

## Panasonic Energy India Co. Ltd.

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ISO 9001: 2015 & ISO 14001: 2015 Certified Company

### TRANSCRIPT OF THE 51<sup>st</sup> ANNUAL GENERAL MEETING OF PANASONIC ENERGY INDIA CO. LTD. HELD AT 10.00 A.M. IST ON FRIDAY, JULY 28, 2023 THROUGH VIDEO CONFERENCING

**Mr. Akinori Isomura:**

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

It gives me immense pleasure to welcome you all to the 51st Annual General Meeting of the Company which happens to be the Fourth virtual meeting.

In view of the latest notification issued by the Govt., 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.

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
2. Mr. Atul Dalmia, Independent Director
3. Ms. Geeta Goradia, Independent Director
4. Mr. Tadasuke Hosoya, Non-Executive Director
5. Ms. Sraban Kumar Karan, Company Secretary;
6. Mr. Sanjay Jain, Chief Financial Officer;
7. Mr. Jeyur Shah, Statutory Auditor;
8. Mr. J. J. Gandhi, Secretarial Auditor and
9. Mr. Hetang Pandya, Internal Auditor

10. 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.

Now, I request the Company Secretary, Mr. Sraban Kumar Karan to go through the advisory.

**Mr. Sraban Kumar Karan:**

Good morning and welcome to the 51<sup>st</sup> 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 shareholder is not able to join through video mode, he/she can still speak using 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 the meeting.

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 51<sup>st</sup> AGM along with the Annual Report for FY 2022-23 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 May 30, 2023 for convening this meeting as read.

As per Section 145 of the Companies Act, 2013 and 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 our Chairman to deliver his speech.

**Mr. Akinori Isomura:**

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 2022-23 was a year of recovery, stabilization and consolidation of business activities. The overall markets operated normally for most of the year. The battery industry had normal business activity for most of the year.

During the period under review, your Company had the Turnover of ₹ 253 crores as against the turnover of ₹ 241 crores of last year. The Profit/(Loss) Before Tax of your Company stood at (₹ 14) crores as against ₹ 12.50 crores of last year.

The prospect for Zinc Carbon dry batteries demand has become stable and maintaining same trend. As India is maintaining positive growth in vertical trend despite of recession in the majority market of the World, your Company is expecting surge in demand for made in India batteries. In addition to implementation of BIS 8144/2018 standard as a mandatory, the Company has received ISO 45001 certification, which shall make our battery more distinct and it will be 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. The “eneloop” brand of rechargeable batteries and chargers has been successfully established in the market and receiving good response from specific category of customers those who are using high performance battery operated gadgets.

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

On manufacturing front, we aim for better quality of human life and preservation of our planet. Recognizing that our Company is a member of society, we are contributing to a healthier and more prosperous community.

You would be happy to know that at present, majority of the products manufactured by your Company are of eco-friendly in nature with no addition of (Mercury) Hg, (Cadmium) Cd, (Lead) 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 2022-23 AND PROSPECTS**

### **Expectation**

I envision that the year 2023-24 will be in favour of your Company due to decline in price of Direct Material Cost. Besides, there is less fluctuation of INR vs. USD. The decrease in sea freight charges may help to control the cost of raw material imports. All these will help us to capture the incremental sales, improve the market share and to increase the profitability.

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 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 our brand “Panasonic Batteries” and its products through various channels of advertising.

### **Corporate Social Responsibility**

As a part of CSR initiatives, your Company has expanded its activities and participated in the projects in the areas of health, medical and environment. This year Company has undertaken its CSR program with 2 NGOs based in Indore and Vadodara. We have provided financial assistance to:

1. Medical Care Centre Trust, Vadodara
2. Municipal Corporation, Indore

NGO from Vadodara is working in promoting healthcare. NGO from Indore is associated with Swachh Bharat Khosh for cleanliness of Public Toilets having impact on environment and health also.

Your Company shall continue similar activities and more on environment.

### **DIVIDEND**

Keeping in view the Company incurring losses during FY 2022-23, your directors has not recommended declaration of dividend. We are expecting profit and dividend distribution in the forthcoming years.

## **DIRECTORS**

I have been assigned the responsibility as Chairman & Managing Director of the Company since last one year and six months.

I, on behalf of the Board of Directors, place on record my sincere appreciation for extending continuous support and guidance to discharge my responsibility as Chairman & Managing Director.

## **INDUSTRIAL RELATIONS**

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

## **ACKNOWLEDGEMENTS**

To 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 Holdings Corporation, & Panasonic Energy Co. Ltd., Japan", for providing continued management, technical and marketing support throughout the year.

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

There are 3 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 Appointment of the Director in place of Mr. Hideyuki Okunaga (DIN: 06792183) who is retiring by rotation and being eligible, has offered himself for re appointment.

Item No.3 Ratification of Remuneration to Cost Auditor.

**Mr. Akinori Isomura:**

The company has received request from two shareholders to register themselves as speakers at the meeting. The floor is now open for the member to ask questions or express his views. Before we start the Question & Answer session, I order for commencement of e-voting.

Speaker 1: Keshav Garg  
DP ID / CL ID: IN300214-15646980

Question & Answer were as follows:

**What is the outlook for FY24 in terms of topline & bottom-line?**

We may achieve our topline looking to the current market demand. However, the bottom line will depend on the material prices, exchange rate fluctuation and market competition.

**What is the area of our BARODA plant land & what are the plans to monetize the same?**

Around 45700 square meters. We are exploring best plan to utilize.

**What is our domestic market share?**

19% as per our estimation.

**What is the sustainable steady state OPM that we should expect?**

Being a listed company, we are under restriction.

**Why did we make operating loss during FY-22-23?**

Due to consolidation of production plants the company incurred the expenditures which are non-recurring (one time) in nature such as VRS, significant hike in material cost and shipment cost.

**Why are our revenues flat since FY15 at ~ Rs.240cr?**

It is due to product mix as use of D size batteries is reducing YOY and AA and AAA batteries contribution has been increasing. Sales price of AA/AAA is 1/3 of D size battery. In fact volume has increased of AA/AAA compared to earlier years.

**Why has our OPM halved from a peak of 10% in FY15 to -2% in FY22?**

Material cost compared to FY 2015 has increased drastically along with weakening of Indian rupee and also increase in fixed expense year on year affected OPM. Due to tough competition we could not pass on increase in material cost completely.

**When will we exceed our all-time high EBITDA of Rs.24cr that we did in FY15?**

We are trying hard to improve our EBITDA by increasing sales and controlling fixed expenses provided DMC is favourable.

**Have the raw material prices started reducing in FY23 yoy?**

Yes, it is reducing in comparison to 2022 and expecting to be stabilized in the near future.

Then it be discussed that questions other than above were already shared with the Company and replies of the same be agreed to be shared with Mr. Keshav. Mr. Keshav agreed for the same.

Speaker 2: Prabhjot Singh Sahni  
DP ID / CL ID: IN 300724 / 10177073

Question & Answer were as follows:

Mr. Prabhjot told that his questions were more or less same to the questions raised by Mr. Keshav. He wanted to know about the types of supports received from the promoter i.e; Panasonic Holdings Corporation.

Mr. Akinori Isomura replied of receiving supports from various aspects like administrative, technical, marketing, safety, designing and maintaining quality of the products.

Mr. Akinori Isomura requested the Company Secretary to brief on e-voting system and procedure.

**Mr. Sraban Kumar Karan:**

The remote e-voting facility was provided for 3 days, which concluded at 5 pm 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. Akinori Isomura:**

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.