

# Panasonic

Creating  
New Life  
with Energy



## Annual Report

2015 - 2016

**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. S. K. Khurana

#### DIRECTORS

Mr. G. N. Punj

Ms. G. A. Goradia

Mr. M. K. Swadia

Mr. A. N. Dalmia

Mr. M. Morikawa (w.e.f. 01.07.2015)

Mr. C. Kidani (w.e.f. 11.02.2016)

Mr. M. Shigeta (upto 29.01.2016)

#### 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. Ltd.

B-102 & 103, Shangrila Complex,

First Floor, Opp. HDFC Bank,

Radha Krishna 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

**44<sup>th</sup> Annual General Meeting** of the Company is scheduled to be held on **Thursday, July 28, 2016 at 11:00 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 **44<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, July 28, 2016, at 11.00 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, 2016 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, 2016.
3. To appoint a Director in place of Mr. M. Morikawa (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. K. C. Mehta & Co., Chartered Accountants, Vadodara having ICAI Firm Registration No. 106237W, who have offered themselves for re-appointment and 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 45<sup>th</sup> AGM of the Company to be held for the FY 2016-17 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, 2017.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### **6. Appointment of Mr. Chiaki Kidani 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, 152 and such other applicable provisions, if any, of the Companies Act, 2013 (“Act”), Mr. Chiaki Kidani (DIN 07427620) who was appointed as an additional director of the Company pursuant to provisions of Section 161 of the Act and Article 134 of the Articles of Association 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) whose period of office is liable to determination by retirement by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### **7. Revision in remuneration payable to Mr. S. K. Khurana as Chairman & Managing Director from October 01, 2015**

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

**“RESOLVED THAT** in partial modification of the resolution passed by the Members at their 43<sup>rd</sup> Annual General Meeting held on July 24, 2015 and pursuant to the provisions of Section 197, 198, Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule V and all other applicable provisions, if any, of the Companies Act, 2013, upon recommendation by the Nomination & Remuneration Committee, and as approved by the Board of Directors at its meeting held on October 28, 2015, consent of the Members be and is hereby accorded to give annual increment in the remuneration payable to Mr. S. K. Khurana, Chairman & Managing Director of the Company with effect from October 01, 2015 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. S. K. Khurana 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 be and is hereby authorised to approve annual increment in the salary of Mr. S. K. Khurana, so long as it falls within the limits prescribed under the provisions of section 197, 198 and Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule V of the Companies Act, 2013.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**8. Appointment of Mr. Mikio Morikawa as Managing Director**

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and subject to the approval of the Central Government, if any required, the consent of the Members be and is hereby accorded to the appointment of Mr. Mikio Morikawa (DIN 02611904) as Managing Director for a period of 3 years w.e.f. October 01, 2016 uptill September 30, 2019 on such terms and conditions as set out in the agreement entered into between the Company on one part and Mr. Morikawa on the other part the details of which are given in the explanatory statement in respect of this item of the Notice.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**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 & Manager (Legal)  
Vadodara, May 24, 2016**

**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, July 22, 2016 to Thursday, July 28, 2016 (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 8 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 22, 2016 to those Members whose names appear on the Company's register of members at the close of business on July 28, 2016.
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.

## Panasonic Energy India Co. Ltd.

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- 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 2007-08 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 24, 2015 (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.
9. Members are requested to notify immediately:
- any change in their residential address.
  - Income-tax Permanent Account Number (PAN).
  - Bank details – Name and address of the bank; A/c No.; type of A/c
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 the venue of AGM) to exercise their right to vote at the 44<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 44<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): 160609003**

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

- (i) The voting period begins on July 25, 2016 at 10.00 a.m. and ends on July 27, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on July 21, 2016 (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) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field (attached with Annual Report).
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. 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 DP ID and Client ID / folio number in the dividend bank details field.

- (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 (160609003) 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 android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. 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 emailed 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 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.
17. Route map for venue of AGM has been given on last page of this Annual Report.

### 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, 2017.

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 2016-17 as set out in the resolution for the aforesaid services to be rendered by them.

The Board of Directors accordingly recommend the passing of the resolution at item No. 5 of the accompanying notice. None of the Directors/KMP/their relatives, is in any way concerned or interested in the said resolution.

##### **ITEM NO. 6**

Mr. Chiaki Kidani has been appointed as an additional director (Non-Executive Director) (Promoter category) on the Board of the Company w.e.f. February 11, 2016. Mr. Kidani holds office upto the date of this Annual General Meeting.

Mr. Kidani is a science graduate from Hiroshima University, Japan. He joined Sanyo Electric Co. Ltd. in 1984. He worked in different domains including Business Planning and Strategy Formulations. After the amalgamation of Sanyo Electric Co. Ltd. with Panasonic Corporation in 2010, Mr. Kidani worked in different positions at Panasonic Corporation. He is having vast experience in the overseas operations of battery business including Hong Kong, 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. Kidani is given in Report on Corporate Governance.

None of the Directors/KMP/their relatives except Mr. Kidani is any way, concerned or interested in the said resolution.

**ITEM NO. 7**

Mr. S.K. Khurana is a B.E. (Mechanical), F.I.E., Chartered Engineer and has been working with the Company since December 01, 1972 in different capacities. Initially, he had been appointed as Managing Director of the Company effective from October 01, 2006. In the year 2012, he was re-designated as Chairman & Managing Director of the Company. He had been given an extension of 2 years from October 01, 2013 to September 30, 2015.

In previous Annual General Meeting, the Members had approved his re-appointment for a further period of 2 years from October 01, 2015 to September 30, 2017, first year as Chairman and Managing Director and second being the Executive Chairman.

The Board had, in its meeting held on October 28, 2015, approved the annual increment in the salary of Mr. S.K. Khurana, the details of which are given below. Specific approval of the Members is now sought to the above revision in the remuneration of Mr. S. K. Khurana.

**Terms of Appointment**

**(A) Salary:**

₹ 2,47,500 (Rupees two lacs forty seven thousand five hundred only) per month.

**(B) Special Allowance:**

₹ 72,450 (Rupees seventy two thousand four hundred fifty only) per month.

**(C) Commission:**

In addition to salary, commission payable shall be an amount subject to the upper limit of 1% of the net profits of the Company in a particular financial year as may be determined by the Board of Directors every year.

**(D) Perquisites:**

- i. In addition to the salary and commission, Mr. Khurana shall be entitled to perquisites such as accommodation or house rent allowance in lieu thereof; furniture, furnishings, medical expenses for self and family including surgical and hospitalisation expenses, medical/accident insurance, leave travel concession etc. in accordance with the rules of the Company, if any, or as may be agreed to by the Directors and Mr. Khurana; the monetary value of such perquisites will be restricted to the maximum amount of annual salary. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in the absence of any such rules, the same shall be evaluated at actual cost.
- ii. Use of Company's car and telephone at residence.
- iii. The Chairman & Managing Director shall also be eligible for the following perquisites which shall not be included in computation of the ceiling on perquisites specified hereinabove.
  - a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
  - b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service with effect from July 01, 1996 when new terms were agreed to between him and the Company on this issue.
  - c. One month's leave on full pay and allowances for every eleven months of service. However, no encashment of leave shall be permitted at the end of the tenure.
  - d. Reimbursement of entertainment, hotel and other expenses actually and properly incurred for the legitimate business of the Company.

EXPLANATION: "Family" means the spouse, dependent children and dependent parents of the managerial person.

**(E) Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Khurana, 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.

## Panasonic Energy India Co. Ltd.

**(F) 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.

**(G) 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.

**(H) 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.

**(I) Chairman & Managing Director not liable to retire by rotation:**

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

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

The Board of Directors accordingly recommends the passing of the resolution at item No. 7 of the accompanying notice.

None of the Directors/KMP/their relatives except Mr. Khurana is any way, concerned or interested in the said resolution.

**ITEM NO. 8**

The Members may recall that in furtherance of the succession planning of Mr. S. K. Khurana, Chairman & Managing Director of the Company, Mr. Mikio Morikawa had been inducted on the Board w.e.f. July 01, 2015 as Joint Managing Director for a term of 15 months and consequent elevation as Managing Director w.e.f. October 01, 2016 to September 30, 2017.

The Members had also approved his appointment as Joint Managing Director in 43<sup>rd</sup> AGM held on July 24, 2015. Thereafter, the Company had approached the Central Govt. for granting its approval to the appointment of Mr. Morikawa (being a foreign national). Unfortunately, Central Govt. had rejected the application of Mr. Morikawa on the ground of non-submission of employment visa which he could not applied for due to his busy schedule on some other assignment. Consequently, the Board had to re-designate him as Non-executive Director w.e.f. January 28, 2016.

Now, to give effect to the earlier succession planning, the Board, on the recommendation of the Nomination and Remuneration Committee, had appointed him as Managing Director effective from October 01, 2016 for a period of 3 years.

Mr. Morikawa is an Industrial Engineer from Waseda University, Tokyo, Japan. He has been associated with Panasonic since 1986 and has worked in different capacities including heading their battery operations in USA. His last assignment in Japan was General Manager, Procurement Dept. of Energy Device Business Division.

**A. Salary (per month):**

Sr. No.	Particulars	Not accompanied by family (In INR)
1	Basic Salary	53,478
2	Special Allowance	1,24,782
3	Tax Allowance*	47,200
4	PF Allowance	12% of Basic salary

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

**B. Commission:** In addition to salary, commission payable shall be an amount subject to the upper limit of 1% of the net profits of the Company calculated in accordance with section 198 of the Companies Act, 2013 in a particular financial year as may be determined by the Board of Directors every year. (subject to deduction of applicable tax)

**C. Perquisites:**

- i. Furnished accommodation
- ii. Use of Company's car and telephone at residence.
- iii. Mr. Morikawa shall also be eligible for the following perquisites which 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. Leave: One month's leave on full pay and allowances for every eleven months of service. However, no encashment of leave shall be permitted at the end of the tenure;
  - d. Reimbursement of entertainment, hotel and other expenses actually and properly incurred for the legitimate business of the Company.

**D. Minimum Remuneration**

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

**E. Notice for termination of Agreement**

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

**F. Compensation for loss of office**

The 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."

**G. Sitting Fees**

The 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.

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

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

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

The Board of Directors accordingly recommends the passing of the resolution at item No. 8 of the accompanying notice.

Pursuant to the requirement of the SEBI Committee on Corporate Governance on appointment of the Director, a statement containing briefly the details of Mr. Morikawa is given in Report on Corporate Governance.

None of the Directors/KMP/their relatives except Mr. Morikawa is in any way, concerned or interested in the said resolution.

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

**Susheela Maheshwari  
Company Secretary & Manager (Legal)  
Vadodara, May 24, 2016**

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

# Panasonic Energy India Co. Ltd.

Dear Shareholders,

Your Directors have great pleasure to report to you at the end of another exciting year and presenting the forty fourth annual report together with the audited financial statement for the year ended March 31, 2016.

## 1. Socio Economic Environment

The socio economic environment in India seems to indicate positivity. Economic growth for the year ending March 2016 is showing signs of improvement.

Lower oil prices, lower inflation, expectation of normal monsoon, building infrastructure, enabling reduce cost of business in the country and investments made in the direction of boosting rural economy promises a better year ahead for battery industry which is predominantly dependent on rural consumption.

