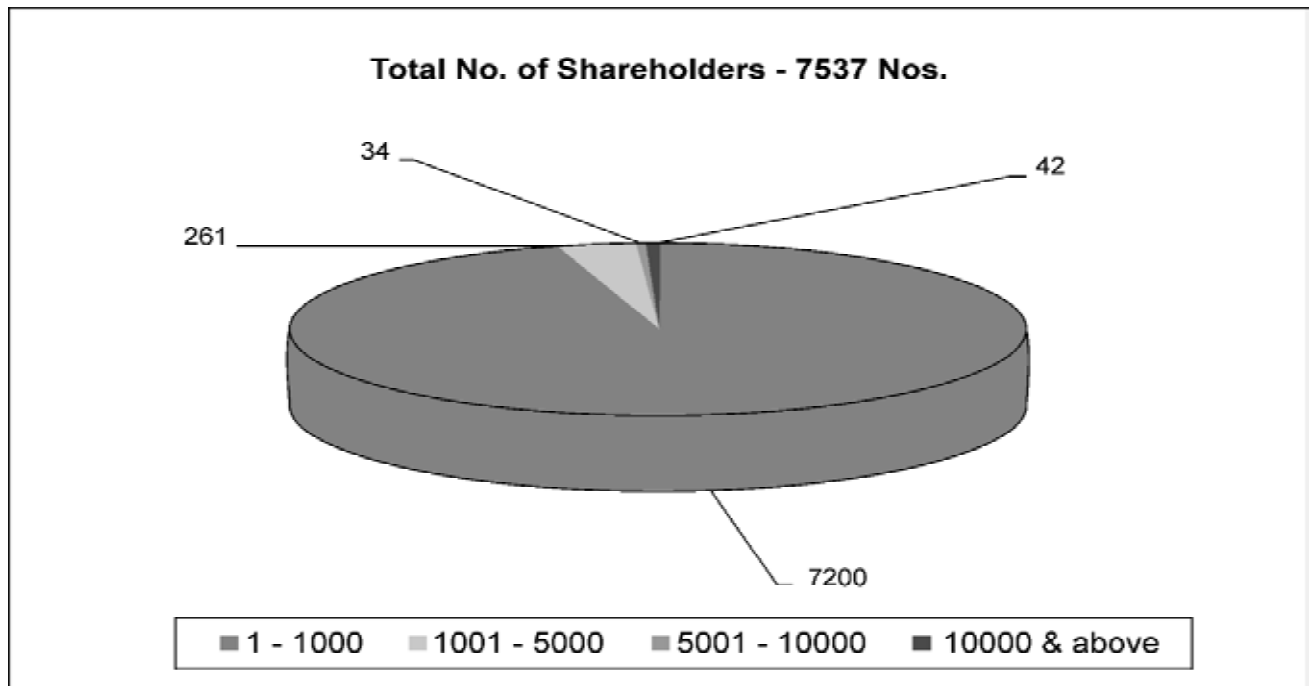
Share transfer, dividend payment and all other investor related matters are being attended and processed by our Registrar and Share Transfer Agent (RTA) viz. Link Intime India Pvt. Ltd. The address of RTA has been given in the clause correspondence address in the Corporate Governance Report.

j) Share Transfer System

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

## Panasonic Energy India Co. Ltd.

### k) Distribution of shareholding as on March 31, 2017



### l) Dematerialization of Shares and Liquidity

At the end of the year 6825886 shares were held in dematerialized form which comes to 91.01% of total capital. Trading in equity shares is permitted only in dematerialized form from August 28, 2000 as per notification issued by the Securities & Exchange Board of India. The Company has demat connectivity with National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL).

### m) Audits in 2016-17

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

### 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.)

### o) Address for correspondence

Registered Office	Registrar & Share Transfer Agent
Company Secretary Panasonic Energy India Co. Ltd. GIDC, Makarpura, Vadodara-390 010, Gujarat, India. Tel. No.: (0265) 2642661 / 2638888 Fax: (0265) 2638890 E-mail: susheela.maheshwari@in.panasonic.com Website: www.panasonicenergyindia.in	Link Intime India Pvt Limited 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 / 2356794 E-mail: vadodara@linkintime.co.in Website: www.linkintime.co.in

**p) Information on dividend of past years**

Pursuant to Section 123 of the Companies Act, 2013 dividend that remained unpaid or unclaimed for the financial year ended on March 31, 2010 will be transferred to "Investor Education & Protection Fund" (IEPF) a fund constituted by the Central Government under section 125 of the Companies Act, 2013.

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

Year	Rate of Dividend (%)	Last date for claiming
2008-09	10	22.07.2016
2009-10	20	22.07.2017
2010-11	20	24.07.2018
2011-12	20	24.07.2019
2012-13	20	22.07.2020
2013-14	35	27.07.2021
2014-15	70	23.07.2022
2015-16	70	27.07.2023

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.

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

(i) Nomination facility

Shareholders who wish to make / change the nomination in respect of their shares as permitted under section 72 of the Companies Act, 2013, may submit to the Company / Registrar & Share Transfer Agent, the prescribed form SH-13. Form SH-13 can be downloaded from the Company's website at [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in)

(ii) Bank details

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

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

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

(iii) NECS facility

Shareholders who are desirous of receiving dividends by way of direct credit to their bank account through NECS may authorize the Company by way of their NECS mandate. The shareholders desirous to obtain NECS mandate form 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.

(iv) PAN card

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

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

**For and on behalf of the Board**

**Mikio Morikawa**  
Chairman & Managing Director

Vadodara  
May 30, 2017

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

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

We have examined the compliance of conditions of Corporate Governance by Panasonic Energy India Company Limited ('the Company'), for the year ended on March 31, 2017, as stipulated in Chapter IV of the 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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the BSE Limited.

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

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

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

**Place: Vadodara  
Date: May 30, 2017**

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**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, 2017.

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

**Mikio Morikawa  
Chairman & Managing Director**

**Place : Vadodara  
Date : April 28, 2017**



## INDEPENDENT AUDITORS' REPORT

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

#### Report on the Financial Statements

We have audited the accompanying financial statements of **Panasonic Energy India Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### Opinion

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 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 March 31, 2017, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. on the basis of the written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and

## Panasonic Energy India Co. Ltd.

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- g. with respect to the other matters to be included in the Auditor's 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 on its financial position in its financial statements – Refer Note 28 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.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 34 to the financial statements.

