Panasonic

PERFORMANCE
I CAN TRUST



46th Annual Report
2017 - 2018

100th Anniversary

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

Panasonic Energy India Co. Ltd.

CIN : L31400GJ1972PLC002091

Corporate Information

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR
Mr. Mikio Morikawa

DIRECTORS
Mr. Gautam Punj
Ms. Geeta Goradia
Mr. Mayur Swadia
Mr. Atul Dalmia
Mr. Kazuo Tadanobu (w.e.f. 30-05-2017)
Mr. Toshihiro Nakamura (w.e.f. 13-02-2018)
Mr. Motoaki Shimamura (w.e.f. 13-02-2018)

COMPANY SECRETARY
Ms. Susheela Maheshwari

AUDITORS
M/s. B S R & Associates LLP
Chartered Accountants, Ahmedabad

BANKERS
State Bank of India
The Bank of Tokyo-Mitshubishi UFJ, Ltd.

REGISTRAR & SHARE TRANSFER AGENT
Link Intime India Pvt Limited
B-102 & 103, Shangrila Complex,
First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta,
Akota, Vadodara - 390 020,
Gujarat, India.

REGISTERED OFFICE
GIDC, Makarpura,
Vadodara - 390 010, Gujarat - India

WORKS
1. GIDC, Makarpura,
   Vadodara - 390 010, Gujarat - India

2. Plot No. 112, Sector III,
   Pithampur Industrial Area,
   Dist. Dhar - 454 774,
   Madhya Pradesh - India

46th Annual General Meeting of the Company is scheduled to be held on **Wednesday, August 29, 2018 at 10:00 a.m. at Royal Room, Grand Mercure, Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara - 390 020.**

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.

CONTENTS

Corporate Information 01
Notice to Members 02
Board's Report 09
Corporate Governance Report 34
Corporate Governance Compliance Certificate 42
CEO Certification 42
Independent Auditors' Report 43
Ind AS Balance Sheet 48
Ind AS Statement of Profit and Loss 49
Ind AS Cash Flow Statement 50
Statement of Changes in Equity 51
Notes to the Ind AS Financial Statements 52

NOTICE is hereby given that the **46th ANNUAL GENERAL MEETING** of the Members of Panasonic Energy India Co. Ltd. will be held at Royal Room, Grand Mercure, Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara - 390 020 on Wednesday, August 29, 2018, at 10.00 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the year ended March 31, 2018.
3. To appoint a Director in place of Mr. Mikio Morikawa (DIN 02611904), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kazuo Tadanobu (DIN 07818992), who retires by rotation and being eligible, offers himself for re-appointment.

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 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 Rs. 1,25,000/- (Rupees one lakh twenty-five thousand only) plus applicable taxes and reimbursement of out of pocket expenses incurred, to M/s. Diwanji & Co., Cost Accountants, Vadodara (Firm Registration No. 000339) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2018-19."

6. **Appointment of Mr. Toshihiro Nakamura 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 Section 152 and amendment thereto or modification thereof, of the Companies Act, 2013, Mr. Toshihiro Nakamura (DIN 08084675) who was appointed as an Additional Director of the Company pursuant to Article 134 of the Articles of Association of the Company and provision of Section 161 of the Companies Act, 2013 and who holds office up to the date of ensuing Annual General Meeting, be and is hereby appointed as Non-Executive Director of the Company (promoter category) and the period of office shall be liable to determination by retirement of Director by rotation."

7. **Appointment of Mr. Tadasuke Hosoya as Executive Director from September 01, 2018**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and subject to the approval of the Central Government, if any, the consent of the Members be and is hereby accorded to the appointment of Mr. Tadasuke Hosoya as Executive Director of the Company effective from September 01, 2018 (for a period of three years) on such terms and conditions and remuneration as set out in the explanatory statement attached to this notice.