## 2. Financial Results Summary

(₹ In Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Sales Turnover</b>	<b>27794.06</b>	26903.13
<b>Profit/(Loss) before tax</b>	<b>2491.13</b>	2702.28
Less: Provision for taxation (Net of deferred tax)	<b>868.28</b>	927.36
Less: Provision for taxation of earlier years (Net of refund/demand)	<b>(30.23)</b>	(8.83)
<b>Profit/(Loss) after tax</b>	<b>1653.08</b>	1783.75
Add: Profit brought forward from previous year (Opening balance ₹ 198.70 less ₹ 1.91 difference of dividend distribution tax of FY 2014-15 adjusted)	<b>196.79</b>	144.92
<b>Net available surplus for appropriation</b>	<b>1849.87</b>	1928.67
<b>Appropriations</b>		
Proposed Dividend	<b>525.00</b>	525.00
Dividend Distribution Tax	<b>106.88</b>	104.97
General Reserve	<b>1000.00</b>	1100.00
Surplus carried to Balance Sheet	<b>217.99</b>	198.70
	<b>1849.87</b>	1928.67

## 3. Operational Review

Your Company has delivered another year of steady performance inspite of sluggish performance of organized battery industry. Organized sector recorded sales of slightly over 2.1 billion pieces which is around 99% as compared to last year.

Despite of such adverse industry scenario, your Company has improved its sales amount by 3% and achieved sales of ₹ 27,794 lacs as against ₹ 26,903 lacs in previous year.

The profit before tax (PBT) from ordinary activities during the year stood at ₹ 2,491 lacs which is slightly less as against ₹ 2,591 lacs registered in last financial year. In the current year, the Company could not maintain or improve the same owing to severe competition, adverse exchange rates, increase in the cost of key raw materials and sluggish market condition prevailing in battery industry.

### Batteries and Flashlights

The overall battery industry in the organized sector is witnessing de-growth, which is mainly due to heavy inflow of inferior quality imported products dumped mainly from China at very low rates.

Flashlight market has also under performed during the year 2015-16 and is at around 90% to previous year. This is mainly due to its dependence on monsoon which was sluggish during the year. In stiff conditions also your Company has established growth of around 102% over previous year.

### Prospects

The organized battery industry is facing challenges owing to cheap imported batteries. Company is pleased to inform that steps are being taken to overcome this situation within a reasonable time frame which will present the battery industry in much brighter prospects for the years to come.

## 4. Dividend

Keeping in view the current profitability of the Company, your Directors are pleased to recommend payment of a dividend of ₹ 7/- per equity share (@ 70% at par value of ₹ 10/- each) (previous year ₹ 7/- 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 ₹ 525 lacs. 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 ₹ 106.88 lacs.

## 5. Management Discussion and Analysis

### A. Business Overview

#### Zinc carbon batteries

Zinc carbon sales of organized manufacturers have reported sales at around 99% as compared to previous year. However, the dry battery consumption in India is much more due to continuous import of Chinese batteries at dumped price. In this context there is a scope for organized sector to grow.

Another significant factor which is affecting the sales turnover is due to the shift in consumer preference from high value D size batteries towards low priced AA / AAA size batteries.

The statistics given below explains the current battery consumption scenario in India.

#### Battery size wise contribution in % (Estimated)

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
D Size	14.5	13.0	10.7
C Size	0.3	0.3	0.2
AA Size	74.3	73.5	73.4
AAA Size	10.9	13.2	15.7

The above trend is in line with the global trend and envisaging the change in trend towards miniaturization, your Company has invested in enhancing the production capacity of AAA category. The growth in AAA category is expected to continue in the years to come and your Company is well placed to take advantage of this growing segment.

#### Alkaline batteries

At present battery industry in India is dominated by zinc carbon batteries and alkaline contributes only 4% of the total battery demand in the country. Contrary to this, in developed countries the alkaline segment dominates the total battery demand.

Alkaline is a category for future growth. Realizing this, your Company is aggressively concentrating its activities towards improvement of sales in this category. The Company is pleased to report having doubled its share in this category during the year 2015-16 v/s previous year.

#### Flashlights

Flashlight market is shared equally by organized and unorganized sectors. Unorganized sector continuously launch look alike low price models. This coupled with weak monsoon has resulted into flashlight segment showing de-growth for the year 2015-16 at around 90% in the organized sector.

Your Company is pleased to report achieving growth rate of 102% during the year. The Company foresees large opportunity in flashlight market owing to ever increasing demand of alternative solutions required by consumers to cope with power cuts.

#### 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 “eneloop” brand of rechargeable batteries and chargers. 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 imported rechargeable batteries.

### B. Industry Structure and Development

Organized battery industry has marginally gone down in the financial year 2015-16. It also indicates changes in the buying preferences of the consumer. “D Size” continues to de-grow. De-growth in “AA” Economy segment and double digit growth in “AAA” segment has opened up challenges to be faced in the year 2016-17.

As a result of consumer shift towards miniaturization, “AAA” segment has played a very positive role in maintaining sales of the industry and is expected to grow further.

Company is pleased to announce that having enhanced its production capabilities with successful commissioning of new “AAA” production line, it is well placed to take advantage in this growing segment.

## **Marketing and Distribution**

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 educative programs.

To support productivity enhancement the Company has also undertaken various brand building activities in rural as well as urban markets such as wall paintings, sun sheds, dealer boards and advertisement in bus panels etc. The Company also continued its basic activity i.e. "DISHA" which helped in improving the visibility of Panasonic batteries at shop fronts.

## **C. Opportunities and threats**

### **Opportunities**

Presently, per capita consumption of batteries in India is quite low as compared to other developed countries. It indicates potential for higher future growth. Battery is the cheapest source of portable power and its consumption is always expected to grow as it also is an item 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 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 devaluation of rupee are a matter of concern for the Indian economy including battery industry.

## **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.

## **F. Internal Financial Controls**

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

## **G. 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 works on the principle of "People before Product", which enables cordial relationship amongst the employees.

The total employee strength of the Company as on March 31, 2016 stood at 836.

## **H. Research & Development**

The goal of our Company is to supply high quality products to our valued customers. Need of customers is changing frequently as per the usage pattern of gadgets. If additional features of environment friendly products with high quality & safety features are available, it would lead to higher level of customer satisfaction and consumer delight. Keeping the above objective in view, the research and development activities were focused towards manufacturing of best quality products with low manufacturing cost, incorporating additional features of safety of appliances and offering environment friendly products.

As a part of continual improvement, your Company, during the year, has taken lead in eliminating heavy metal i.e. "Lead" (Pb) from dry battery for which efforts during past several years have been made under the guidance of the Panasonic Corporation, Japan. The above is the joint effort made by your Company under the guidance of Panasonic Corporation to manufacture lead free batteries despite the lead levels being permissible as per the Indian regulation.

As a result of the above initiative, effective from August 2016 onwards, your Company will be the only Company in India manufacturing the lead free dry battery. You would be happy to know that at present, yours is the only Company in India to manufacture complete range of eco-friendly products.

Your Company is planning to create awareness amongst employees and business partners etc. by way of special training programs and conferences with the sales channels to take advantage of this exclusive initiative in the market place.

Your Company is also committed to be “No. 1 Green Innovative Company in India” by supplying eco-friendly products adopting global vision philosophy of Panasonic Corporation.

During the year, your Company has enhanced the manufacturing capacity of R03/ AAA battery by introduction of new manufacturing line, to meet the growing segment.

During the year, several activities were undertaken to improve product quality without increasing cost and process losses by use of statistical methods like QC seven tools, Q.C. Circle and Kaizen activities. This will lead to enhancement in the confidence level of the employees, suppliers, business associates and customers.

You will be glad to know that, during the year, your Company introduced the highest performance grade of product in R20 paste type “Panasonic Gold” in attractive packaging with the objective to provide “Value for Money” to our valued customers.

Further, during the year under review, your Company improved the recycle rate as per the guidelines of collaborator for the waste generated out of manufacturing process. Your Company also carried out various environmental activities like tree plantation, training and awareness to employees to conserve natural resources.

## 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’s Auditors confirming compliance, forms an integral part of this Report.

## 7. Extract of Annual Return

The details forming part of the extract of the Annual Return in MGT 9 Form 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, 2016 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, 2016 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 either by Statutory Auditors in their report or by Company Secretary in practice in his Secretarial Audit Report.

### 13. Related Party Transactions

All related party transactions that were entered into during the financial year were on an 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 also the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of a 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 a 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 "AOC 2" Form 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, pure drinking water, health, hygiene, sanitation, 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 in place an anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee has been setup to redress complaints which are monitored by the presiding officer working at senior level who directly reports to the Chairman & Managing Director. All female employees are covered under the policy. There was no complaint received from any employee during the financial year 2015-16 and hence, no complaint is outstanding as on March 31, 2016 for redressal.

### 17. Board Evaluation

Pursuant to the provisions of schedule IV of the Companies Act, 2013 and 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

As per succession planning, the present term of Mr. S. K. Khurana as Chairman & Managing Director is getting expired on September 30, 2016 and members had already re-designated him as an Executive Chairman w.e.f. October 01, 2016.

In accordance with the succession planning of Mr. S. K. Khurana, the Board and Members had already appointed Mr. Mikio Morikawa as Joint Managing Director w.e.f. July 01, 2015 subject to approval of Central Government. It was also decided to elevate Mr. Morikawa as Managing Director w.e.f. October 01, 2016. But due to non-availability of employment visa, his approval as Joint Managing Director has been 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.

The Board had, on the recommendation of the Nomination & Remuneration Committee, again appointed Mr. Morikawa as Managing Director w.e.f. October 01, 2016.

As per the provisions of the Companies Act, 2013, Mr. Morikawa, currently being the Non-executive Director, retires by rotation and being eligible offers himself for re-appointment.

Mr. M. Shigeta had resigned from the Board w.e.f. January 29, 2016. The Board had placed on record its appreciation for the valuable contribution provided by Mr. Shigeta during his tenure as Director of the Company. The Board had, to fill up the vacancy caused by the resignation of Mr. Shigeta, appointed Mr. Chiaki Kidani as additional Director w.e.f. February 11, 2016.



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 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. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment 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. (Ref. "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 Companies (Appointment & Remuneration) Rules, 2014**

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

S. K. Khurana  
Chairman & Managing Director

Vadodara, May 24, 2016

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

Extract of Annual Return

as on the financial year ended 31.03.2016

[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	27.05.1972
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	93

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

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE
1	Panasonic Corporation	Foreign Company	Holding

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

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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>	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate (Foreign Promoter)	4354144	-	4354144	58.06	4354144	-	4354144	58.06	-
d) Banks FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	4354144	-	4354144	58.06	4354144	-	4354144	58.06	-
<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	-	525	525	0.01	-
b) Banks / FI	73	75	148	-	73	75	148	-	-
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) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>295361</b>	<b>900</b>	<b>296261</b>	<b>3.95</b>	<b>295361</b>	<b>900</b>	<b>296261</b>	<b>3.95</b>	<b>-</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	174232	168915	343147	4.58	168818	168915	337733	4.50	-0.08
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	1603437	417784	2021221	26.95	1471963	396850	1868813	24.92	-2.03
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	264760	118319	383079	5.11	289731	118319	408050	5.44	0.33
<b>c) Others (specify)</b>									
Non Resident Indians	47135	-	47135	0.63	85779	-	85779	1.14	0.51
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Other Directors	4024	264	4288	0.05	4524	264	4788	0.06	0.01
Clearing Members	50697	-	50697	0.67	15531	-	15531	0.21	-0.47
Trust	28	-	28	-	28	-	28	-	-
HUF	-	-	-	-	128873	-	128873	1.72	1.72
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>2144313</b>	<b>705282</b>	<b>2849595</b>	<b>37.99</b>	<b>2165247</b>	<b>684348</b>	<b>2849595</b>	<b>37.99</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2439674</b>	<b>706182</b>	<b>3145856</b>	<b>41.94</b>	<b>2460608</b>	<b>685248</b>	<b>3145856</b>	<b>41.94</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>6793818</b>	<b>706182</b>	<b>7500000</b>	<b>100.00</b>	<b>6814752</b>	<b>685248</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):	NA			
	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	Vijay Kishanlal Kedia	-	-	93004	1.24
4	Acacia Banyan Partners	85800	1.14	85800	1.14
5	Uday Prakash Punj	80099	1.06	80099	1.06
6	Alembic Limited	72824	0.97	72824	0.97
7	N. Rangappa	52500	0.70	54800	0.73
8	Madan Daulatram Bahal	-	-	53514	0.71
9	Paras Kishore Ghiya	50574	0.67	-	-
10	Atul Prakash Punj	38220	0.50	38220	0.50
11	Dhruvi Madhup Rathi	-	-	31182	0.41
12	Lincoln P Coelho	30000	0.40	30000	0.40
13	Trishna Rakyan	28519	0.38	-	-
	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 Directors and 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. S. K. Khurana	4024	0.050	4024	0.050
2	Mr. G. N. Punj	264	0.001	264	0.001
3	Ms. Geeta Goradia	-	-	-	-
4	Mr. Mayur Swadia	-	-	-	-
5	Mr. Atul Dalmia	-	-	500	0.007
6	Mr. M. Morikawa	-	-	-	-
7	Mr. C. Kidani	-	-	-	-
8	Mr. Anjan R. Shah, Chief Financial Officer	-	-	-	-
9	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):	NA			
	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		NA		
* Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. S. K. Khurana Chairman & Managing Director	
1	Gross salary (₹ in Lacs)		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.75	27.75
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	04.76	04.76
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	26.83	26.83
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit (1%)	28.18	28.18
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	87.52	87.52
	Ceiling as per the Act	130.69	130.69

