

Panasonic Energy India Co. Ltd.

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ISO 9001: 2015 & ISO 14001: 2015 Certified Company

TRANSCRIPT OF THE 49TH ANNUAL GENERAL MEETING OF PANASONIC ENERGY INDIA CO. LTD. HELD AT 11.00 A.M. IST ON WEDNESDAY, SEPTEMBER 22, 2021 THROUGH VIDEO CONFERENCING

Mr. Tadasuke Hosoya:

Ladies & Gentleman, A very warm Good Morning to all of you.

It gives me immense pleasure to welcome you all to the 49th Annual General Meeting of the Company. This happens to be the second virtual Annual General Meeting of the Company. I also welcome the Board Members present in this meeting.

In view of the Covid-19 pandemic and social distancing norms your company has arranged for the shareholders to join the meeting through video conference and other audio visual means and view the proceedings in compliance to the directions of the Ministry of Corporate Affairs and SEBI. So thank you, for joining us virtually today. I greatly appreciate your taking the time to attend the Annual General Meeting of the company in spite of the challenging times.

The Requisite Quorum as per the Companies Act, 2013 is present. I hereby declare the meeting open.

Before proceeding with the meeting, I would like to introduce my colleagues who are present through video conference.

1. Mr. Mayur Swadia, Independent Director & Chairman of "Audit Committee" and "Stakeholders Relationship Committee"

2. Mr. Atul Dalmia, Independent Director & Chairman of "Nomination and Remuneration Committee"

CIN: L31400GJ1972PLC002091

Web site: www.panasonicenergyindia.in, Email: contact.pecin@in.panasonic.com

3. Mr. Mikio Morikawa, Non-Executive Director
4. Mr. Hideyuki Okunaga, Non-Executive Director
5. Ms. Susheela Maheshwari, Company Secretary; Mr. Anjan Shah, Chief Financial Officer
6. Mr. Jeyur Shah, Statutory Auditor;
7. Mr. J. J. Gandhi, Secretarial Auditor and
8. Mr. Manish Baxi, Internal Auditor
9. Mr. Vijay Bhatt, Practicing Company Secretary, has been appointed as Scrutinizer by the Board to conduct the e-voting in a fair and transparent manner.
10. Ms. Geeta Goradia, Independent Director & Chairperson of “CSR Committee” is not available to join us due to unavoidable circumstances at the last moment.

Now, I request the Company Secretary, Ms. Susheela Maheshwari to go through the advisory.

Ms. Susheela Maheshwari:

Good morning and welcome to the 49th AGM of the Company.

All the members who have joined this meeting are by default placed on mute by the host to avoid any disturbance arising from the background noise and to ensure smooth and seamless conduct of the meeting. Once the name of the speaker shareholder is called out, the person will be unmuted by the host to enable him/her to speak.

Before speaking the shareholders are requested to click on the video as well as audio icon appearing on the screen to switch it on and if for some reason the shareholders are not able to join through video mode they can still use the audio mode.

Since the AGM is conducted through Video Conference, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxy is not applicable for this AGM.

The Company has received one valid authorized representative which represents 58.06% of total shareholding from a corporate member under Section 113 of the Companies Act, 2013.

The notice of the 49th AGM along with the Annual Report for FY 2020-21 have been emailed within the statutory period to all the shareholders whose email addresses are

registered with the company. With your permission, I take the notice dated June 16, 2021 for convening this meeting as read.

As per Section 145 of the Companies Act, 2013 & Secretarial Standard 2, only qualifications, observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Company is required to be read out. Since there are no qualifications, observations or comments, it is not required to read out the Auditors Report.

The Register of Members, Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which the Directors are interested which are maintained under Section 189 of the Companies Act, 2013 and other documents are available for inspection electronically by the members during the AGM.

Now, I request Chairman sir to deliver his speech.

Mr. Tadasuke Hosoya:

It is my privilege to address all of you as the Chairman of the company.

YEAR IN RETROSPECT

Battery business in India is highly dynamic in nature and is full of challenges. However, it offers an ample amount of opportunities for growth. The financial year 2020-21 turned out to be good and positive for the battery industry for most of the year. The year started on a weaker note under nationwide lockdown due to the COVID-19 pandemic. However, immediately on relaxation of the lockdown the demand for batteries took an upward trend w.e.f. May, 2020 across the categories except rechargeable batteries.

During the period under review, your Company had the Turnover of INR 232 crores as against the turnover of INR 203 crores of last year. The Profit Before Tax (PBT) of your Company stood at INR 13.98 crores as against INR 5.19 crores of last year.

The prospect for Zinc Carbon dry batteries demand seems to be encouraging during the coming years, one of the reason being surge in demand for made in India batteries as a result of implementation of BIS 8144/2018 standard as a mandatory provision which shall make it difficult for importers to buy inferior-low priced imported batteries which are without BIS marking.

During the year, AA size continues to dominate the volume share and AAA size continues to be fast growing segment.

Alkaline is a category which is continuously showing an upward trend and indicated a good growth. Realizing this, your Company is aggressively concentrating its activities towards improvement of sales in this category.

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

Your Company has introduced new models of Lithium coin batteries to serve the consumer needs and has registered a significant revenue growth over the last year.

On manufacturing front, Company in order to comply with the guidelines provided by Panasonic Corporation which focuses on contribution to the society in order to improve the environment, we have introduced all types of zinc carbon products with eco-friendly features while continuing our focus on basic parameters e.g. efficiency & productivity enhancement as well as strict control on defect value.

You would be happy to know that at present, yours is the only Company in India to manufacture complete range of eco-friendly products with no addition of Hg, Cd, Pb etc.

I would like to reaffirm that we are committed to manufacture and supply best quality eco-friendly products which guarantee “Better Value for Money” to the consumers.