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

**Vishal P. Doshi**  
**Partner**  
**Membership No. 101533**

**Place: Vadodara**  
**Date: 30<sup>th</sup> May, 2017**

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to in our Independent Auditor's Report to the members of **Panasonic Energy India Company Limited** ("the Company") for the year ended 31<sup>st</sup> March, 2017, we report that:

- i. (a) In our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year. The reconciliation of such assets with the register is in progress and wherever discrepancies were noticed on the physical verification have been so adjusted in the books of account. According to information and explanations given by the management and in our opinion, such discrepancies are not material.
- (c) According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.
- ii. Inventories (excluding inventories lying with third parties) were physically verified by the management at the reasonable intervals during the year. In respect of inventories lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. In our opinion and according to the information and explanations given to us, the discrepancies noticed on verification between physical inventories and book records were not material and the same have been properly dealt with in the books of account.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, reporting under clause (iii) (a) to clause (iii) (c) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, no investment is made or loan or guarantee or security is given as per provision of section 185 and 186 of the Act and therefore, the reporting under clause (iv) of the Order 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 any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and therefore, the reporting under clause (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 order of the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii. (a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it. Further, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they become payable.
- (b) The following are the particulars of income tax, sales tax, service tax, duty of customs, duty of excise, and value added tax, as at 31<sup>st</sup> March 2017 which have not been deposited on account of dispute:

Name of the statute	Nature of disputed dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where pending
Income Tax Act, 1961	Income Tax	32.71	A.Y. 2008-09	Commissioner of Income tax, (Appeals)
Customs Act, 1962	Custom Duty	81.81	From March 2011 to September 2012	CESTAT, Ahmedabad
Customs Act, 1962	Custom Duty	1.11	From June 2008 to November 2009	CESTAT, Ahmedabad
Finance Act, 1994	Service Tax	54.36	From September 2004 to F.Y. 2012-13	CESTAT, Ahmedabad
Finance Act, 1994	Service Tax	30.95	From 2005-06 to 2014-15	Assessing Authorities, Commissioner (Appeals)

## Panasonic Energy India Co. Ltd.

Finance Act, 1994	Service Tax	3.49	From February 2008 to February 2009	Assessing Authorities, Commissioner (Appeals)
Finance Act, 1994	Service Tax	20.96	From 2013-14 to June 2016	Assessing Authorities, Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	56.58	F.Y. 2006-07 to August 2014	CESTAT, New Delhi
Sales Tax	Sales Tax	184.87	F.Y. 1986 to F.Y.2011-12	Sales Tax Tribunal, Commissioner of Sales Tax (Appeals), Dy. Commissioner of Commercial Tax at different Jurisdiction.

- viii. In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institution, bank, government or debenture holders and therefore, the reporting under clause (viii) of the Order is not applicable to the Company.
- ix. In our opinion, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loan during the year and therefore, the reporting under clause (ix) of the Order is not applicable to the Company.
- x. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration of ₹ 11.84 lakhs in excess of the limits and approvals prescribed under Section 197 read with Schedule V to the Act to the Managing Director during the year. As at March 31, 2017, the amount has been shown as receivable from the Managing Director and the same has been refunded back by the Managing Director to the Company on May 23, 2017.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and therefore, the reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors and therefore, the reporting under clause (xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**Vishal P. Doshi**  
**Partner**  
**Membership No. 101533**

**Place : Vadodara**  
**Date : May 30, 2017**

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

### Report on the Internal Financial Controls under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Panasonic Energy India Company Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("ICAI"). 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the, "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting 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.

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

**Vishal P. Doshi**  
Partner  
Membership No. 101533

Place : Vadodara  
Date : May 30, 2017

# Panasonic Energy India Co. Ltd.

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share capital	2	750.00	750.00
(b) Reserves and surplus	3	9,215.05	8,705.60
<b>2 Non-current Liabilities</b>			
(a) Deferred tax liabilities (Net)	4	203.62	273.64
(b) Long-term provisions	5	65.65	23.26
<b>3 Current Liabilities</b>			
(a) Trade payables	6		
- Due to micro and small enterprises		83.16	47.85
- Due to other than micro and small enterprises		639.93	637.77
(b) Other current liabilities	7	2,027.72	1,947.07
(c) Short-term provisions	8	369.95	870.33
<b>TOTAL</b>		<b>13,355.08</b>	<b>13,255.52</b>
<b>II ASSETS</b>			
<b>1 Non - Current Assets</b>			
(a) Fixed Assets	9		
(i) Tangible assets		1,637.90	1,838.42
(ii) Intangible assets		13.71	17.87
(iii) Capital work in progress		138.10	-
(b) Long term loans & advances	10	720.79	778.36
<b>2 Current Assets</b>			
(a) Inventories	11	3,146.01	2,748.28
(b) Trade receivables	12	802.98	3,666.55
(c) Cash and bank balances	13	6,078.47	3,296.02
(d) Short-term loans and advances	14	610.22	599.68
(e) Other current assets	15	206.90	310.34
<b>TOTAL</b>		<b>13,355.08</b>	<b>13,255.52</b>
<b>Significant Accounting Policies and Notes 1 to 40</b>			

As per our report of even date attached

For K. C. Mehta & Co.  
Chartered Accountants

Vishal P. Doshi  
Partner  
Membership No. 101533

Place : Vadodara  
Date : May 30, 2017

For and on behalf of the Board of Directors

Mikio Morikawa  
Chairman & Managing Director  
DIN:02611904

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : May 30, 2017

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>I. Revenue from Operations</b>			
(a) Sale of products	16	24,666.20	27,794.06
Less: Excise duty		3,296.69	3,699.51
		21,369.51	24,094.55
(b) Other operating revenues		40.77	40.62
		21,410.28	24,135.17
<b>II. Other Income</b>	17	436.09	398.70
<b>III. Total Revenue (I + II)</b>		21,846.37	24,533.87
<b>IV. Expenses</b>			
Cost of materials consumed	18	11,089.70	12,748.05
Purchases of stock-in-trade	19	2,063.56	1,572.00
Changes in inventories of finished goods work-in-progress and stock-in-trade	20	(540.86)	(116.93)
Other manufacturing expenses	21	606.86	661.72
Employee benefits expenses	22	3,404.70	2,993.42
Finance costs	23	15.80	6.78
Depreciation and amortization expenses	9	218.34	211.04
Other expenses	24	4,178.09	3,970.33
<b>Total expenses</b>		21,036.19	22,046.41
<b>V. Profit before prior period items and tax (III-IV)</b>		810.18	2,487.46
<b>VI. Add: Prior period Items</b>	25	-	3.67
<b>VII. Profit before tax (V+VI)</b>		810.18	2,491.13
<b>VIII. Tax expense:</b>			
(1) Current tax		365.09	790.53
(2) Deferred tax		(69.99)	77.75
(3) Taxation adjustments for earlier years		5.63	(30.23)
<b>IX. Profit for the period (IX-X)</b>		509.45	1,653.08
<b>X. Earnings per equity share:</b>			
Basic & Diluted		6.79	22.04
<b>Significant Accounting Policies and Notes</b>	1 to 40		

As per our report of even date attached

For K. C. Mehta & Co.  
Chartered Accountants

Vishal P. Doshi  
Partner  
Membership No. 101533

Place : Vadodara  
Date : May 30, 2017

For and on behalf of the Board of Directors

Mikio Morikawa  
Chairman & Managing Director  
DIN:02611904

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : May 30, 2017

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)