**B. REMUNERATION TO OTHER DIRECTORS**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		Mr. Punj	Ms. Goradia	Mr. Swadia	Mr. Dalmia	
1	Independent Directors					
	Fee for attending Board / Committee Meeting	40000	260000	240000	220000	760000
	Commission	508348	508348	508348	508348	2033392
	Others, please specify	-	-	-	-	-
	Total (1)	548348	768348	748348	728348	2793392
2	Other non-executive Directors	Mr. Morikawa	Mr. Kidani	Mr. Shigeta		
	Fee for attending Board / Committee Meeting	-	-	-		
	Commission	88893	69446	422235		580574
	Others, please specify	-	-	-		-
	Total (2)	88893	69446	422235		580574
Total (1)+(2)						3373967
Total Managerial Remuneration						*2613966
Overall ceiling as per the Act						*2613966

\* Commission to all non-executive directors being 1% of the net profit of the Company for FY 2014-15.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Anjan Shah CFO	Ms. Susheela Maheshwari CS	
1	Gross salary (₹ In lacs)			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.04	4.21	11.25
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.44	0.74	2.18
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	4.38	3.86	8.24
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
Total		12.86	8.81	21.67

**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 Lacs)

Sr. No.	Name of Related Party	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Terms of contracts	Value of Contract	Date(s) of approval by the Board
1	Panasonic Carbon India Co. Ltd.	Purchase - Carbon Rods	Yearly	Prevailing Market Price	915.98	09-02-2015
2	Panasonic Corporation	Purchase - Eneloop Batteries	Yearly	Prevailing Market Price	305.94	09-02-2015
		Service - Royalty & Trademark License Fee	10 & 5 Years Respectively	Mutually agreed terms	712.98	09-02-2015
		Service - IT services-group mail, warp & Gpclm	Yearly	Mutually agreed terms	5.71	09-02-2015
		Expenses incurred on behalf of Company	Yearly	Mutually agreed terms	2.29	09-02-2015
		Service - Reimbursement of brand awareness expenses	Yearly	Mutually agreed terms	212.59	11-02-2016
3	Panasonic Energy (Shanghai) Co. Ltd.	Sales - Raw Material	Yearly	Prevailing Market Price	0.26	09-02-2015
		Purchase - Dry Cell	Yearly	Prevailing Market Price	69.31	09-02-2015
		Purchase - Raw Material	Yearly	Prevailing Market Price	24.96	09-02-2015
4	Panasonic Energy (Thailand) Co. Ltd	Purchase - Appliances/Parts	Yearly	Prevailing Market Price	127.20	09-02-2015
5	Panasonic India Pvt. Ltd.	Service - IT Network	Yearly	Mutually agreed terms	3.40	09-02-2015
		Expenses incurred on behalf of Company	Yearly	Mutually agreed terms	7.10	09-02-2015
6	Panasonic Asia Pacific Pte. Ltd.	Service - Reimbursement of brand building expenses	Yearly	Mutually agreed terms	202.65	09-02-2015
		Purchase - Raw Material	Yearly	Prevailing Market Price	87.04	09-02-2015
7	Panasonic Peruana S.A.	Sales - Spares	Yearly	Prevailing Market Price	23.86	09-02-2015
8	Panasonic Energy Tanzania Co. Ltd.	Sales - Raw Materials	Yearly	Prevailing Market Price	281.52	09-02-2015
		Sales - Spares	Yearly	Prevailing Market Price	4.39	09-02-2015
		Expenses incurred on behalf of company	Yearly	Mutually agreed terms	3.48	09-02-2015
9	P.T. Panasonic Gobel Energy Indonesia	Purchase - Appliances/Parts	Yearly	Prevailing Market Price	3.60	09-02-2015
10	Panasonic Hong Kong Ltd.	Purchase - Eneloop Batteries & Charger	Yearly	Prevailing Market Price	2.11	09-02-2015
11	Panasonic AVC Networks India Co. Ltd.	Sales - Dry Cell	Yearly	Prevailing Market Price	7.76	09-02-2015
12	Panasonic Industrial Devices Sales (HKG) Co. Ltd.	Purchase - Eneloop Batteries & Charger	Yearly	Prevailing Market Price	50.66	09-02-2015
	<b>TOTAL</b>				<b>3054.79</b>	

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

For and on behalf of the Board

S. K. Khurana  
Chairman & Managing Director

Vadodara, May 24, 2016

**“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 on compressor reduced by 5% v/s previous year due to various measures taken by air saving techniques.
- Electrical load reduction by 4 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 machinery performance.

(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 ₹ 120 K.

**(B) Technology Absorption**

1	The efforts made towards technology absorption	1. Various trials to eliminate the heavy metals to make all dry batteries 100 % eco- friendly. 2. Introduction of highest performance R20DDG paste type battery. 3. Efforts to conserve energy through adoption of innovative ideas and technology are made.
2	The benefit derived like product improvement, cost reduction, product development, import substitution	1. Manufacturing of environment friendly products & thereby contribute to the betterment of the society. 2. Providing of high performance batteries to the customers. 3. Implementation of innovative ideas and technology to reduce manufacturing CO <sub>2</sub> emission. Explore and use of global source of materials and thereby reduce product cost without affecting quality.
3	The expenditure incurred in research & development	₹ 166.37 lacs

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

1	Foreign Exchange Earned	₹ 309.85 lacs
2	Foreign Exchange Outgo	₹ 5381.05 lacs



**“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:  
Weblink: [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. S K Khurana, Member (Chairman & Managing Director)
3. Average net profit of the Company for last three financial years: ₹ 1442.51
4. Prescribed CSR Expenditure (two percent of the amount as in item above):  
The Company is required to spend ₹ 28.85 lacs towards CSR.
5. Details of CSR spent for the financial year:
  - a. Total amount spent for the financial year: ₹ 28.85 lacs
  - b. Amount unspent, if any: Nil (Payment of ₹ 0.99 Lacs to Supplier was made in April 2016)
  - c. Manner in which the amount spent during the financial year is detailed below: (₹ In lacs)

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	Swami Vidyanandji Kelavani Trust	Education	Vadodara	3.35	3.35	3.35	3.35
2	Pujya Yogini Vasantdevi Smarak Trust	Medical	Vadodara	1.30	1.30	1.30	1.30
3	Lions Blind Girls School	Education (disabled girls)	Vadodara	1.73	1.73	1.73	1.73
4	Arpan Charitable Trust (Sensory Integration Unit)	Medical (disabled children)	Vadodara	1.33	1.33	1.33	1.33
5	The Akshay Patra Foundation	Food (Idli Maker Machine)	Vadodara	10.50	10.50	10.50	10.50
6	Sevatirth	Drinking Water (Purification Plant for Leprosy affected People)	Vadodara	3.00	3.00	3.00	3.00
7	Shram Mandir Trust	Medical/ Education (Leprosy affected People)	Vadodara	3.93	3.93	3.93	3.93
8	Shashakiya Madhyamik Vidhyalaya	Education, Health & Hygiene (Notebooks & Water purifier)	Bagdun, Pithampur	1.08	1.08	1.08	1.08
9	Shaskiya Uchchattar Madhyamik Vidyalaya	Sanitation, Health & Hygiene (Water purifier & Toilets)	Ghatabillod Pithampur	1.63	1.63	1.63	1.63
10	Deaf, Dump & Blind School, "Sewa Mandir"	Education (LED TV/ Desk Top PC Computer)	Pithampur, Indore	1.00	1.00	1.00	1.00
			<b>Total</b>	<b>28.85</b>	<b>28.85</b>	<b>28.85</b>	<b>28.85</b>

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

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

Vadodara, May 24, 2016

For and on behalf of the Board

**Geeta Goradia**  
Chairperson of CSR Committee

Vadodara, May 24, 2016

**Contents of the CSR Policy**

**(approved by the Board of Directors on October 29, 2014)**

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

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing 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.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.
- Measures for the benefits of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, paraolympic sports and Olympic sports.
- Contribution to prime Minister's National Relief Fund or any other fund set up by the Central Govt. for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Contribution to funds provided to technology incubators located within academic institutions which are approved by the Cent Govt.
- Rural development projects.

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

**Secretarial Audit Report**

(For the Financial year ended on 31st March, 2016)

[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 Co. 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 **Panasonic Energy India Co. Ltd.** books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2016, 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 and Overseas Direct Investment and External Commercial Borrowings.
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. Further, as per the representation of management letter, considering its products, process and location, the following Acts are specifically applicable to the Company.
  - 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

## Panasonic Energy India Co. Ltd.

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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 Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd. and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

Adequate notice 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.

We further report 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 24, 2016**

**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.

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### **Annexure to Secretarial Audit Report**

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

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

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

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

**Place : Vadodara  
Date : May 24, 2016**

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

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

**Disclosure 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 2015-16 :

Sr. No.	Name of Director	Ratio
1	Mr. S.K.Khurana - Chairman & Managing Director	29.21:1
2	Mr. G.N.Punj	1.78:1
3	Ms. Geeta Goradia	2.49:1
4	Mr. Mayur Swadia	2.43:1
5	Mr. Atul Dalmia	2.37:1
6	Mr. M.Shigeta*	1.37:1
7	Mr. M. Morikawa*	0.29:1
8	Mr. C. Kidani*	0.23:1

\* Part of the year

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any for the financial year 2015-16 compared to 2014-15:

Sr. No.	Name of Director	% of increase
1	Mr.S.K.Khurana - Chairman & Managing Director	7
2	Mr.G.N.Punj - Director	-12
3	Ms.Geeta Goradia - Director\$	28
4	Mr. Mayur Swadia - Director\$	120
5	Mr. Atul Dalmia - Director\$	127
6	Mr. M.Shigeta - Direcor *	-26
7	Mr. M. Morikawa - Direcor *	NA
8	Mr. C. Kidani - Direcor *	NA
9	Mr. A. R. Shah - Chief Financial Officer@	14
10	Ms.S.M.Maheshwari - Company Secretary@	5

\$ Part of the year for F.Y. 2014-15, \* Part of the year for F.Y. 2015-16, @ As per Section 17 of Income Tax Act 1961.