CURRENT YEAR 2021-22 AND PROSPECTS

Expectation

Though COVID19 pandemic situation still continues, overall battery demand is expected to show an upward trend in all sectors, due to increasing battery consumption by “Working from home” demand. Your company shall continue utmost efforts to supply enough batteries, while complying 100% of government guidelines to avoid COVID19 pandemic.

I envision that the year 2021-22 will be a promising year for the organized sector. This will require us to take innovative measures to capture the incremental sales and thereby improve the market share.

Your Company during the year shall continue to focus on selling high quality, high performance product range which will benefit customers with better value for their money which will lead to improve in Company’s turnover and market share.

During the current year, in modern trade as well as e-commerce segment, we have initiated activities to strengthen and enhance the sales of our products. We also aim at increasing the efforts to promote the brand “Panasonic” and its products through various channels of advertising.

Corporate Social Responsibility

As a part of CSR initiatives, your Company has contributed in the area of health care to provide medical assistance to under privileged section of the society. This year your Company has explored two NGOs in its CSR basket to:

1. Provide financial assistance to Rogi Kalyan Samiti, SSG Hospital for purchase of ultra-sonography machine.
2. Provide financial assistance to Medical Care Center Trust to extend the medical support to under privileged children.

Your Company shall continue similar activities in future also.

DIVIDEND

Keeping in view the performance of the Company during FY 2020-21, your directors are pleased to recommend declaration of dividend @ 80% i.e. INR 8.00 per equity share.

DIRECTORS

During the year under review, there is no change in the structure of the Board.

INDUSTRIAL RELATIONS

I am pleased to inform you that industrial relations with both the plants were cordial during the year under review. On behalf of your Directors, I acknowledge the co-operation and contribution of the entire workforce.

ACKNOWLEDGEMENTS

Shareholders, I would like to take a moment to reiterate my heartfelt thanks to you. You continue to be an integral part of Panasonic Energy India Co. Ltd. steadfast commitment to India and its growth story. Thank you once again for your continued patronage, trust and support.

I have pleasure to acknowledge the continued and wholehearted guidance and support of all my colleagues on the Board.

I place on record sincere appreciation to all dedicated executives, operating personnel and employees for their enthusiasm and commitment towards the growth of our Company which is invaluable. I am confident that they will try their level best to meet the future challenges also.

I wish to express my sincere thanks to our valued consumers, trade partners, business associates, bankers and government agencies across the country for extending their valuable support.

I am grateful to our collaborator "Panasonic Corporation, Japan", for providing continued management, technical and marketing support throughout the year.

Proceeding further, we shall now take up the agenda items :-

There are 5 agenda items for approval of shareholders today. The objectives and the implications of the resolutions proposed at the AGM are already set out in the notice and Explanatory Statement. In case members wish to seek any clarification they may raise it at the Question & Answer session.

Item No.1 Adoption of audited financial statements and reports of the board and auditors thereon.

Item No.2 Declaration of Dividend.

Item No.3 Appointment of the Director in place of Mr. Hideyuki Okunaga who is retiring by rotation and has offered himself for re appointment.

Item No.4 Ratification of remuneration to cost auditors.

Since item no. 5 is related to my remuneration, I request Mr. Mayur Swadia to chair the meeting for that item

Mr. Mayur Swadia:

Item No.5 Revision in remuneration payable to Mr. Tadasuke Hosoya, Chairman & Managing Director from October 01, 2020.

Mr. Tadasuke Hosoya:

Thank you Mr. Mayur Swadia.

The company has received request from some shareholders to register them as speakers at the meeting. The floor is now open for those members to ask questions or express their views. Those shareholders who have not registered themselves as speaker but still desire to raise any questions may kindly use the chat box provided on the screen. Before we start the Question & Answer session, I order for the commencement of e-voting.

Several Questions were asked by shareholders and to name a few:

Speaker 1 Shlok Dave

Speaker 2 Anuj Sharma

Speaker 3 Keshav Garg

Speaker 4 Aspi Bhesania

Speaker 5 Rahul Paliwal

Majority of the questions were related to growth and future prospects of the Company. Some of the question and reply by Chairman are reproduced below:

Q 1. What was the market share of Chinese batteries in Indian market before BIS? After its implementation, what percentage of the Chinese battery have gone down?

Ans. The BIS commenced in May, 2019. Before that the estimated market share of these Chinese products was 8-9% and after implementation it came down to 1-2 %.

Q 2. With the removal of that low quality of batteries from the market, has that given players like you an opportunity to have an increase in price in the market which helps you have a better realization?

Ans. Yes, and it has led to better realizations.

Q 3. How batteries have behaved in advance market like Japan and U.S.A.? What is saturation level there to the extent to the Indian scenario?

Ans. Battery demand is quite stable in advance market and growing in India.

Now, I request the Company Secretary to brief on e-voting system and procedure.

Ms. Susheela Maheshwari:

The remote e-voting facility was provided for 3 days, which concluded at 5:00 p.m. yesterday. We have also arranged for the facility of voting during the AGM. The members who have not casted their vote through remote e-voting shall be able to exercise their voting rights till 15 minutes after the conclusion of this meeting.

The members who have already casted their vote through remote e-voting shall not be entitled to cast their vote again during the AGM.

Scrutinizer's report along with e-voting result will be placed on the website of the Company and intimation of the same will be given to the BSE within 48 hours of conclusion of AGM.

Since all the agenda items proposed for this meeting have been transacted. Now, I request Chairman Sir to formally conclude the meeting.

Mr. Tadasuke Hosoya:

This brings to a conclusion of the formal business of the meeting and I declare the meeting as concluded.

Stay safe and healthy and thank you once again for sparing your valuable time.