# Panasonic Energy India Co. Ltd.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>[A] CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	810.18	2,491.13
<b>Adjustments for:</b>		
Depreciation/amortisation/impairment of fixed assets	218.34	211.04
Interest income	(346.31)	(328.77)
Interest expenses	7.51	0.64
Prior period expense / (income)	-	(3.67)
(Profit)/loss on sale of fixed assets (net)	6.73	5.59
Unrealised foreign exchange (gain)/loss (net)	0.08	0.88
<b>Operating Profit/(Loss) before changes in working capital</b>	<b>696.53</b>	<b>2,376.85</b>
<b>Adjustment for (Increase)/Decrease in Operating Assets</b>		
Inventories	(397.74)	(342.16)
Trade receivables	2,863.11	(864.81)
Loans and advances	13.13	(248.95)
Other assets	203.04	161.67
<b>Adjustment for Increase/(Decrease) in Operating Liabilities</b>		
Trade payables	37.85	233.42
Provisions	115.20	(84.66)
Other liabilities	63.59	(215.76)
<b>Cash flow from operations after changes in working capital</b>	<b>3,594.70</b>	<b>1,015.59</b>
Net direct taxes (paid)/refunded	(278.14)	(800.98)
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>3,316.56</b>	<b>214.61</b>
<b>[B] CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital Advances & CWIP	(143.21)	(654.98)
Sale of fixed assets	1.76	5.43
Interest income	246.72	357.74
Bank balances not considered as cash and cash equivalents held as margin money against guarantees	(27.36)	1.30
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b>77.91</b>	<b>(290.51)</b>
<b>[C] CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest expenses	(7.51)	(0.64)
Dividend paid including dividend distribution tax	(631.88)	(631.88)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>(639.39)</b>	<b>(632.52)</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents</b>	<b>2,755.08</b>	<b>(708.42)</b>
Cash & cash equivalents at beginning of period (see Note 1)	3,197.18	3,905.60
<b>Cash and cash equivalents at end of period (see Note 1)</b>	<b>5,952.27</b>	<b>3,197.18</b>
<b>Notes:</b>		
<b>1 Cash and cash equivalents comprise of:</b>		
Cash on hands	253.30	173.54
Balance with banks	932.42	238.64
Fixed deposit	4,766.55	2,785.00
<b>Closing cash and cash equivalents</b>	<b>5,952.27</b>	<b>3,197.18</b>
<b>2</b>	The above Cash flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) 3 ("Cash Flow Statement") prescribed under the Companies (Accounting Standards) Rules, 2006.	
<b>3</b>	Figures of the previous year have been regrouped / reclassified wherever necessary.	

As per our report of even date attached

For K. C. Mehta & Co.  
Chartered Accountants

Vishal P. Doshi  
Partner  
Membership No. 101533

Place : Vadodara  
Date : May 30, 2017

For and on behalf of the Board of Directors

Mikio Morikawa  
Chairman & Managing Director  
DIN:02611904

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : May 30, 2017

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)



**Accompanying notes to the financial statements**

**1 Significant accounting policies**

**i) Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards (as amended) prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 have been followed in preparation of these financial statements.

**ii) Use of estimates**

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates. Differences between the actual results and the estimates are recognised in the period in which the same are known/materialised.

**iii) Revenue recognition**

**a. Sales**

Revenue from sale of goods is recognized when the significant risks and rewards in respect of ownership are transferred to the buyer under the terms of contract. Sales are inclusive of excise duty but are net of sales returns, sales tax and rate difference adjustments if any.

**b. Interest Income**

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

**c. Insurance Claims**

Insurance and other claims are recognised only when it is reasonably certain that the ultimate collection will be made.

**d. Export incentives**

Export incentives are accrued in the year when the right to receive credit is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization/ utilization of such benefits/ duty credit.

**e. Other Income**

Other income is recognized on accrual basis except when realisation of such income is uncertain.

**iv) Property, Plant & Equipment**

Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, if any), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management and decommissioning costs. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalised in accordance with the Company's accounting policy. Capital work in progress includes the cost of PPE that are not yet ready for the intended use.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the PPE. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the PPE and is recognised in the Statement of Profit and Loss.

The Company has provided for depreciation using straight line method for PPE lying at Pithampur Unit and reducing balance method for PPE lying at Vadodara Unit.

Useful lives of each class of PPE as prescribed under Part C of Schedule II to the Companies Act, 2013 are as under:-

Asset Description	Assets Useful life (in Years)
Factory Building	30
Building other than Factory Building	60
Electrical installation	10
Office Equipment	5
Computers	3
Furniture and Fixtures	10
Vehicle	8

## Panasonic Energy India Co. Ltd.

Useful lives of following class of PPE is based on technical assessment by the Company which is as under:-

Asset Description	Assets Useful life (in Years)
Plant and Machinery (including dies)	20

Leasehold land is amortised over the period of lease.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on additions/deletions to PPE during the year is provided for on pro-rata basis with reference to the date of additions/deletions.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### v) Intangible Assets and amortisation

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets not ready for the intended use, if any, are disclosed as Intangible assets under development. Intangible assets are amortized over the estimated period of benefit, not exceeding ten years.

### vi) Impairment of assets

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

### vii) Inventories

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

Inventories	Cost Formula
Raw materials & Traded Goods	First-In-First-Out basis.
Material, Traded Goods & Consumables in Transit	At Invoice price.
Work-in-process	At raw material cost plus conversion cost, wherever applicable.
Finished Goods	Cost represents material, labour and manufacturing expenses and other incidental costs to bring the inventory in present location and condition.
Consumable Stores, Spares and Tools	First-In-First-Out basis.

### viii) Foreign Currency Transactions

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

### ix) Research & Development

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

### x) Leases

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

### xi) Taxes on Income

#### a. Current Tax

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

#### b. Deferred Tax

Deferred tax assets and liabilities are recognised for future tax consequence attributable to timing differences between taxable income and accounting income that are measured at relevant enacted tax rates. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward

exist, are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. At each balance sheet date the company reassesses unrecognised deferred tax assets, to the extent they become reasonably certain or virtually certain of realisation, as the case may be.

**xii) Employee Benefits**

**a. Post-employment benefits**

**i Defined Contribution plan**

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

**ii Defined Benefit plan**

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

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

**b. Short-term employee benefits.**

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

**c. Long term employee benefits**

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

**xiii) Provisions, Contingent liabilities and Contingent assets**

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

**2 Share Capital**

**a. Share capital consists of the following:**

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Authorised</b>		
1,00,00,000 Equity shares of ₹ 10/- each	1,000.00	1,000.00
<b>Issued, Subscribed and Paid Up</b>		
75,00,000 Equity shares of ₹ 10/- each	750.00	750.00

**b. Right, preferences and restrictions attached to shares**

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

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

(₹ in Lakhs)

Particulars	No. of Shares	Share Capital
As at 1st April, 2015	7,500,000	750.00
Additions/(Reductions)	-	-
As at 31st March, 2016	7,500,000	750.00
<b>As at 1st April, 2016</b>	<b>7,500,000</b>	<b>750.00</b>
<b>Additions/(Reductions)</b>	<b>-</b>	<b>-</b>
<b>As at 31st March, 2017</b>	<b>7,500,000</b>	<b>750.00</b>

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
<b>Holding Company:</b>				
Panasonic Corporation	4,354,144	58.06%	4,354,144	58.06%

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
Panasonic Corporation	4,354,144	58.06%	4,354,144	58.06%