3. The percentage increase in the median remuneration of employees in the financial year 2015-16 as compared to 2014-15 : 8.13%

4. The number of permanent employees on the roll of the Company :	31.03.2016	31.03.2015
	836	816

5. The explanation on the relationship between average increase in remuneration and company performance :

The increase in median remuneration of around 8.13% is in line with other industries with matching business and work areas. The Company's performance during the period (Profit Before Tax) decreased by 7.81%.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company for financial year 2015-16 as compared to 2014-15 :

Remuneration of KMP	7.61%
Performance of Company	-7.81%

7. Variation in	31.03.2016	31.03.2015
Market Capitalization	₹ 221.33 Crores	₹ 214.05 Crores
Price Earning Ratio	13.39	12.00
Percentage Increase/decrease of market quotations	3.40%	361.81%
Net worth of the Company	₹ 94.55 Crores	₹ 84.36 Crores

8. Average percentile increase in salaries of employees other than managerial personnel : 8.13%

## Panasonic Energy India Co. Ltd.

9. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company :

Sr. No.	Name of Key Managerial Personnel	Remuneration 15-16 V/s. 14-15 (%)	Performance 15-16 V/s. 14-15 (PBT) (%)
1	Mr. S. K.Khurana - Chairman & Managing Director	107	92
2	Mr. A. R. Shah - Chief Financial Officer	114	92
3	Ms. S. M. Maheshwari - Company Secretary	105	92

10. Key parameter for any variable component of remuneration availed by the Directors :

Commission as per the Companies Act, 2013 (1% of Net profit to Chairman & Managing director and another 1% to all other non-executive directors).

11. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year : NA
12. The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.
13. The statement showing the names of every employee of the Company as per rule 5(2) is given below :

(i)	Name	S. K. Khurana
(ii)	Age	68 Years
(iii)	Designation	Chairman & Managing Director
(iv)	Qualification	B.E. (Mechanical). F.I.E., Chartered Engineer
(v)	Experience	43 years
(vi)	Remuneration	₹ 89.96 Lacs
(vii)	Date of commencement of employment	December 01, 1972
(viii)	Last employment/ designation	Teksons Ltd. (Development Engineer)

## 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 very balanced structure of Board of Directors which is in conformity with Regulation 26 of the SEBI (LODR) Regulations, 2015. As on March 31, 2016 the Board comprises of seven Directors (six being non-executive Directors), of which four Directors are the Independent Directors. The Non-independent Directors include a Chairman & Managing Director and two Promoter Directors. None of the Directors have any inter-se relation among themselves and with any employee of the Company.

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

A Directors' kit containing information about the Company is handed over to the new Independent Directors to familiarize them with the Company. The details of which are available on our website (<http://www.panasonicenergyindia.in>). The appointment letter issued to Independent Directors inter alia sets out the expectation of the Board from the appointed director, their fiduciary duties and the accompanying liabilities that come with the appointment as a director of the Company.

The Notice convening Board Meetings are being sent to each of the Directors along with relevant 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, 2016, four Board Meetings were held on following dates.

May 28, 2015, July 24, 2015, October 28, 2015 and February 11, 2016. The last Annual General Meeting was held on July 24, 2015.

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 the last AGM	No. of Directorships held in Public Companies	No. of Committees	
					Chairman	Member
Mr. S. K. Khurana	Chairman & Managing Director	4/4	Yes	1	-	2
Mr. G. N. Punj	Non-Executive (Independent)	1/4	Yes	7	1	1
Ms. Geeta Goradia	Non-Executive (Independent)	4/4	Yes	4	-	3
Mr. Mayur Swadia	Non-Executive (Independent)	4/4	Yes	1	1	2
Mr. Atul Dalmia	Non-Executive (Independent)	4/4	Yes	2	1	2
Mr. Mikio Morikawa (w.e.f. 01.07.2015)	Non-Executive (Non Independent)	1/3	Yes	1	-	-
Mr. Chiaki Kidani (w.e.f. 11.02.2016)	Non-Executive (Non Independent)	NA	NA	2	-	-
Mr. M. Shigeta (Till 29.01.2016)	Non-Executive (Non Independent)	1/3	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 and Corporate Social Responsibility Committee. The terms of reference of these Committees are determined by the Board and their relevance 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 and 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. S. K. Khurana	Member	4	4

The Company's Internal Auditors, Statutory Auditors and head of finance department generally remain present at the Audit Committee meetings. The Company Secretary acts as the secretary of the Audit Committee. Mr. Mayur Swadia, Chairman of the Audit Committee was present at the 43rd Annual General Meeting of the Company held on July 24, 2015.

**B) Nomination & Remuneration Committee**

**Terms of Reference**

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration Committee" as the "Nomination & Remuneration Committee" and reconstituted the same. The 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 and October 29, 2014 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	-
3	Ms. Geeta Goradia	Member	3	3
4	Mr. S. K. Khurana	Member	3	3

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

#### Remuneration Policy

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

- To formulate a 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 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 (₹) (A)	Perquisites (₹) (B)	Contribution to PF & other funds [Exempted Perks] (₹) (C)	Total (₹) (D=A+B+C)	Commission (₹) (E)	Total (₹) (F=D+E)
1	Mr. S. K. Khurana Chairman & Managing Director	35,87,700	20,45,141	7,49,250	63,82,091	26,13,966	89,96,057

**Note:**

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.

The Chairman & Managing Director is not paid any sitting fee.

(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 Fess (₹) (A)	Commission (₹) (B)	Total (₹) (C=A+B)	No. of shares
1	Mr. G. N. Punj	Independent	40,000	5,08,348	5,48,348	264
2	Ms. Geeta Goradia	Independent	2,60,000	5,08,348	7,68,348	-
3	Mr. Mayur Swadia	Independent	2,40,000	5,08,348	7,48,348	-
4	Mr. Atul Dalmia	Independent	2,20,000	5,08,348	7,28,348	500
5	Mr. M. Morikawa (w.e.f. 28.01.2016)	Non-Independent	-	88,893	88,893	-
6	Mr. C. Kidani (w.e.f. 11.02.2016)	Non-Independent	-	69,446	69,446	-
7	Mr. M. Shigeta (Upto 29.01.2016)	Non-Independent	-	4,22,235	4,22,235	-

No severance fee is 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 and October 29, 2014 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	Status	No. of Meetings Held	No. of Meetings Attended
1	Mr. G. N. Punj	Chairman	1	1
2	Mr. Mayur Swadia	Member	1	1
3	Mr. S. K. Khurana	Member	1	1

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 shareholder 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.

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	Status	No. of Meetings Held	No. of Meetings Attended
1	Ms. Geeta Goradia	Chairperson	2	2
2	Mr. Mayur Swadia	Member	2	2
3	Mr. S. K. Khurana	Member	2	2

## 4. GENERAL BODY MEETINGS

Particulars of last three AGM's & special resolutions passed are given below.

Financial Year	Date & Time	Venue	Special Resolutions passed
2012-13 (41 <sup>st</sup> AGM)	July 23, 2013 10.00 AM	C.C. Mehta Auditorium, M.S. University, Vadodara	Increase in remuneration of Mr. S. K. Khurana w.e.f. October 01, 2012 to September 30, 2013.
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.

All the aforesaid resolutions were passed by e-voting except the resolution passed in 41<sup>st</sup> AGM which was passed by show of hands.

### Postal Ballot Resolution

No special resolution through postal ballot was passed during the year 2015-16.

## 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 an 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 disclosure as required by the Accounting Standards (AS18) has 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 Standard**

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

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

The Company is in the process of opening the unclaimed suspense account for the unclaimed shares lying with it. The Company has 50 such folios comprising of 1581 shares.

**h) Non-Mandatory Requirements**

The Board may consider adopting the non-mandatory requirements in due course of time. However, during the year under review the status of compliance with non-mandatory requirements of Regulation 27 of the SEBI (LODR) Regulations, 2015 is given below:

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, 2016. 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.

**8. PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING 44<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY**

<b>Name of the Director</b>	: Mr. Mikio Morikawa	Mr. Chiaki Kidani
<b>Date of Birth</b>	: May 22, 1963	January 02, 1962
<b>Educational Qualification</b>	: Industrial Engineering from Waseda University, Japan	Bachelor of Science from Hiroshima University, Hiroshima.
<b>Specific Functional Area</b>	: Company Executive	Company Executive
<b>Brief Resume of Directors</b>	: Mr. Morikawa has been associated with Panasonic since 1986 and has worked in different capacities including heading their operations in USA. His last assignment in Japan was General Manager, Procurement Dept. of Energy Device Business Division, Automotive and Industrial Systems Company, Panasonic Corporation.	Mr. Kidani joined Sanyo Electric Co. Ltd. in 1984. He worked in different domains including Business Planning and Strategy Formulations. After the amalgamation of Sanyo Electric Co. Ltd. with Panasonic Corporation in 2010, Mr. Kidani worked in different positions at Panasonic Corporation. He is having vast experience in the overseas operations of battery business including Hong Kong, Malaysia etc. Currently, he is Director of Energy Device Business Division, Automotive and Industrial Systems Company, Panasonic Corporation.

## Panasonic Energy India Co. Ltd.

<b>Shareholding of Directors</b>	: NIL	NIL
<b>Other Directorships held</b>	: <b>Public Companies</b> Nil <b>Private Companies</b> Nil <b>Foreign Companies</b> Panasonic Energy Tanzania Co. Ltd.	<b>Public Companies</b> Panasonic Carbon India Co. Ltd. <b>Private Companies</b> Nil <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
<b>Other Committees of Directors where Membership held</b>	: None	None

### 9. GENERAL SHAREHOLDER'S INFORMATION

#### a) Annual General Meeting

Day, date and time	Thursday, July 28, 2016 at 11.00 A.M.
Venue	C. C. Mehta Auditorium, M.S. University, Sayajigunj, Vadodara - 390 005.

#### b) Financial Calendar

For the financial year 2016-17, financial results will be announced as per the following tentative schedule:

1 <sup>st</sup> quarter ended on June 30, 2016	Third week of July, 2016
2 <sup>nd</sup> quarter ended on September 30, 2016	Third week of October, 2016
3 <sup>rd</sup> quarter ended on December 31, 2016	Third week of January, 2017
Audited financial results for the year ended on March 31, 2017	Third week of May, 2017

#### c) Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Friday, July 22, 2016 to Thursday, July 28, 2016 (both days inclusive).

#### d) Dividend payment date

The dividend for the financial year 2015-16 shall be declared under agenda No. 2 of the forthcoming 44<sup>th</sup> Annual General Meeting scheduled on July 28, 2016. The mandate date on the dividend warrants shall be August 22, 2016.

#### e) Listing on Stock Exchange

Company's Equity Shares are listed on The Bombay Stock Exchange Ltd. (BSE). The Company has paid the listing fees for the year 2016-17 to BSE.