   "**RESOLVED FURTHER THAT** the Board of Directors or any Committee thereof be and is hereby authorized to vary and alter the terms and conditions of the said appointment and to increase, augment and / or vary the remuneration to be paid and provided from time to time to Mr. Hosoya so long as it falls within the limits prescribed under the provisions of Section 197 read with Schedule V of the Companies Act, 2013."

   "RESOLVED FURTHER THAT any Director and Company Secretary be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable (including seeking approvals of the Central Government) to give effect to the foregoing resolutions."

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

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

Susheela Maheshwari
Company Secretary
Vadodara, May 28, 2018

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. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

3. A proxy shall not have a right to speak at the meeting and shall not be entitled to vote except on a poll.

4. An instrument appointing proxy is valid only if it is properly stamped as per the applicable law. Blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled will be considered as invalid. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.

5. Members / proxies should bring the attendance slips duly filled in and PHOTO ID Proof for attending the meeting.

6. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 23, 2018 to Wednesday, August 29, 2018 (both days inclusive) for the purpose of determining payment of dividend.

8. Notes given in the Notice to the extent applicable also forms part of explanatory statement.

9. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days except Saturdays upto the date of the AGM.

10. The Notice of the Annual General Meerting along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2017-18 will also be available on the Company's website www.panasonicenergyindia.in

11. The relevant information of the Director seeking re-appointment, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with revised Secretarial Standard-2 (SS-2) on General Meetings, is provided in section relating to the Corporate Governance. Requisite declaration has been received from the Director for seeking re-appointment.

12. Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item Nos. 5 to 7 of the accompanying Notice is annexed hereto.

13. Dividend on Equity Shares as recommended by the Directors, if declared at this Annual General Meeting, will be paid within a period of 30 days from the date of declaration to those Members whose names appear on the Company's Register of Members at the close of business on August 29, 2018.

14. Shareholders are advised to encash their dividend warrants for the proposed Dividend for financial year 2017-18, if declared, within the validity period. Thereafter, the shareholders will have to request the Company for issuing fresh / revalidated dividend warrants by writing to the Company along with their bank details.

15. Dividend payment

    a) Members holding shares in electronic mode may please note that the dividend payable to them would be paid through National Electronic Clearing Services (NECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the Members to their Depository Participants (DPs). In absence of availability of NECS facility, the dividend will be paid through warrants and the bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations.

b) In respect of shares held in physical form, Members desirous of receiving dividend by way of direct credit to their bank accounts through NECS may authorize the Company with their NECS mandate. The shareholders desirous of obtaining the NECS mandate may download it from the website of the Company at www.panasonicenergyindia.in or may write to the Company Secretary at the registered office of the Company.

16. Unclaimed dividend

The Company has transferred the unclaimed dividend for the financial year 2009-10 to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claims shall be entertained against the Company for the amounts so transferred. Members who have not encashed dividend warrant(s) for the subsequent years are requested to contact Company Secretary at the registered office of the Company, for seeking issue of duplicate warrant(s). The details of the unpaid / unclaimed dividend as on August 10, 2017 (the date of previous Annual General Meeting) are available on the Company's website viz., www.panasonicenergyindia.in and on the website of Ministry of Corporate Affairs at www.mca.gov.in

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

18. In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a duly signed physical copy of the same to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are required to submit their PAN to their Depository Participants and Members holding shares in physical form shall submit their PAN to Link Intime India Pvt. Ltd., Vadodara (Company's Registrar & Share Transfer Agent) or to the Company Secretary at the registered office of the Company.

20. In view of the circular issued by SEBI on April 20, 2018 ref: SEBI/HO/MIRSD/DOP1/CIR/P/2018/73, it is also mandatory to provide the Bank Mandate (Beneficiary Bank Name and Beneficiary Account Number) on the face of the Warrant / DD for all warrant printing cases / DD cancellation & reissuance / initial DD issuance / DD issuance against electronic payment rejects.

21. Members are requested to notify immediately:

(a) Any change in their residential address.

(b) Income-tax Permanent Account Number (PAN).