## 3 Reserves & Surplus

### Reserves & surplus consists of the following:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Capital Reserve</b>	<b>12.88</b>	12.88
<b>Capital State Subsidy Reserve</b>	<b>25.00</b>	25.00
<b>Securities Premium Account</b>	<b>928.13</b>	928.13
<b>General Reserve</b>	-	-
Opening balance	7,521.60	6,521.60
(+) Transfer from Statement of Profit and Loss	-	1,000.00
Closing Balance	7,521.60	7,521.60
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	217.99	198.70
(-) Difference of corporate dividend tax of 2014-15 paid during the year	-	1.91
(+) Net profit for the current year	509.45	1,653.08
(-) Proposed dividends (P.Y. ₹ 7.00 per share)	-	525.00
(-) Corporate dividend tax	-	106.88
(-) Transfer to General reserve	-	1,000.00
Closing Balance	727.43	217.99
<b>Total</b>	<b>9,215.05</b>	8,705.60

\*In respect of the year ended March 31, 2017, the Board of Directors has proposed a final dividend of ₹ 5.50/- 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 financial statements. The total estimated equity dividend to be paid is ₹ 412.50 lakhs and the dividend distribution tax thereon amounts to ₹ 83.98 lakhs.

## 4 Deferred Tax Provision:

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

(₹ in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Difference between book depreciation and tax depreciation	-	278.85	-	306.65
Unpaid liability allowable on payment basis under Section 43B of Income Tax act, 1961	132.76	-	92.88	-
Others		57.53		59.86
<b>Total</b>	<b>132.76</b>	<b>336.38</b>	<b>92.88</b>	<b>366.51</b>
<b>Net Deferred Tax Liability/ (Asset)</b>	<b>-</b>	<b>203.62</b>	<b>-</b>	<b>273.63</b>

**5 Long Term Provisions**

Long term provisions consists of the following:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits	65.65	23.26
<b>Total</b>	<b>65.65</b>	<b>23.26</b>

**6 Trade Payables**

Trade payables consists of the following:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Trade Payables</b>		
Due to micro & small enterprise	83.16	47.85
Due to others	639.93	637.77
<b>Total</b>	<b>723.09</b>	<b>685.62</b>

The amount due to Micro & Small Enterprise, as defined under the "Micro Small and Medium Enterprise Development Act, 2006" stated above is based on the information available with the Company. Payment made to suppliers beyond the due dates during the year was ₹ 51.53 lakhs (Previous Year ₹ 45.66 lakhs). No interest during the year has been paid to Micro and Small Enterprise on delayed payments. Further interest accrued and remaining unpaid at the year end ₹ 0.41 lakhs (Previous year ₹ 0.31 lakhs) is not provided in the books as the management is of the opinion that due to contractual terms they will not be required to pay the same.

**7 Other Current liabilities**

Other current liabilities consists of the following:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Advance from customers	85.06	50.26
Unpaid dividends*	27.20	20.84
Security deposits	29.46	32.46
Advance from scrap traders	0.55	0.62
Expenses payable	1,342.64	1,275.23
Duties & taxes payable	506.42	548.08
Other payables	19.34	19.58
Payables for capital assets	17.05	-
<b>Total</b>	<b>2,027.72</b>	<b>1,947.07</b>

\* No amount is due for payment to investor education & protection fund

**8 Short Term Provisions**

Short term provisions consists of the following:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits	311.27	238.45
Provision for tax (net of advance tax)	58.68	-
Proposed dividend	-	525.00
Provision for Corporate dividend tax	-	106.88
<b>Total</b>	<b>369.95</b>	<b>870.33</b>

# Notes to the Financial Statements

(₹ in Lakhs)

### 9 Fixed assets consists of following:

Particulars/ Assets	TANGIBLE ASSETS (PPE)										INTANGIBLE ASSETS			Grand Total		
	Leasehold land	Buildings	Plant and machinery	Dies	Electrical installation	Office equipments	Computers	Furniture & fixtures	Vehicle	Total	Software	Know how	Non compe te Fees		Total	
<b>Gross Block</b>																
<b>At 1, April 2015</b>	38.30	919.77	8,294.27	163.01	122.68	138.38	148.79	161.52	119.64	10,106.35	61.10	590.00	150.00	801.10	10,907.44	
Additions	-	44.77	595.69	3.12	1.63	6.02	5.75	-	31.98	688.96	4.68	-	-	4.68	693.64	
Deductions/Adjustments	-	-	71.43	2.94	0.22	2.21	4.24	1.46	12.94	95.43	-	-	-	-	95.43	
<b>At 31, March 2016</b>	38.30	964.54	8,818.52	163.19	124.08	142.18	150.30	160.06	138.70	10,699.87	65.78	590.00	150.00	805.78	11,505.65	
Additions	-	1.72	1.04	-	0.12	10.46	5.14	1.41	-	19.89	2.26	-	-	2.26	22.15	
Deductions/Adjustments	-	-	121.22	-	0.39	22.34	12.46	1.23	2.11	159.75	-	-	-	-	159.75	
<b>At 31, March 2017</b>	38.30	966.26	8,698.34	163.19	123.81	130.30	142.98	160.24	136.59	10,560.01	68.04	590.00	150.00	808.04	11,368.05	
<b>Depreciation</b>																
<b>At 1, April 2015</b>	10.41	663.31	7,322.17	147.81	114.70	116.94	133.89	152.40	95.07	8,756.68	41.61	590.00	137.50	769.11	9,525.79	
Charge for the year	0.41	17.88	142.52	1.20	1.39	8.34	6.11	0.41	13.98	192.24	6.30	-	12.50	18.80	211.04	
Deductions/Adjustments	-	-	65.96	2.79	0.14	2.34	4.03	1.39	10.82	87.47	-	-	-	-	87.47	
<b>At 31, March 2016</b>	10.82	681.18	7,398.72	146.22	115.95	122.94	135.98	151.40	98.24	8,861.45	47.91	590.00	150.00	787.91	9,649.35	
Charge for the year	0.41	18.67	165.92	1.15	0.95	6.97	5.77	0.25	11.83	211.92	6.42	-	-	6.42	218.34	
Deductions/Adjustments	-	-	114.90	-	0.37	21.03	11.82	1.13	2.01	151.26	-	-	-	-	151.26	
<b>At 31, March 2017</b>	11.23	699.85	7,449.74	147.37	116.53	108.88	129.93	150.52	108.06	8,922.11	54.33	590.00	150.00	794.33	9,716.43	
<b>Net Block</b>																
At 31, March 2016	27.48	283.35	1,419.81	16.98	8.14	19.24	14.32	8.65	40.46	1,838.42	17.87	-	-	17.87	1,856.30	
At 31, March 2017	27.07	266.41	1,248.60	15.82	7.28	21.42	13.05	9.72	28.53	1,637.90	13.71	-	-	13.71	1,651.61	

**10 Long Term Loans & Advances**

Long term loans & advances consists of the following:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Unsecured considered good</b>		
Security deposits	56.09	50.31
Advance for capital assets	0.90	-
Advance Tax (net of provisions)	660.88	726.90
Prepaid expenses	2.92	1.15
<b>Total</b>	<b>720.79</b>	<b>778.36</b>