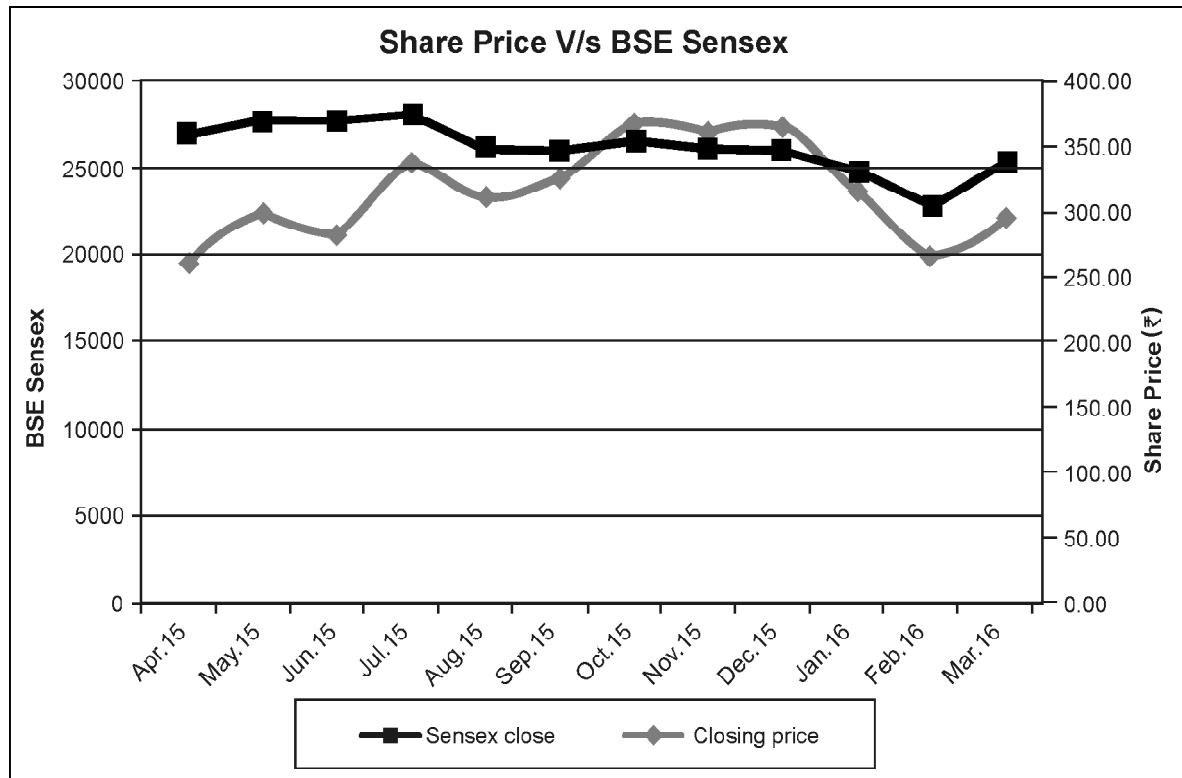
#### f) Stock Code

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

g) Market price data for the year 2015-16 of the Company on BSE

Month	Months High price (₹)	Months low price (₹)	Sensex	
			High	Low
April' 15	310.00	253.00	29094.61	26897.54
May'15	320.00	251.10	28071.16	26423.99
June'15	303.90	250.10	27968.75	26307.07
July'15	358.90	278.00	28578.33	27416.39
August'15	450.00	295.00	28417.59	25298.42
September'15	337.90	285.00	26471.82	24833.54
October'15	414.90	321.10	27618.14	26168.71
November'15	384.90	345.00	26824.30	25451.42
December'15	375.00	349.00	26256.42	24867.73
January'16	403.40	309.70	26197.27	23839.76
February'16	327.90	255.00	25002.32	22494.61
March'16	313.40	257.70	25479.62	23133.18

h) Company's closing share price movement during the financial year 2015-16 on BSE vis-à-vis Sensex



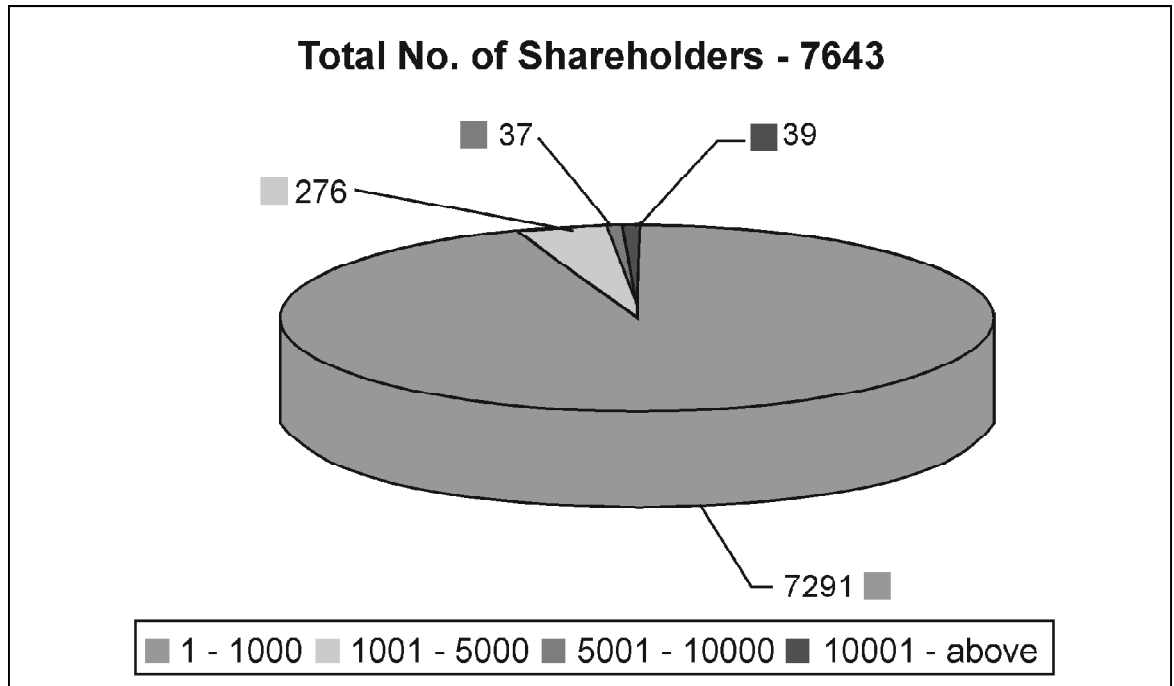
i) Registrar & Transfer Agent

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

j) Share Transfer System

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

**k) Distribution of shareholding as on March 31, 2016**



**l) Dematerialization of Shares and Liquidity**

At the end of the year 68,14,752 shares were held in dematerialized form which comes to 90.86% of total capital. Trading in equity shares is permitted only in dematerialized form from August 28, 2000 as per notification issued by Securities & Exchange Board of India. The Company has Demat connectivity with National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL).

**m) Audits in 2015-16**

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 - 454774 M.P.

**o) Address for correspondence**

Registered Office	Registrar & Share Transfer Agent
Company Secretary Panasonic Energy India Co. Ltd. G.I.D.C., Makarpura, Vadodara – 390 010, Gujarat, India. Tele.: (0265) 264 2661/62 Fax: (0265) 263 8890 E-Mail: <a href="mailto:susheela.maheshwari@in.panasonic.com">susheela.maheshwari@in.panasonic.com</a> Website: <a href="http://www.panasonicenergyindia.in">www.panasonicenergyindia.in</a>	Link Intime India Pvt. Ltd. B-102 & 103, Shangrila Complex, First Floor Opp HDFC Bank, Near Radha Krishna Char Rasta, Akota, Vadodara – 390 020, Gujarat, India. Tele.: (0265) 235 6573/ 235 6794 Fax: (0265) 235 6791 E-mail: <a href="mailto:alpesh.gandhi@linkintime.co.in">alpesh.gandhi@linkintime.co.in</a>



**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, 2007 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

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:

- (a) Any change in their address; and
- (b) 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**

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

Vadodara, May 24, 2016

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To  
**The Members of  
Panasonic Energy India Co. Ltd.**

We have examined the compliance of conditions of Corporate Governance by Panasonic Energy India Co. Ltd. ("the Company") for the year ended March 31, 2016 as stipulated in Chapter IV of Securities & Exchange Board of India (LODR) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of SEBI (LODR) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd.

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**

**Place : Vadodara  
Date : May 24, 2016**

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

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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, 2016.

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

**Place: Vadodara  
Date: April 30, 2016**

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

## INDEPENDENT AUDITORS' REPORT

To the Members of Panasonic Energy India Co. Ltd.

### Report on the Financial Statements

We have audited the accompanying financial statements of **Panasonic Energy India Co. Ltd.** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then 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 31<sup>st</sup> March, 2016, 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act;

## Panasonic Energy India Co. Ltd.

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- 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
- 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.

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

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

**Place : Vadodara  
Date : May 24, 2016**

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to in our Independent Auditor's Report to the members of **Panasonic Energy India Co. Ltd.** ("the Company") for the year ended 31<sup>st</sup> March, 2016, 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 year 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 and no material discrepancies have been noticed on such verification.  
(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, the provisions of clause (iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, 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 provisions of clause (iv) of the Order are 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 provisions of clause (v) of the Order are 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 2016 for a period of more than six months from the date they become payable.

## Panasonic Energy India Co. Ltd.

(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 2016 which have not been deposited on account of dispute:

Name of the statute	Nature of disputed dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where pending
Income Tax Act, 1961	Income Tax	33.58	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	59.55	From September 2004 to F.Y.2012-13	CESTAT, Ahmedabad
Finance Act, 1994	Service Tax	3.49	From February 2008 to February 2009	Assessing Authorities, Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	40.55	F.Y. 2006-07 to September 2011	CESTAT, New Delhi
Central Excise Act, 1944	Excise Duty	38.76	F.Y. 2007-08 to 2013-14	Assistant Commissioner, Commissioner (Appeals)
Sales Tax	Sales Tax	223.96	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 provisions of clause (viii) of the Order are not applicable to the Company.
- ix. In our opinion, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year and therefore, the provisions of clause (ix) of the Order are 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/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and therefore, the provisions of clause (xii) of the Order are 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 provisions of clause (xiv) of the Order are 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 provisions of clause (xv) of the Order are 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 24, 2016**

## **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 Co. Ltd.** ("the Company") as of March 31, 2016 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 March 31, 2016, 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.

Place : Vadodara  
Date : May 24, 2016

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

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

# Panasonic Energy India Co. Ltd.

(₹ in lacs)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share capital	2	750.00	750.00
(b) Reserves and surplus	3	8,705.60	7,686.31
<b>2 Non-current Liabilities</b>			
(a) Deferred tax liabilities (Net)	4	273.64	195.89
(b) Long-term provisions	5	23.26	130.76
<b>3 Current Liabilities</b>			
(a) Trade payables	6		
(i) Due to micro and small enterprise		47.85	82.79
(ii) Due to others		637.77	370.05
(b) Other current liabilities	7	1,947.07	2,614.49
(c) Short-term provisions	8	870.33	879.18
<b>TOTAL</b>		<b>13,255.52</b>	<b>12,709.47</b>
<b>II ASSETS</b>			
<b>1 Non - Current Assets</b>			
(a) Fixed Assets	9		
(i) Tangible assets		1,838.42	1,349.66
(ii) Intangible assets		17.87	31.99
(iii) Capital work in progress		-	490.31
(b) Long term loans & advances	10	51.46	55.29
<b>2 Current Assets</b>			
(a) Inventories	11	2,748.28	2,406.12
(b) Trade receivables	12	3,666.55	2,803.32
(c) Cash and bank balances	13	3,296.02	4,005.75
(d) Short-term loans and advances	14	1,326.58	1,066.05
(e) Other current assets	15	310.34	500.98
<b>TOTAL</b>		<b>13,255.52</b>	<b>12,709.47</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 24, 2016

For and on behalf of the Board of Directors

S. K. Khurana  
Chairman & Managing Director  
DIN:00843822

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : May 24, 2016

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)



(₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>I. Revenue from Operations</b>			
(a) Sale of products	16	27,794.06	26,903.13
Less: Excise duty		3,699.51	3,100.82
		24,094.55	23,802.31
(b) Other operating revenues		40.62	46.09
		24,135.17	23,848.40
<b>II. Other Income</b>	17	398.70	396.32
<b>III. Total Revenue (I + II)</b>		24,533.87	24,244.72
<b>IV. EXPENSES</b>			
Cost of materials consumed	18	12,748.05	13,134.16
Purchases of stock-in-trade	19	1,572.00	1,283.63
Changes in inventories of finished goods work-in-progress and stock-in-trade	20	(116.93)	(361.18)
Other manufacturing expenses	21	661.72	773.84
Employee benefits expenses	22	2,993.42	2,826.81
Finance costs	23	6.78	7.23
Depreciation and amortization expenses	9	211.04	215.58
Other expenses	24	3,970.33	3,773.26
<b>Total expenses</b>		22,046.41	21,653.33
<b>V. Profit before prior period items and tax (III-IV)</b>		2,487.46	2,591.39
<b>VI. Add: Prior period Items</b>	25	3.67	0.08
<b>VII. Profit before tax (V+VI)</b>		2,491.13	2,591.47
<b>VIII. Less: Exceptional items</b>		-	(110.81)
<b>IX. Profit before tax (VII - VIII)</b>		2,491.13	2,702.28
<b>X. Tax expense:</b>			
(1) Current tax		790.53	931.71
(2) Deferred tax		77.75	(4.35)
(3) Taxation adjustments for earlier years		(30.23)	(8.83)
<b>XI. Profit for the period (IX-X)</b>		1,653.08	1,783.75
<b>XII. Earnings per equity share:</b>			
Basic & Diluted		22.04	23.78
<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 24, 2016

For and on behalf of the Board of Directors

S. K. Khurana  
Chairman & Managing Director  
DIN:00843822

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : May 24, 2016

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)

# Panasonic Energy India Co. Ltd.

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>[A] CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	2,491.13	2,702.28
<b>Adjustments for:</b>		
Depreciation/amortisation/impairment of fixed assets	211.04	215.58
Interest income	(328.77)	(272.00)
Interest expenses	0.64	1.79
Prior period expense / (income)	(3.67)	(0.08)
(Profit)/loss on sale of fixed assets (net)	5.59	(1.26)
Unrealised foreign exchange (gain)/loss (net)	0.88	(12.15)
<b>Operating Profit/(Loss) before changes in working capital</b>	<b>2,376.85</b>	<b>2,634.16</b>
<b>Adjustment for (Increase)/Decrease in Operating Assets</b>		
Inventories	(342.16)	(61.20)
Trade receivables	(864.81)	(161.71)
Loans and advances	(248.95)	(125.55)
Other assets	161.67	(271.74)
<b>Adjustment for Increase/(Decrease) in Operating Liabilities</b>		
Trade payables	233.42	6.20
Provisions	(84.65)	(83.48)
Other liabilities	(215.77)	743.76
<b>Cash flow from operations after changes in working capital</b>	<b>1,015.59</b>	<b>2,680.44</b>
Net direct taxes (paid)/refunded	(800.98)	(676.88)
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>214.61</b>	<b>2,003.56</b>
<b>[B] CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital advances & CWIP	(654.98)	(534.31)
Sale of fixed assets	5.43	2.67
Interest income	357.74	272.00
Bank balances not considered as cash and cash equivalents held as margin money against guarantees	1.30	(28.42)
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b>(290.51)</b>	<b>(288.06)</b>
<b>[C] CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest expenses	(0.64)	(1.79)
Dividend paid including dividend distribution tax	(631.88)	(307.11)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>(632.52)</b>	<b>(308.90)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(708.42)</b>	<b>1,406.60</b>
Cash & Cash Equivalents at beginning of period (see Note 1)	3,905.60	2,499.00
<b>Cash and Cash Equivalents at end of period (see Note 1)</b>	<b>3,197.18</b>	<b>3,905.60</b>
<b>Notes :</b>		
1 Cash and Cash equivalents comprise of:		
Cash on hand	173.54	259.62
Balance with banks	238.64	450.90
Fixed deposit	2,785.00	3,195.08
<b>Closing Cash and Cash equivalents</b>	<b>3,197.18</b>	<b>3,905.60</b>
2 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.		
3 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 24, 2016

For and on behalf of the Board of Directors

S. K. Khurana  
Chairman & Managing Director  
DIN:00843822

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : May 24, 2016

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 specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 of India 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 of products 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) Fixed Assets

Fixed Assets are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Direct cost are capitalized until the asset are ready for use and include financial cost relating to any borrowing attributable to acquisition. Capital work in progress includes the cost of fixed assets that are not yet ready for the intended use.

#### v) Depreciation & Amortization

The Company has provided for depreciation using straight line method for fixed assets lying at Pithampur unit and written down value method for fixed assets lying at Vadodara Unit over the useful life of the fixed assets as prescribed under Part C of Schedule II to the Companies Act, 2013 except in the case of following assets which are depreciated based on useful life derived by technical evaluation:

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

Leasehold land is amortised over the period of lease.

#### vi) 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 are amortized over the estimated period of benefit, not exceeding ten years.

#### vii) 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

## Panasonic Energy India Co. Ltd.

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.

### viii) Inventories

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

Inventories	Cost Formula
Raw materials	First-In-First-Out basis.
Material, 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.

### ix) 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.

### x) Research & Development

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

### xi) 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.

### xii) 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.

### xiii) 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.

**xiv) Government Grants**

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

**xv) 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 lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<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 lacs)

Particulars	No. of Shares	Share Capital- ₹
As at April 01, 2014	7,500,000	750.00
Additions/(Reductions)	-	-
As at March 31, 2015	7,500,000	750.00
<b>As at April 01, 2015</b>	<b>7,500,000</b>	<b>750.00</b>
<b>Additions/(Reductions)</b>	<b>-</b>	<b>-</b>
<b>As at March 31, 2016</b>	<b>7,500,000</b>	<b>750.00</b>

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	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, 2016		As at March 31, 2015	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
<b>Panasonic Corporation</b>	<b>4,354,144</b>	<b>58.06%</b>	<b>4,354,144</b>	<b>58.06%</b>

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### 3 Reserves & Surplus

Reserves & surplus consists of the following:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<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	6,521.60	5,421.60
(+) Transfer from Statement of Profit and Loss	1,000.00	1,100.00
Closing Balance	7,521.60	6,521.60
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	198.70	155.98
(-) Depreciation (net of tax)	-	11.06
(-) Difference of corporate dividend tax of 2014-15 paid during the year	1.91	-
(+) Net profit for the current year	1,653.08	1,783.75
(-) Proposed dividend ₹ 7.00 per share (P.Y. ₹ 7.00 per share)	525.00	525.00
(-) Corporate dividend tax	106.88	104.97
(-) Transfer to General reserve	1,000.00	1,100.00
Closing Balance	217.99	198.70
<b>Total</b>	<b>8,705.60</b>	7,686.31

### 4 Deferred Tax Provision

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

(₹ in lacs)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Difference between book depreciation and tax depreciation	-	306.65	-	273.45
Unpaid liability allowable on payment basis under Section 43B of Income Tax act, 1961	92.88	-	122.18	-
Others	-	59.86	-	44.62
<b>Total</b>	<b>92.88</b>	<b>366.51</b>	122.18	318.07
<b>Net Deferred Tax Liability/(Asset)</b>	-	<b>273.63</b>	-	195.89

### 5 Long Term Provisions

Long term provisions consists of the following:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits	23.26	130.76
<b>Total</b>	<b>23.26</b>	130.76

### 6 Trade Payables

Trade payables consists of the following:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Due to micro & small enterprise	47.85	82.79
Due to others	637.77	370.05
<b>Total</b>	<b>685.62</b>	452.84

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 ₹ **45.66 Lacs** (Previous Year ₹ 60.92 Lacs). No interest during the year has been paid to Micro and Small Enterprise on delayed payments. Further interest accrued and remaining unpaid at the year end ₹ **0.31 Lacs** (Previous year ₹ 0.81 Lacs) is not provided in the books as the management is of the opinion that due to contractual terms they will not be required to pay the same.

**7 Other Current Liabilities**

**Other current liabilities consists of the following:**

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Advance from customers	50.26	13.09
Unpaid dividends*	20.84	15.67
Security deposits	32.46	26.36
Advance from scrap traders	0.62	0.86
Expenses payable	1,286.20	1,491.92
Duties & taxes payable	537.11	593.50
Other payables	19.58	21.44
Payables for capital assets	-	451.65
<b>Total</b>	<b>1,947.07</b>	<b>2,614.49</b>

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

**8 Short Term Provisions**

**Short term provisions consists of the following:**

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits	238.45	215.61
Provision for tax (Net of Advance Tax)	-	33.60
Proposed dividend	525.00	525.00
Provision for Corporate dividend tax	106.88	104.97
<b>Total</b>	<b>870.33</b>	<b>879.18</b>

9. Fixed assets consists of following:

(₹ in lacs)

Particulars	Tangible Assets										Intangible Assets				Grand Total	
	Leasehold land	Buildings	Plant and machinery	Dies	Electrical installation	Air conditioners & refrigerators	Office equipments	Computers & fixtures	Furniture & fixtures	Vehicle	Total	Software	Know how	Non compete fees		Total
<b>Gross Block</b>																
At 1, April 2014	38.30	919.77	8,291.50	163.01	122.68	36.97	98.32	162.55	161.39	118.88	10,113.36	43.08	590.00	150.00	783.08	10,896.44
Additions	-	-	2.77	-	-	0.71	2.38	10.32	0.13	9.74	26.05	18.02	-	-	18.02	44.07
Deductions/Adjustments	-	-	-	-	-	-	-	24.08	-	8.97	33.05	-	-	-	-	33.05
At 31, March 2015	38.30	919.77	8,294.27	163.01	122.68	37.68	100.70	148.79	161.52	119.65	10,106.36	61.10	590.00	150.00	801.10	10,907.46
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	0.45	1.76	4.24	1.46	12.94	95.44	-	-	-	-	95.44
At 31, March 2016	38.30	964.54	8,818.53	163.19	124.09	43.25	98.94	150.30	160.06	138.69	10,699.88	65.78	590.00	150.00	805.78	11,505.66
<b>Depreciation</b>																
At 1, April 2014	10.00	644.97	7,215.36	146.77	110.98	28.76	65.83	141.44	150.12	97.71	8,611.94	35.59	590.00	87.50	713.09	9,325.03
Charge for the year	0.41	18.24	106.46	1.04	1.69	2.99	8.88	13.33	0.81	5.71	159.56	6.02	-	50.00	56.02	215.58
Deductions/Adjustments	-	(0.10)	(0.34)	-	(2.03)	(2.27)	(8.21)	20.88	(1.46)	8.34	14.81	-	-	-	-	14.81
At 31, March 2015	10.41	663.31	7,322.16	147.81	114.70	34.02	82.92	133.89	152.39	95.08	8,756.69	41.61	590.00	137.50	769.11	9,525.80
Charge for the year	0.41	17.88	142.52	1.20	1.39	2.91	5.43	6.11	0.41	13.98	192.24	6.30	-	12.50	18.80	211.04
Deductions/Adjustments	-	-	65.96	2.79	0.14	0.43	1.91	4.03	1.39	10.82	87.47	-	-	-	-	87.47
At 31, March 2016	10.82	681.19	7,398.72	146.22	115.95	36.50	86.44	135.97	151.41	98.24	8,861.46	47.91	590.00	150.00	787.91	9,649.37
<b>Net Block</b>																
At 31, March 2015	27.89	256.46	972.11	15.20	7.98	3.65	17.78	14.89	9.13	24.58	1,349.66	19.49	-	12.50	31.99	1,381.66
At 31, March 2016	27.48	283.35	1,419.81	16.97	8.14	6.75	12.50	14.33	8.65	40.45	1,838.42	17.87	-	-	17.87	1,856.29



10 Long Term Loans & Advances

Long term loans & advances consists of the following: (₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Unsecured considered good</b>		
Security deposits	50.31	52.33
Prepaid expenses	1.15	2.96
<b>Total</b>	<b>51.46</b>	<b>55.29</b>

11 Inventories

a. Inventories consists of the following: (₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Raw Materials	826.64	725.73
Work-in-progress	178.76	192.41
Finished goods	1,170.50	1,132.99
Stores & spares	136.36	130.68
<b>Stock in Trade</b>		
-Stores & spares	1.90	1.04
-Traded goods	261.21	201.60
<b>Goods in Transit</b>		
-Raw materials	140.32	21.67
-Traded goods	32.59	-
<b>Total</b>	<b>2,748.28</b>	<b>2,406.12</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 lacs)