(c) Bank details – Name and address of the bank; A/c No.; type of A/c.

22. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filed in nomination in the prescribed form (Form SH-13) to Company's Registrar & Share Transfer Agent or to the Company Secretary at the registered office of the Company.

23. 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.

24. Members are requested to bring their copies of the Annual Reports along with duly filled attendance slip to the Meeting.

25. 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 required information can be made readily available at the Meeting.

26. The Company has created an exclusive e-mail Id: company.secretary@in.panasonic.com for quick redressal of shareholders / investors grievances.

27. E-voting

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

The facility for voting, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 46th AGM. The Members attending the meeting, who have not 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.

Please refer EVENT Number: 180085

Instructions for shareholders to vote electronically:

❖ **Log-in to e-Voting website of Link Intime India Private Limited (LIIPL)**

i. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: https://instavote.linkintime.co.in.

ii. Click on "Login" tab, available under 'Shareholders' section.

iii. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

iv. Your User ID details are given below:

a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID

b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID

c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

v. Your Password details are given below:

If you are using e-Voting system of LIIPL: https://instavote.linkintime.co.in for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
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 Depository Participant or in the Company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB / DOI	Enter the DOB (Date of Birth) / DOI as recorded with Depository Participant or in the Company record for the said demat account or folio number 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 number. • Please enter the DOB / DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the Depository Participants or Company, please enter folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and / or voted on an earlier voting of any Company then you can use your existing password to login.

<u>If Shareholders holding shares in Demat Form or Physical Form have forgotten password:</u>

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, password will be sent to the shareholder's registered e-mail address. Else, shareholder can set the password of his / her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB / DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LIIPL.

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

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

vi. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select / View "Event No" of the Company, you choose to vote.

vii. On the voting page, you will see "Resolution Description" and against the same the option "Favour / Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour / Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour / Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour / Against'.

viii. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

ix. After selecting the appropriate option i.e. Favour / Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

x. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

xi. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'.
- They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios / demat account shall choose the voting process separately for each of the folios / demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

28. In terms of the Circulars No. 17/2011 of April 21, 2011 and 18/2011 of April 29, 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 for download by the Members. The physical copies of the Annual Report will be made available upon receipt of a requisition from the Members, any time as a Member of the Company.

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

ITEM NO. 5

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. Diwanji & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2019.

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 2018-19 as set out in the Resolution for the aforesaid services to be rendered by them.

The Board of Directors accordingly recommends the passing of the resolution at item No. 5 of the accompanying notice.

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

ITEM NO. 6

Mr. Toshihiro Nakamura has been appointed as an Additional Director (Non-Executive Director) (Promoter category) on the Board of the Company w.e.f. February 13, 2018. Mr. Nakamura holds office upto the date of this Annual General Meeting.

Mr. Nakamura, born in 1964, had completed his Bachelor of Economics in March 1986 from Hosei University, Osaka, Japan. Immediately after graduation, he joined Matsushita Battery Industrial Co., Ltd. During his 32 years of tenure, he has been managing Accounting Department of various business divisions of Panasonic Corporation. He is having vast experience in the overseas operations including Thailand, California etc. Currently, he is General Manager, Accounting Department of Energy Device Business Division, Automotive and Industrial Systems Company, Panasonic Corporation Japan.

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. Nakamura is given in Report on Corporate Governance.

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

ITEM No. 7

The Board, upon recommendation of Nomination and Remuneration Committee, at its meeting held on May 28, 2018 had decided to appoint Mr. Tadasuke Hosoya as Executive Director of the Company effective from September 01, 2018 for a period of three years.

Mr. Hosoya, born in 1972, completed his graduation in economics from Keio University, Tokyo, Japan in March, 1995. Currently, he is heading Sales & Marketing Dept. of the Company. He is having expertise in the field of Sales & Marketing and specially in the overseas business operations of EDBD of Panasonic Corporation, Japan.