**11 Inventories**

a. Inventories consists of the following:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Raw materials	804.29	826.64
Work-in-progress	271.70	178.76
Finished goods	1,071.29	1,170.50
Stores & spares	140.43	136.36
<b>Stock in Trade</b>		
- Stores & spares	1.46	1.90
- Traded goods	639.38	261.21
<b>Goods in Transit</b>		
- Raw materials	15.47	140.32
- Traded goods	201.99	32.59
<b>Total</b>	<b>3,146.01</b>	<b>2,748.28</b>

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

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

(₹ in Lakhs)

Particulars	Closing Inventory	
	As at March 31, 2017	As at March 31, 2016
<b>[A] Finished Goods</b>		
Dry cell batteries	1,071.29	1,170.50
<b>Total [A]</b>	<b>1,071.29</b>	<b>1,170.50</b>
<b>[B] Stock in Trade (Including Goods In Transit)</b>		
Flashlight	91.74	64.83
Alkaline battery	251.95	44.86
Eneloop (rechargeable battery)	487.21	184.11
Others*	11.93	1.90
<b>Total [B]</b>	<b>842.83</b>	<b>295.70</b>
<b>Total [A+B]</b>	<b>1,914.12</b>	<b>1,466.20</b>

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

**12 Trade Receivables**

Trade receivables consists of the following:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured considered good	6.15	0.05
<b>Others</b>		
Unsecured considered good	796.83	3,666.50
<b>Total</b>	<b>802.98</b>	<b>3,666.55</b>

13 Cash & Bank Balances

Cash & bank balances consists of the following:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>[A] Cash &amp; Cash Equivalents</b>		
a. Balances with banks in		
- Current account	932.42	238.64
- Deposit account	4,766.55	2,785.00
b. Cash on hand (refer note no.34)	3.36	3.12
c. Remittance in transit	249.94	170.42
<b>Total [A]</b>	<b>5,952.27</b>	<b>3,197.18</b>
<b>[B] Other Bank Balances</b>		
(i) Earmarked balances with banks	27.20	20.85
(ii) Bank deposits held as margin money against guarantees	99.00	77.99
<b>Total [B]</b>	<b>126.20</b>	<b>98.84</b>
<b>Total [A+B]</b>	<b>6,078.47</b>	<b>3,296.02</b>

14 Short Term Loans & Advances

Short term loans & advances consists of the following:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Unsecured Considered Good</b>		
Advance to suppliers	383.10	336.84
Advance to employees	34.03	27.19
Prepaid expenses	40.27	38.91
Balances with government authorities	115.74	189.67
Deposits	4.96	7.06
Advance tax (net of provisions)	32.12	-
<b>Total [A+B]</b>	<b>610.22</b>	<b>599.68</b>

15 Other Current Assets

Other current assets consists of the following:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Accrued interest	178.37	78.77
Other receivable*	12.02	219.91
Discount receivable	16.51	11.66
<b>Total</b>	<b>206.90</b>	<b>310.34</b>

\*Includes ₹ 11.84 lakhs (P.Y. Nil) receivable from the Managing Director for remuneration paid in excess of the limits specified under Section 197 of the Companies Act, 2013 read with Part II of Schedule V.

16 Sale of products

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>[A] Finished Goods</b>		
Dry cell batteries	22,678.60	25,931.44
<b>Total [A]</b>	<b>22,678.60</b>	<b>25,931.44</b>
<b>[B] Traded Goods</b>		
Flashlight	637.81	877.39
Eneloop (rechargeable battery)	561.91	457.12
Alkaline battery	285.79	221.17
Dry battery parts	467.12	281.02
Others*	34.97	25.92
<b>Total [B]</b>	<b>1,987.60</b>	<b>1,862.62</b>
<b>Total [A+B]</b>	<b>24,666.20</b>	<b>27,794.06</b>

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



17 Other Income

Other income consists of the following:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income	346.31	328.77
Profit on sale of fixed assets	0.99	1.59
Net gain on foreign currency translation & transactions	44.87	19.40
Other non-operating Income	43.92	48.94
<b>Total</b>	<b>436.09</b>	<b>398.70</b>

18 Cost of material consumed

Material consumed has been classified under broad heads as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Zinc	3,299.43	3,750.29
Printed metal sheets	1,419.78	1,695.49
Others*	6,370.49	7,302.26
<b>Total</b>	<b>11,089.70</b>	<b>12,748.05</b>

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

19 Purchase of stock in trade

Stock-in-trade purchased has been classified under broad heads as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Flashlight	561.48	716.26
Eneloop (rechargeable battery)	774.43	476.60
Alkaline battery	331.77	141.21
Dry battery parts	389.28	230.94
Others*	6.60	6.98
<b>Total</b>	<b>2,063.56</b>	<b>1,572.00</b>

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

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

Changes in inventories consists of the following:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Opening Stock</b>		
Work-in-progress	178.76	192.41
Stock-in-trade	295.71	202.64
Finished goods	1,170.50	1,132.99
<b>Total [A]</b>	<b>1,644.97</b>	<b>1,528.02</b>
Less:		
<b>Closing Stock</b>		
Work-in-progress	271.70	178.76
Stock-in-trade	842.84	295.71
Finished goods	1,071.29	1,170.50
<b>Total [B]</b>	<b>2,185.83</b>	<b>1,644.97</b>
<b>Total [A-B]</b>	<b>(540.86)</b>	<b>(116.93)</b>

## Panasonic Energy India Co. Ltd.

### 21 Other Manufacturing Expenses

Other manufacturing expenses consists of the following:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Consumption of stores and spare parts	112.40	127.83
Power & fuel	263.10	291.00
Repairs to buildings	12.56	25.25
Repairs to machinery	84.43	94.71
Increase/(Decrease) in excise duty on FG stock	5.02	(12.80)
Water gas & oil expense	129.35	135.73
<b>Total</b>	<b>606.86</b>	<b>661.72</b>

### 22 Employee Benefits Expenses

Employee benefits expenses consists of the following:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries & wages	2,662.92	2,422.65
Contribution to provident & other funds	369.03	220.15
Staff welfare expenses	372.75	350.62
<b>Total</b>	<b>3,404.70</b>	<b>2,993.42</b>

### 23 Finance Costs

Finance costs consists of the following:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest expense	7.51	0.64
Other finance costs	8.29	6.14
<b>Total</b>	<b>15.80</b>	<b>6.78</b>

### 24 Other Expenses

a. Other expenses consists of the following:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Rent*	74.56	70.49
Insurance	21.45	20.27
Rates and taxes	106.90	150.45
Transportation expense	641.04	678.67
Travelling & conveyance expense	650.08	634.49
Sales promotion expense	1,570.46	1,234.04
Royalty & brand fees	631.46	716.55
General repairs	23.58	31.11
Post, telegrams & telephone expenses	44.89	45.77
Directors' commission	8.99	52.28
Legal & professional fees	99.39	84.79
R & D expenses	11.49	5.92
Loss on sale of fixed assets	7.72	7.18
Directors' sitting fee	6.86	7.60
CSR expenses	43.00	28.85
Miscellaneous expenses **	236.22	201.87
<b>Total</b>	<b>4,178.09</b>	<b>3,970.33</b>