Particulars	Closing Inventory	
	As at March 31, 2016	As at March 31, 2015
<b>[A] Finished Goods</b>		
Dry cell batteries	1,170.50	1,132.99
<b>Total [A]</b>	<b>1,170.50</b>	<b>1,132.99</b>
<b>[B] Stock in Trade (Including Goods In Transit)</b>		
Flashlight	64.83	76.22
Alkaline rechargeable lithium battery	44.86	30.76
Eneloop ( rechargeable battery )	184.11	94.62
Others*	1.90	1.04
<b>Total [B]</b>	<b>295.70</b>	<b>202.64</b>
<b>Total [A+B]</b>	<b>1,466.20</b>	<b>1,335.63</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 lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Trade Receivables outstanding for a period less than six months from the date they are due for the payment</b>		
Unsecured considered good	3,666.50	2,803.32
<b>Trade Receivables outstanding for a period exceeding six months from the date they are due for the payment</b>		
Unsecured considered good	0.05	-
<b>Total</b>	<b>3,666.55</b>	<b>2,803.32</b>

# Panasonic Energy India Co. Ltd.

## 13 Cash & Bank Balances

Cash & bank balances consists of the following:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>[A] Cash &amp; Cash Equivalents</b>		
a. Balances with banks in		
- Current account	238.64	450.90
- Deposit account	2,785.00	3,195.08
b. Cheques / Drafts on hand	-	35.59
c. Cash on hand	3.12	3.84
d. Remittance in transit	170.42	220.20
<b>Total [A]</b>	<b>3,197.18</b>	<b>3,905.61</b>
<b>[B] Other Bank Balances</b>		
(i) Earmarked balances with banks	20.85	15.67
(ii) Bank deposits held as margin money against guarantees	77.99	84.47
<b>Total [B]</b>	<b>98.84</b>	<b>100.14</b>
<b>Total [A+B]</b>	<b>3,296.02</b>	<b>4,005.75</b>

## 14 Short Term Loans & Advances

Short term loans & advances consists of the following:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Unsecured Considered Good</b>		
Advance to suppliers	336.84	173.59
Advance to employees	27.20	20.68
Prepaid expenses	38.91	34.60
Balances with Government authorities	189.67	112.35
Deposits	7.06	5.00
Advance tax (net of provisions)	726.90	719.83
<b>Total [A+B]</b>	<b>1,326.58</b>	<b>1,066.05</b>

## 15 Other Current Assets

Other current assets consists of the following:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Accrued interest	78.77	107.74
Other receivable	219.91	369.32
Export incentive receivable	-	1.11
Discount receivable	11.66	22.81
<b>Total</b>	<b>310.34</b>	<b>500.98</b>

## 16 Sale of Products

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

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>[A] Finished Goods</b>		
Dry cell batteries	25,931.44	25,317.22
<b>Total [A]</b>	<b>25,931.44</b>	<b>25,317.22</b>
<b>[B] Traded Goods</b>		
Flashlight	877.39	850.14
Compact fluorescent lamp	-	8.64
Eneloop ( rechargeable battery )	457.12	489.71
Alkaline rechargeable lithium battery	221.17	100.46
Dry battery parts	281.02	-
Others*	25.92	136.96
<b>Total [B]</b>	<b>1,862.62</b>	<b>1,585.91</b>
<b>Total [A+B]</b>	<b>27,794.06</b>	<b>26,903.13</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 lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest income	328.77	272.00
Profit on sale of fixed assets	1.59	1.83
Net gain on foreign currency translation & transactions	19.40	35.94
Other non-operating Income	48.94	86.55
<b>Total</b>	<b>398.70</b>	<b>396.32</b>

18 Cost of Material Consumed

Material consumed has been classified under broad heads as follows:

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Zinc	3,750.30	4,147.83
Printed metal sheets	1,695.49	1,483.75
Others*	7,302.26	7,502.57
<b>Total</b>	<b>12,748.05</b>	<b>13,134.16</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 lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Flashlight	716.26	707.18
Eneloop ( rechargeable battery )	476.60	447.74
Alkaline rechargeable lithium battery	141.21	76.36
Others*	237.92	52.34
<b>Total</b>	<b>1,571.99</b>	<b>1,283.62</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 lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Opening Stock</b>		
Work-in-process	192.41	169.70
Stock-in-trade	202.64	127.07
Finished goods	1,132.99	870.09
<b>Total [A]</b>	<b>1,528.04</b>	<b>1,166.86</b>
Less:		
<b>Closing Stock</b>		
Work-in-process	178.76	192.41
Stock-in-trade	295.71	202.64
Finished goods	1,170.50	1,132.99
<b>Total [B]</b>	<b>1,644.97</b>	<b>1,528.04</b>
<b>Total [A-B]</b>	<b>(116.93)</b>	<b>(361.18)</b>

## Panasonic Energy India Co. Ltd.

### 21 Other Manufacturing Expenses

Other manufacturing expenses consists of the following:

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Consumption of stores and spare parts	127.83	120.46
Power & fuel	291.00	269.03
Repairs to buildings	25.25	21.86
Repairs to machinery	94.71	99.17
Increase/(Decrease) in excise duty on FG stock	(12.80)	80.59
Water gas & oil expense	135.73	182.73
<b>Total</b>	<b>661.72</b>	<b>773.84</b>

### 22 Employee Benefits Expenses

Employee benefits expenses consists of the following:

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries & wages	2,422.65	2,217.51
Contribution to provident & other funds	220.15	293.08
Staff welfare expenses	350.62	316.22
<b>Total</b>	<b>2,993.42</b>	<b>2,826.81</b>

### 23 Finance Costs

Finance costs consists of the following:

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense	0.64	1.79
Other finance costs	6.14	5.44
<b>Total</b>	<b>6.78</b>	<b>7.23</b>

### 24 Other Expenses

a. Other expenses consists of the following:

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent*	70.49	65.55
Insurance	20.27	20.64
Rates and taxes	150.45	128.10
Transportation expense	678.67	690.70
Travelling & conveyance expense	634.49	613.79
Sales promotion expense	1,234.04	1,130.17
Royalty & brand fees	716.55	713.52
General repairs	31.11	19.85
Post, telegrams & telephone expenses	45.77	45.08
Directors' commission	52.28	56.36
Legal & professional fees	84.79	78.80
R & D expenses	5.92	6.65
Loss on sale of fixed assets	7.18	0.57
Directors' sitting fee	7.60	4.60
CSR expenses	28.85	15.05
Miscellaneous expenses **	201.87	183.83
<b>Total</b>	<b>3,970.33</b>	<b>3,773.26</b>

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

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

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

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Payment to Auditors (excluding service tax)</b>		
- As Auditor	3.33	3.20
- For Tax Audit	1.00	0.98
- For Other services (certification & taxation)	5.03	7.55
- For Reimbursement of expenses	0.11	0.28
<b>Payment to Cost Auditors (excluding service tax)</b>		
- As Auditor	1.20	1.20
- For Other services (certification)	0.06	0.20
- For Reimbursement of expenses	0.04	-

25 Prior Period Items

Prior period items consists of the following:

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Prior Period Income</b>		
Depreciation	3.05	0.08
Claim for SVB deposit	0.68	-
<b>Total [A]</b>	<b>3.73</b>	<b>0.08</b>
<b>Prior Period Expense</b>		
Maintenance expense	0.06	-
<b>Total [B]</b>	<b>0.06</b>	<b>-</b>
<b>Total [A-B]</b>	<b>3.67</b>	<b>0.08</b>

26 The Company has entered into a contract for purchase of raw material from its supplier wherein there is a commitment to purchase a minimum quantity of material during financial year 2015-16 at agreed prices.

27 Estimated amount of contracts remaining to be executed and not provided for (net of advances) is ₹ Nil (previous year ₹ 0.99 lacs)

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

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Disputed excise, custom/ service tax pending before assessing / appellate authorities.	196.18	160.96
Income tax	902.94	897.68
Sales tax / VAT	213.86	203.68
Claims against the Company not acknowledged as debt	65.52	59.75
Claims from employees and former employees	Amount unascertainable	Amount unascertainable

29 Additional Details:

a. CIF Value of Imports

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Raw materials (including material in transit)	4,420.96	2,605.80
Capital	-	434.96
<b>Total</b>	<b>4,420.96</b>	<b>3,040.76</b>

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

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	%	(Amount in ₹ in lacs)	%	(Amount in ₹ in lacs)
<b>Raw Materials</b>				
Imported	34.13%	4,350.30	19.98%	2,623.74
Indigenous	65.87%	8,397.75	80.02%	10,510.43
<b>Total</b>	<b>100.00%</b>	<b>12,748.05</b>	<b>100.00%</b>	<b>13,134.17</b>
<b>Stores &amp; Spares</b>				
Imported	0.31%	0.40	0.00%	-
Indigenous	99.69%	127.43	100.00%	120.46
<b>Total</b>	<b>100.00%</b>	<b>127.83</b>	<b>100.00%</b>	<b>120.46</b>

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

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Exports - FOB	302.60	134.00
Freight	7.25	4.41
Brand building	415.24	499.82

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

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Royalty (including brand fee) for current year (net of tax)	641.68	633.35
Foreign travel	5.62	6.67
Communication charges & others	8.00	11.03

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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Remittance on account of dividend for the year ended 31st March, 2015 (₹ in lacs)</b>	<b>304.79</b>	-
Remittance on account of dividend for the year ended 31st March, 2014 (₹ in lacs)	-	152.40
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 Co. Ltd. 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 ₹ 128.82 Lacs (previous year ₹ 131.35 Lacs ) for provident fund contributions and ₹ 4.16 Lacs (previous year ₹ 3.60 Lacs) for superannuation contribution in the statement of profit and loss.

ii Defined benefit plan:

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

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

(₹ in lacs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Current service cost	31.84	26.16
Interest cost	68.32	68.76
Actuarial (gain)/loss	24.75	80.69
Benefits paid	(84.38)	(45.39)
PVO at the beginning of the year	864.84	734.63
Present value of defined benefit obligation at year end	905.38	864.84

c. Change in fair value of Plan assets:

(₹ in lacs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Expected return on plan assets	51.82	38.09
Actuarial gain/(loss)	2.57	(2.48)
Contributions by the employer	175.00	258.75
Benefits paid	(84.38)	(45.38)
Fair value of Plan assets at the beginning of the year	655.92	406.95
Fair value of Plan assets at end of the year	800.93	655.92

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

(₹ in lacs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
PVO at end of the period	905.38	864.84
Fair value of planned assets at end of the year	800.93	655.92
Liabilities recognized in balance sheet	104.45	208.92

e. Net cost for the year ended:

(₹ in lacs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Current service cost	31.84	26.16
Interest cost	68.32	68.76
Expected return on plan assets	(51.82)	(38.09)
Actuarial (gain)/loss	22.18	83.17
Net cost	70.53	140.00

f. Category of assets as at the year end:

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
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, 2016	For the year ended March 31, 2015
Mortality table (LIC)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate (per annum)	7.99%	7.90%
Expected rate of return on plan assets (per annum)	7.99%	7.90%
Rate of escalation in salary (per annum)	5.00%	5.00%

h. Experience Adjustment:

(₹ in lacs)

Particulars	Gratuity (Funded)				
	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	For the year ended March 31, 2012
On plan liabilities - Loss/(Gain)	28.74	20.88	34.51	10.39	73.06
On plan assets - Loss/(Gain)	(2.57)	-	-	(1.41)	(1.67)

## Panasonic Energy India Co. Ltd.

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.