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

A. Salary

Sr. No.	Particulars	w.e.f. 1-Sep-18 Per month (Proposed)
1	Basic Salary	1,02,753
2	Special Allowance	2,39,757
3	*Tax Allowance	1,70,700

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

B. Perquisites:

I. Furnished Accommodation

II. Use of Chauffeur driven Company car

III. Gas, electricity and water

IV. Following perquisites shall not be included in computation of the ceiling on perquisites specified hereinabove.

a. Contribution to Provident Fund;

b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972;

c. Twelve calendar days leave (twice in a year) on full pay. However, no encashment of leave shall be permitted at the end of the tenure.

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

C. Minimum Remuneration:

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

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

D. Notice for termination of the Agreement:

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

E. Sitting fees

The Executive 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.

F. Executive Director liable to retire by rotation

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

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

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

None of the Directors, Key Managerial Personnel of the Company and their relatives, except Mr. Hosoya, is in any way concerned or interested in the said 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
Vadodara, May 28, 2018

Dear Shareholders,

Your Directors have great pleasure to report you at the end of another challenging year, and presenting the forty sixth annual report together with the audited financial statement for the year ended March 31, 2018.

1. Financial Results Summary **(₹ in Lakhs)**

Particulars	As at March 31, 2018	As at March 31, 2017
Sales Turnover	**21083.24**	24132.70
Profit/(Loss) before tax	**1367.87**	990.17
Less: Provision for taxation (Net of deferred tax)	**456.72**	357.39
Less: Provision for taxation of earlier years (Net of refund/demand)	**(68.59)**	5.63
Profit/(Loss) after tax	**979.74**	627.15
Add: Profit brought forward from previous year	**671.75**	676.48
Net available surplus for appropriation	**1651.49**	1303.63
Appropriations		
Dividend paid during the year	**412.50**	525.00
Dividend Distribution Tax paid	**83.98**	106.88
Surplus carried to Balance Sheet	**1155.01**	671.75
	1651.49	1303.63

The Company adopted Ind AS from April 01, 2017 and accordingly the financial results of the previous year have also been restated in accordance with Ind AS 101 - "First-time Adoption of Indian Accounting Standards" prescribed under Section 133 of the Companies Act, 2013 (the 'Act') and rules issued thereunder. Refer Note No. 40 for an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows attached to Financial Statements.

2. Transfer to Reserve

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

3. Dividend

Keeping in view the current profitability of the Company, your Directors are pleased to recommend payment of a dividend of ₹ 7.00 per equity share (@ 70% at par value of ₹ 10/- each) (previous year ₹ 5.50 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 ₹ 525.00 lakhs. It will be tax free income in the hands of recipients. However, the Company's outflow towards dividend distribution tax would be to the tune of ₹ 107.92 lakhs.

4. Operational Review

The constitutional amendment for implementation of revolutionary Goods and Services Tax, w.e.f. July 01, 2017, created a great deal of confusion in the trade, which dented the sales in first quarter though the Company recovered quickly to normalize sales during the two subsequent quarters.

However, GST rates on Dry batteries and torches were reduced from 28% to 18% w.e.f. November, 2017, which once again disturbed the trade and largely restricted the sales in the last quarter, as the market witnessed price corrections, which prompted the wholesale market in particular to reduce their stocking, envisaging MRP corrections and downwards price points.

Under such adverse challenging situations faced during the year, your Company registered net sales amount of ₹ 21083.24 lakhs as against ₹ 24132.70 lakhs of the previous year.

The profit before tax in the year stood at ₹ 1367.87 lakhs registering a growth of 38% as against ₹ 990.17 lakhs registered in the last year.

Batteries and Flashlights

The overall battery industry in the organized sector remained unpredictable, from the beginning of the fiscal year due to implementation of GST. The industry was further impacted due to further reduction in GST in November, 2017, keeping the markets sluggish due to uncertainty in pricing strategies and change in MRP of batteries, in line to the government's requirement to pass on the GST benefits to the consumer.