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

\*\* None of the items individually account for more than ₹ 1 lakh or 1% of revenue whichever is higher

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Payment to Auditors (excluding service tax)</b>		
- As Auditor	3.50	3.33
- For Tax audit	1.00	1.00
- For other services (certification & taxation)	10.58	5.03
- For Reimbursement of expenses	0.27	0.11
<b>Payment to Cost Auditors (excluding service tax)</b>		
- As Auditor	1.20	1.20
- For Other services (certification)	0.02	0.06
- For Reimbursement of expenses	0.06	0.04

25 Prior Period Items

Prior period items consists of the following:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Prior Period Income</b>		
Depreciation	-	3.05
Claim for SVB deposit	-	0.68
<b>Total [A]</b>	-	3.73
<b>Prior Period Expense</b>		
Maintenance expense	-	0.06
<b>Total [B]</b>	-	0.06
<b>Total [A-B]</b>	-	3.67

26 The Company has appointed a Brand ambassador for its products for a period of three years from April 01, 2017 at an agreed price of ₹ 496.50 lakhs (P.Y. Nil).

27 Estimated amount of contracts remaining to be executed and not provided for (net of advances) is ₹ 52.49 lakhs (previous year ₹ NIL)

28 Contingent liabilities (to the extent not provided for) consists of the following :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Disputed excise, custom/ service tax pending before assessing / appellate authorities.	225.27	196.18
Income tax	617.80	902.94
Sales tax / vat	213.34	213.86
Claims against the Company not acknowledged as debt	69.96	65.52
Claims from employees and former employees	Amount unascertainable	Amount unascertainable

29 Additional Details:

a. CIF value of Imports

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Raw materials (including material in transit)	3,858.03	4,420.96
Capital	1.78	-
<b>Total</b>	<b>3,859.81</b>	<b>4,420.96</b>

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

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	%	₹ in Lakhs	%	₹ in Lakhs
<b>Raw Materials</b>				
Imported	38.90%	4,313.70	34.13%	4,350.30
Indigenous	61.10%	6,776.00	65.87%	8,397.75
<b>Total</b>	<b>100.00%</b>	<b>11,089.70</b>	<b>100.00%</b>	<b>12,748.06</b>
<b>Stores &amp; Spares</b>				
Imported	2.00%	2.25	0.31%	0.40
Indigenous	98.00%	110.15	99.69%	127.43
<b>Total</b>	<b>100.00%</b>	<b>112.40</b>	<b>100.00%</b>	<b>127.83</b>

c. Details of earnings in foreign exchange is as follows: (₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Exports - FOB	484.34	302.60
Freight	18.43	7.25
Brand building	229.00	415.24

d. Details of expenditure in foreign currency paid or payable is as follows: (₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Royalty (including brand Fee) for current year (net of tax)	562.69	641.68
Foreign travel	9.10	5.62
Purchase of Computer	0.75	-
Salary & wages	57.11	-
Reimbursement of expense	1.54	-
Communication charges	5.11	8.00

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Remittance on account of dividend for the year ended March 31, 2016 (₹ in Lakhs)</b>	<b>304.79</b>	-
Remittance on account of dividend for the year ended March 31, 2015 (₹ in Lakhs)	-	304.79
Number of equity share holders (in Nos)	1	1
Number of shares held (in Nos)	4,354,144	4,354,144

30 Employee Benefits

a. Post employment benefits consists of the following:

i Defined contribution plans:

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

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

The Company recognized ₹ 126.24 lakhs (previous year ₹ 128.82 lakhs) for provident fund contributions and ₹ 1.49 lakhs (previous year ₹ 4.16 lakhs) for superannuation contribution in the Statement of Profit and Loss.

ii Defined benefit plan:

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

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

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Current service cost	31.79	31.84
Interest cost	72.34	68.32
Actuarial (gain)/loss	179.81	24.75
Benefits paid	(163.02)	(84.38)
PVO at the beginning of the year	905.38	864.85
Present value of defined benefit obligation at year end	1,026.30	905.38

c. Change in fair value of Plan assets:

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Expected return on plan assets	63.99	51.82
Actuarial gain/(loss)	(0.17)	2.57
Contributions by the employer	175.00	175.00
Benefits paid	(163.02)	(84.38)
Fair value of Plan assets at the beginning of the year	800.93	655.92
Fair value of Plan assets at end of the year	876.73	800.93

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

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
PVO at end of the period	1,026.30	905.38
Fair value of planned assets at end of the year	876.73	800.93
Liabilities recognized in balance sheet	149.58	104.45

e. Net cost for the year ended:

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Current service cost	31.79	31.84
Interest cost	72.34	68.32
Expected return on plan assets	(63.99)	(51.82)
Actuarial (gain)/loss	179.99	22.18
Net cost	220.13	70.53

f. Category of assets as at the year end:

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Insurer managed funds (100%)	100.00%	100.00%

g. Assumption used in accounting for the gratuity plan:

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Mortality table (LIC)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate (per annum)	7.26%	7.99%
Expected rate of return on plan assets (per annum)	7.26%	7.99%
Rate of escalation in salary (per annum)	6.00%	5.00%

h. Experience Adjustment :

(₹ in Lakhs)

Particulars	Gratuity (Funded)				
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
On plan liabilities - Loss/(Gain)	89.70	28.74	20.88	34.51	10.39
On plan assets - Loss/(Gain)	(0.17)	(2.57)	-	-	(1.41)

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

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

## Panasonic Energy India Co. Ltd.

### 31 Research & Development

Research & Development related expenses amounting to ₹ 178.90 lakhs (Previous year ₹ 166.37 lakhs) have been debited to respective heads of Account.

### 32 Related Party Disclosures

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

Name of Related Parties	Nature of Relationship
Panasonic Corporation	Holding company
Panasonic Carbon India Co. Ltd.	Joint Venture of Holding Company
P.T. Panasonic Gobel Energy Indonesia	Joint Venture of Holding Company
Panasonic Energy Tanzania Co. Ltd.	Joint Venture of Holding Company
Panasonic Energy Thailand Co. Ltd.	Joint Venture of Holding Company
Panasonic AVC Networks India Co. Ltd.	Joint Venture of Holding Company
Panasonic Peruana SA	Joint Venture of Holding Company
Panasonic India Pvt. Ltd.	Joint Venture of Holding Company
Panasonic Sales & Services Pvt. Ltd.	Joint Venture of Holding Company
Panasonic Excel International Co. Ltd.	Joint Venture of Holding Company
Panasonic Asia Pacific Pte Ltd.	Joint Venture of Holding Company
Sanyo Energy (S) Corp. Pte Ltd.	Joint Venture of Holding Company
Sanyo Electric (Hong Kong) Ltd.	Joint Venture of Holding Company
Panasonic Energy (Shanghai) Co. Ltd.	Joint Venture of Holding Company
Panasonic Industrial Devices Sales HKG Co. Ltd.	Joint Venture of Holding Company
Panasonic Hong Kong Co. Ltd.	Joint Venture of Holding Company
Panasonic Procurement (China) Co. Ltd.	Joint Venture of Holding Company
Panasonic Energy (Wuxi) Co. Ltd.	Joint Venture of Holding Company
Panasonic Do Brasil Limitada	Joint Venture of Holding Company
Relo Panasonic Excel International Co. Ltd.	Joint Venture of Holding Company
Mr. S. K. Khurana	Key Management Personnel (up to 31st July, 2016)
Mr. Mikio Morikawa	Key Management Personnel (w.e.f. 1st August 2016)