### 31 Research & Development

Research & Development related expenses amounting to ₹ 166.37 Lacs (Previous year – ₹ 147.10 Lacs) 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
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
Mr. S. K. Khurana	Key Management Personnel
Mr. M. Morikawa	Key Management Personnel (w.e.f. 1st July 2015 to 28th January 2016)

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

Nature of Transaction	Holding Company	Joint venture of Holding Company	Key Management Personnel	Total
<b>Purchase - Carbon Rods</b>	-	<b>915.98</b>	-	<b>915.98</b>
	-	(897.96)	-	(897.96)
(a) Panasonic Carbon India Co. Ltd.	-	<b>915.98</b>	-	<b>915.98</b>
	-	(897.96)	-	(897.96)
<b>Import of Dry Cell</b>	-	<b>69.31</b>	-	<b>69.31</b>
	-	-	-	-
(a) Panasonic Energy (Shanghai) Co. Ltd.	-	<b>69.31</b>	-	<b>69.31</b>
	-	-	-	-
<b>Import of Raw Material</b>	-	<b>111.99</b>	-	<b>111.99</b>
	-	(105.22)	-	(105.22)
(a) Panasonic Asia Pacific Pte Ltd.	-	<b>87.04</b>	-	<b>87.04</b>
	-	(76.42)	-	(76.42)
(b) Panasonic Energy (Shanghai) Co. Ltd.	-	<b>24.96</b>	-	<b>24.96</b>
	-	(28.79)	-	(28.79)
<b>Import of Appliances / Parts</b>	-	<b>130.81</b>	-	<b>130.81</b>
	-	(72.29)	-	(72.29)



Nature of Transaction	Holding Company	Joint venture of Holding Company	Key Management Personnel	Total
(a) Panasonic Energy Thailand Co. Ltd.	-	127.20	-	127.20
	-	(71.11)	-	(71.11)
(b) P.T. Panasonic Gobel Energy Indonesia	-	3.60	-	3.60
	-	(1.18)	-	(1.18)
<b>Machinery Import</b>	-	-	-	-
	-	(431.37)	-	(431.37)
(a) Panasonic Energy (Shanghai) Co. Ltd.	-	-	-	-
	-	(431.37)	-	(431.37)
<b>Purchase of Eneloop Battery &amp; Charger</b>	305.94	52.77	-	358.71
	(347.44)	-	-	(347.44)
(a) Panasonic Corporation	305.94	-	-	305.94
	(347.44)	-	-	(347.44)
(b) Panasonic Industrial Devices Sales (HKG) Co. Ltd.	-	50.66	-	50.66
	-	-	-	-
(c) Panasonic Hong Kong Co. Ltd.	-	2.11	-	2.11
	-	-	-	-
<b>Export of Spare parts</b>	-	25.70	-	25.70
	-	(35.76)	-	(35.76)
(a) Panasonic Peruana SA	-	22.35	-	22.35
	-	(35.76)	-	(35.76)
(b) Panasonic Energy Tanzania Co. Ltd.	-	3.35	-	3.35
	-	-	-	-
<b>Export of Raw Material</b>	-	281.02	-	281.02
	-	(98.24)	-	(98.24)
(a) Panasonic Energy Tanzania Co. Ltd.	-	280.76	-	280.76
	-	(98.24)	-	(98.24)
(b) Panasonic Energy (Shanghai) Co. Ltd.	-	0.26	-	0.26
	-	-	-	-
<b>Sale of Dry Cell</b>	-	7.76	-	7.76
	-	-	-	-
(a) Panasonic AVC Networks India Co. Ltd.	-	7.76	-	7.76
	-	-	-	-
<b>Royalty (Including Brand Use Fee)</b>	712.98	-	-	712.98
	(713.52)	-	-	(713.52)
(a) Panasonic Corporation	712.98	-	-	712.98
	(713.52)	-	-	(713.52)
<b>Communication charges</b>	5.71	3.40	-	9.11
	(5.34)	(3.55)	-	(8.89)
(a) Panasonic Corporation	5.71	-	-	5.71
	(5.34)	-	-	(5.34)
(b) Panasonic India Pvt. Ltd.	-	3.40	-	3.40
	-	(3.55)	-	(3.55)

## Panasonic Energy India Co. Ltd.

Nature of Transaction	Holding Company	Joint venture of Holding Company	Key Management Personnel	Total
<b>Dividend Paid</b>	<b>304.79</b>	-	-	<b>304.79</b>
	(152.40)	-	-	(152.40)
(a) Panasonic Corporation	<b>304.79</b>	-	-	<b>304.79</b>
	(152.40)	-	-	(152.40)
<b>Payment made by company on behalf of</b>	<b>212.59</b>	<b>205.97</b>	-	<b>418.56</b>
	(0.12)	(504.23)	-	(504.35)
(a) Panasonic Corporation	<b>212.59</b>	-	-	<b>212.59</b>
	(0.12)	-	-	(0.12)
(b) Panasonic Asia Pacific Pte. Ltd.	-	<b>202.65</b>	-	<b>202.65</b>
	-	(499.82)	-	(499.82)
(c) Others	-	<b>3.32</b>	-	<b>3.32</b>
	-	(4.41)	-	(4.41)
<b>Expenses incurred on behalf of company by</b>	<b>2.29</b>	<b>10.58</b>	-	<b>12.87</b>
	-	(2.14)	-	(2.14)
(a) Panasonic Corporation	<b>2.29</b>	-	-	<b>2.29</b>
	-	-	-	-
(b) Panasonic Asia Pacific Pte. Ltd.	-	-	-	-
	-	(0.91)	-	(0.91)
(c) Panasonic India Pvt. Ltd.	-	<b>7.10</b>	-	<b>7.10</b>
	-	-	-	-
(d) Panasonic Excel International Co. Ltd.	-	-	-	-
	-	(1.23)	-	(1.23)
(e) Panasonic Energy Tanzania Co. Ltd.	-	<b>3.48</b>	-	<b>3.48</b>
	-	-	-	-
<b>Remuneration to Chairman &amp; Managing Director (including commission, if applicable)</b>	-	-	<b>88.96</b>	<b>88.96</b>
	-	-	(84.07)	(84.07)
(a) Mr. S. K. Khurana	-	-	<b>88.96</b>	<b>88.96</b>
	-	-	(84.07)	(84.07)
<b>Balance as on 31st March</b>				
<b>Receivables</b>	<b>211.32</b>	<b>138.88</b>	-	<b>350.20</b>
	-	(392.61)	-	(392.61)
(a) Panasonic Corporation	<b>211.32</b>	-	-	<b>211.32</b>
	-	-	-	-
(b) Panasonic Procurement Asia Pacific Pte. Ltd.	-	-	-	-
	-	(361.06)	-	(361.06)
(c) Panasonic Energy Tanzania Co. Ltd.	-	<b>138.88</b>	-	<b>138.88</b>
	-	(31.55)	-	(31.55)
<b>Payables</b>	-	<b>48.20</b>	<b>1.77</b>	<b>49.97</b>
	(1.24)	(477.55)	(1.71)	(480.50)
(a) Panasonic Corporation	-	-	-	-
	(1.24)	-	-	(1.24)
(b) Panasonic Carbon India Co. Ltd.	-	<b>18.74</b>	-	<b>18.74</b>
	-	(43.65)	-	(43.65)

Nature of Transaction	Holding Company	Joint venture of Holding Company	Key Management Personnel	Total
(c) Panasonic Industrial Devices (HKG) Co. Ltd.	-	14.00	-	14.00
	-	(0.81)	-	(0.81)
(d) Panasonic Energy Thailand Co. Ltd.	-	15.46	-	15.46
	-	-	-	-
(e) Panasonic Energy (Shanghai) Co. Ltd.	-	-	-	-
	-	(433.09)	-	(433.09)
(f) Mr. S. K. Khurana	-	-	1.77	1.77
	-	-	(1.71)	(1.71)

Previous year figures are in brackets

33 Corporate Social Responsibility expenditure is as follows : (₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) Gross amount required to be spent during the year	28.85	15.05

Particulars	In Cash	Yet to be paid in cash	Total
(b) Amount spent during the year on:			
(i) Construction/acquisition of asset	-	-	-
	-	-	-
(ii) On purpose other than above	27.86 (15.05)	0.99 -	28.85 (15.05)
<b>Total</b>	<b>27.86</b> (15.05)	<b>0.99</b> -	<b>28.85</b> (15.05)

Previous year figures are in brackets

34 Earnings Per Share

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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit after tax as per profit and loss statement ( ₹ in lacs)	1,653.08	1,783.75
Weighted average number of equity shares (Nos. in lacs)	75.00	75.00
Nominal value per share (Amount in ₹)	10.00	10.00
Basic & diluted earnings per share (Amount in ₹)	22.04	23.78

35 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.

36 Exceptional item of previous year consist of refund received from excise department.

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 24, 2016

For and on behalf of the Board of Directors

S. K. Khurana  
Chairman & Managing Director  
DIN:00843822

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : May 24, 2016

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)



# Panasonic Energy India Co. Ltd.

CIN : L31400GJ1972PLC002091  
GIDC, Makarpura, P.B. No.: 719, Vadodara - 390 010, Gujarat - India  
Phone: (0265) 2642661-62, 2638887, 2638888  
Website: www.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.

Registered 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 : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_

or failing him/her

(2) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_

or failing him/her

(3) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_

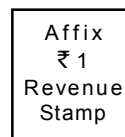
as my/our proxy to attend and (on a poll) vote for me/us and on my/our behalf at the 44<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, July 28, 2016 at 11:00 a.m. at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara 390 002 on and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Ordinary Resolution
1	Approval of Annual Accounts
2	Declaration of Dividend
3	Re-appointment of Mr. M. Morikawa as Director
4	Re-appointment of Statutory Auditors
5	Ratification of Remuneration to Cost Auditors
6	Appointment of Mr. Chiaki Kidani as Non-executive Director
7	Revision in remuneration payable to Mr. S. K. Khurana as Chairman & Managing Director from October 01.10.2015
8	Appointment of Mr. Mikio Morikawa as Managing Director

Signed this \_\_\_\_\_ day of June / July, 2016.

Signature of shareholder

Signature of Proxy holder(s)



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.



Route-Map of the Venue of AGM



## Zinc Carbon Batteries

### ECONOMY RANGE



### PREMIUM RANGE



## Alkaline / Lithium Batteries

### AA Size



## eneloop Batteries & Charger

### eneloop Low Self-Discharge for Multi-Use



BK-3MCE/4B  
eneloop 4 pcs. AA  
(up to 2,000 mAh capacity)



BK-3MCE/2B  
eneloop 2 pcs. AA  
(up to 2,000 mAh capacity)



BK-4MCE/4BN  
eneloop 4 pcs. AAA  
(up to 800 mAh capacity)



BK-4MCE/2BN  
eneloop 2 pcs. AAA  
(up to 800 mAh capacity)

### eneloop Charger Set



Charger: BQ-CC16  
Smart & Quick Charger



Charger: BQ-CC17  
Advanced Charger



Charger: BQ-CC51  
Basic Charger

### RECHARGEABLE BATTERIES



BK-3HCCE/4B  
eneloop pro 4 pcs. AA  
(up to 2,550 mAh capacity)



## Torches





If undelivered, Please return to:  
**Panasonic Energy India Co. Ltd.**  
G.I.D.C., Makarpura, Vadodara - 390 010 Gujarat-INDIA.



## Reasons to Choose Panasonic

	<b>JAPANESE TECHNOLOGY</b>		<b>LONG LIFE</b>		<b>LEAK PROOF</b>
	<b>ENVIRONMENT FRIENDLY BATTERY</b>		<b>SAFETY OF APPLIANCES</b>		<b>CONSISTENT QUALITY</b>

# Panasonic