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

(₹ in Lakhs)

Nature of Transaction	Holding Company	Joint venture of Holding Company	Key Management Personnel	Total
<b>Export of Spare parts</b>	-	<b>32.01</b>	-	<b>32.01</b>
	-	(25.70)	-	(25.70)
(a) Panasonic Peruana SA	-	<b>31.74</b>	-	<b>31.74</b>
	-	(22.35)	-	(22.35)
(b) Panasonic Energy Tanzania Co. Ltd.	-	<b>0.27</b>	-	<b>0.27</b>
	-	(3.35)	-	(3.35)
<b>Dividend Paid</b>	<b>304.79</b>	-	-	<b>304.79</b>
	(304.79)	-	-	(304.79)
(a) Panasonic Corporation	<b>304.79</b>	-	-	<b>304.79</b>
	(304.79)	-	-	(304.79)
<b>Royalty (Including Brand Fee)</b>	<b>625.21</b>	-	-	<b>625.21</b>
	(712.98)	-	-	(712.98)
(a) Panasonic Corporation	<b>625.21</b>	-	-	<b>625.21</b>
	(712.98)	-	-	(712.98)
<b>Communication charges</b>	<b>5.11</b>	<b>7.88</b>	-	<b>12.99</b>
	(5.71)	(3.40)	-	(9.11)
(a) Panasonic Corporation	<b>5.11</b>	-	-	<b>5.11</b>
	(5.71)	-	-	(5.71)

Nature of Transaction	Holding Company	Joint venture of Holding Company	Key Management Personnel	Total
(b) Panasonic India Pvt. Ltd.	-	7.88	-	7.88
	-	(3.40)	-	(3.40)
<b>Purchase - Carbon Rods</b>	-	<b>738.03</b>	-	<b>738.03</b>
	-	(915.98)	-	(915.98)
(a) Panasonic Carbon India Co.Ltd.	-	<b>738.03</b>	-	<b>738.03</b>
	-	(915.98)	-	(915.98)
<b>Export of Raw Material</b>	-	<b>467.12</b>	-	<b>467.12</b>
	-	(281.02)	-	(281.02)
(a) Panasonic Energy Tanzania Co. Ltd.	-	<b>456.70</b>	-	<b>456.70</b>
	-	(280.76)	-	(280.76)
(b) Panasonic Do Brasil Limitada	-	<b>10.42</b>	-	<b>10.42</b>
	-	-	-	-
(c) Panasonic Energy (Shanghai) Co. Ltd.	-	-	-	-
	-	(0.26)	-	(0.26)
<b>Import of Dry Cell</b>	-	<b>162.67</b>	-	<b>162.67</b>
	-	(69.31)	-	(69.31)
(a) Panasonic Energy (Shanghai) Co., Ltd.	-	<b>162.67</b>	-	<b>162.67</b>
	-	(69.31)	-	(69.31)
<b>Import of Raw Material</b>	-	<b>67.45</b>	-	<b>67.45</b>
	-	(111.99)	-	(111.99)
(a) Panasonic Asia Pacific Pte Ltd.	-	<b>62.59</b>	-	<b>62.59</b>
	-	(87.04)	-	(87.04)
(b) Panasonic Energy (Shanghai) Co., Ltd.	-	-	-	-
	-	(24.96)	-	(24.96)
(c) Panasonic Procurement China Co. Ltd.	-	<b>4.86</b>	-	<b>4.86</b>
	-	-	-	-
<b>Payment made by company on behalf of</b>	<b>229.00</b>	<b>11.24</b>	-	<b>240.24</b>
	(212.59)	(205.97)	-	(418.56)
(a) Panasonic Corporation	<b>229.00</b>	-	-	<b>229.00</b>
	(212.59)	-	-	(212.59)
(b) Panasonic Asia Pacific Pte Ltd.	-	-	-	-
	-	(202.65)	-	(202.65)
(c) Panasonic Energy Tanzania Co Ltd.	-	<b>7.73</b>	-	<b>7.73</b>
	-	(3.32)	-	(3.32)
(d) Panasonic Peruana SA	-	<b>3.51</b>	-	<b>3.51</b>
	-	-	-	-
<b>Expenses incurred on behalf of company by</b>	<b>61.29</b>	<b>1.54</b>	-	<b>62.83</b>
	(2.29)	(10.58)	-	(12.87)
(a) Panasonic Corporation	<b>61.29</b>	-	-	<b>61.29</b>
	(2.29)	-	-	(2.29)
(b) Panasonic India Pvt. Ltd.	-	-	-	-
	-	(7.10)	-	(7.10)
(c) Relo Panasonic Excel International Co. Ltd.	-	<b>1.54</b>	-	<b>1.54</b>
	-	-	-	-
(d) Panasonic Energy Tanzania Co. Ltd.	-	-	-	-
	-	(3.48)	-	(3.48)
<b>Import of Appliances / Parts</b>	-	<b>213.69</b>	-	<b>213.69</b>
	-	(130.80)	-	(130.80)

## Panasonic Energy India Co. Ltd.

Nature of Transaction	Holding Company	Joint venture of Holding Company	Key Management Personnel	Total
(a) Panasonic Energy Thailand Co. Ltd.	-	199.17	-	199.17
	-	(127.20)	-	(127.20)
(b) PT Panasonic Gobel Energy Indonesia	-	14.52	-	14.52
	-	(3.60)	-	(3.60)
<b>Import of Spares / Dies</b>	<b>0.73</b>	<b>1.57</b>	-	<b>2.30</b>
	-	-	-	-
(a) Panasonic Corporation	0.73	-	-	0.73
	-	-	-	-
(b) Panasonic Energy (Shanghai) Co. Ltd.	-	1.57	-	1.57
	-	-	-	-
<b>Purchase of Computer</b>	-	<b>0.45</b>	-	<b>0.45</b>
	-	-	-	-
(a) Panasonic Energy Tanzania Co. Ltd.	-	0.45	-	0.45
	-	-	-	-
<b>Purchase of Eneloop Battery &amp; Charger</b>	-	<b>552.64</b>	-	<b>552.64</b>
	(305.94)	(52.77)	-	(358.71)
(a) Panasonic Corporation	-	-	-	-
	(305.94)	-	-	(305.94)
(b) Panasonic Industrial Devices Sales (HKG) Co. Ltd.	-	14.11	-	14.11
	-	(50.66)	-	(50.66)
(c) Panasonic Energy (Wuxi) Co. Ltd.	-	536.33	-	536.33
	-	-	-	-
(d) Panasonic Hong Kong Co. Ltd.	-	2.20	-	2.20
	-	(2.11)	-	(2.11)
<b>Reimbursement of Website maintenance expenses</b>	-	<b>6.70</b>	-	<b>6.70</b>
	-	-	-	-
(a) Panasonic India Pvt. Ltd.	-	6.70	-	6.70
	-	-	-	-
<b>Sale of Dry Cell</b>	-	<b>6.33</b>	-	<b>6.33</b>
	-	(7.76)	-	(7.76)
(a) Panasonic India Pvt. Ltd.	-	6.33	-	6.33
	-	-	-	-
(b) Panasonic AVC Networks India Co. Ltd.	-	-	-	-
	-	(7.76)	-	(7.76)
<b>Remuneration to Chairman &amp; Managing Director (including commission, if applicable)</b>	-	-	<b>79.60</b>	<b>79.60</b>
	-	-	(88.96)	(88.96)
(a) Mr. Mikio Morikawa	-	-	56.85	56.85
	-	-	-	-
(b) Mr. S. K. Khurana	-	-	22.75	22.75
	-	-	(88.96)	(88.96)
<b>Balance as on 31<sup>st</sup> March</b>				
<b>Receivables</b>	-	<b>55.53</b>	-	<b>55.53</b>
	(211.32)	(138.88)	-	(350.20)
(a) Panasonic Corporation	-	-	-	-
	(211.32)	-	-	(211.32)



Nature of Transaction	Holding Company	Joint venture of Holding Company	Key Management Personnel	Total
(b) Panasonic Peruana S A	-	8.34	-	8.34
	-	-	-	-
(c) Panasonic India Pvt. Ltd.	-	4.06	-	4.06
	-	-	-	-
(d) Panasonic Energy Tanzania Co. Ltd.	-	31.29	-	31.29
	-	(138.88)	-	(138.88)
(d) Mr. Mikio Morikawa	-	11.84	-	11.84
	-	-	-	-
<b>Payables</b>	<b>19.73</b>	<b>212.64</b>	-	<b>232.37</b>
	-	(48.20)	(1.77)	(49.97)
(a) Panasonic Corporation	19.73	-	-	19.73
	-	-	-	-
(b) Panasonic Carbon India Co. Ltd.	-	35.12	-	35.12
	-	(18.74)	-	(18.74)
(c) Panasonic Industrial Devices (HKG) Co Ltd.	-	-	-	-
	-	(14.00)	-	(14.00)
(d) Panasonic Energy Thailand Co. Ltd.	-	96.60	-	96.60
	-	(15.46)	-	(15.46)
(e) Panasonic Procurement China Co. Ltd.	-	5.04	-	5.04
	-	-	-	-
(f) Panasonic Energy (Wuxi) Co. Ltd.	-	62.67	-	62.67
	-	-	-	-
(g) PT Panasonic Gobel Energy Indonesia	-	13.21	-	13.21
	-	-	-	-
(h) Mr. S. K. Khurana	-	-	-	-
	-	-	(1.77)	(1.77)

Previous year figures are in brackets

33 Corporate Social Responsibility expenditure is as follows:-

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	
<b>(a) Gross amount required to be spent during the year</b>	<b>43.00</b>	28.85	
<b>Particulars</b>	<b>In Cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
<b>(b) Amount spent during the year on:</b>			
(i) Construction/Acquisition of Asset	-	-	-
	-	-	-
(ii) On purpose other than above	43.00	-	43.00
	(27.86)	(0.99)	(28.85)
<b>Total</b>	<b>43.00</b>	<b>-</b>	<b>43.00</b>
	(27.86)	(0.99)	(28.85)

Previous year figures are in brackets

34 Disclosure required for Specified Bank Notes (SBN) is as follows:-

(₹ in Lakhs)

Particulars	Specified Bank Notes	Other Denomination	Total
Closing Cash in hand as on November 08, 2016	2.01	2.18	4.19
Add: Permitted receipts (receipt)	-	17.21	17.21
Less: Permitted payments (expenses)	0.04	15.55	15.59
Less: Amount deposited in banks	1.97	0.05	2.02
Closing Cash in hand as on December 30, 2016	-	3.79	3.79

**35 Earnings Per Share**

**a. Basic and diluted earnings per share is calculated as under:**

<b>Particulars</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
Profit after tax as per profit and loss statement (₹ in lakhs)	<b>509.45</b>	1,653.08
Weighted average number of equity shares (Nos in lakhs)	<b>75.00</b>	75.00
Nominal value per share (Amount in ₹)	<b>10.00</b>	10.00
Basic & diluted earnings per share (Amount in ₹)	<b>6.79</b>	22.04

- 36** The Company has obtained certain premises for its business operations (including furniture and fittings, therein as applicable) under operating leases or leaves and license agreements. These are generally not non-cancellable and range between 11 months to 9 years under leave and licenses or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.
- 37** The Operations of the company are limited to one segment, namely, Dry Cell Batteries.
- 38** In the opinion of the management and to the best of their knowledge and belief the value on realization of current assets, loans & advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
- 39** Balances of trade receivable and trade payable are subject to confirmation, reconciliation and consequential adjustment, if any.
- 40** Figures of the previous year have been regrouped/re-cast wherever necessary.

**As per our report of even date attached**

**For K. C. Mehta & Co.  
Chartered Accountants**

**Vishal P. Doshi  
Partner  
Membership No. 101533**

**Place : Vadodara  
Date : May 30, 2017**

**For Panasonic Energy India Co. Limited**

**Mikio Morikawa  
Chairman & Managing Director  
DIN:02611904**

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

**Place : Vadodara  
Date : May 30, 2017**

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

**Anjan Shah  
DGM (Finance)**



NOTES

Lined area for notes.



## Panasonic Energy India Co. Ltd.

CIN: L31400GJ1972PLC002091

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

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

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

### Form No. MGT-11

### PROXY FORM

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

CIN: L31400GJ1972PLC002091

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

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

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

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

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

as my/our proxy to attend and (on a poll) vote for me/us and on my/our behalf at the 45<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, August 10, 2017 at 10 a.m. at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara 390 002 on and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Type of Resolution
1	Approval of Annual Accounts	Ordinary
2	Declaration of Dividend	Ordinary
3	Re-appointment of Mr. M. Morikawa, who retires by rotation and, being eligible, offers himself for re-appointment	Ordinary
4	Appointment of Statutory Auditors and to fix their remuneration	Ordinary
5	Ratification of Remuneration to Cost Auditors	Ordinary
6	Appointment of Mr. Kazuo Tadanobu as Non-executive Director	Ordinary
7	Revision in remuneration payable to Mr. Mikio Morikawa as Chairman & Managing Director from April 01, 2017	Special

Signed this \_\_\_\_\_ day of July / August, 2017

Signature of shareholder

Signature of Proxy holder(s)

Affix ₹ 1  
Revenue  
Stamp

#### NOTE:

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

## Panasonic Energy India Co. Ltd.

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

### ATTENDANCE SLIP

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

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

I hereby record my presence at the 45<sup>th</sup> Annual General Meeting of the Company at C. C Mehta Auditorium, M. S. University, Sayajigunj, Vadodara - 390 002, on Thursday, August 10, 2017 at 10.00 a.m.

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

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

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

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

Member's/Proxy's Signature

Route-Map of the Venue of AGM







If undelivered, Please return to:

**Panasonic Energy India Co. Ltd.**

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

