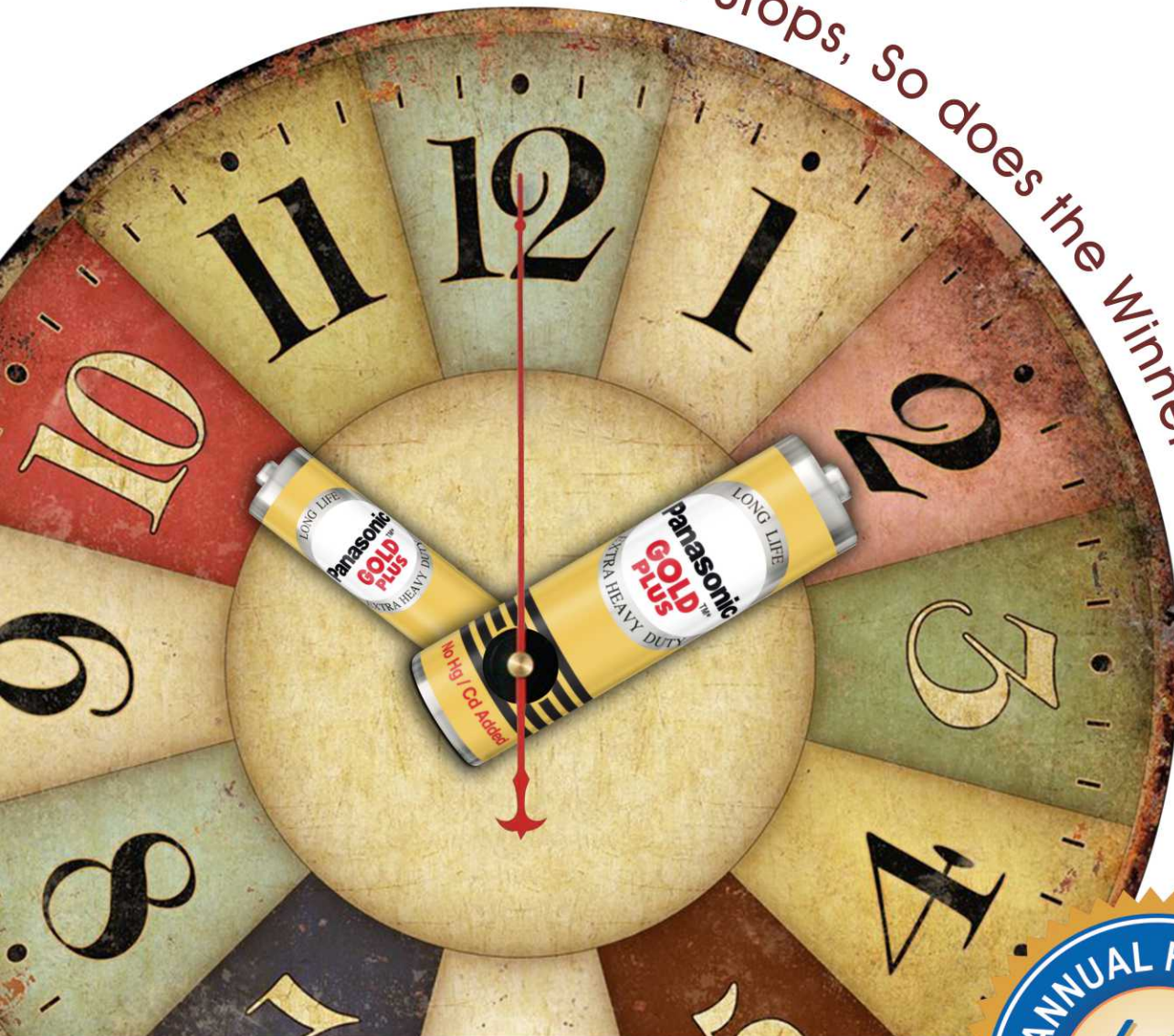


Panasonic

Batteries and Torches

Time Never Stops, So does the Winner



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



ENERGIZING

YOUR APPLIANCES



Panasonic Energy India Co. Ltd.

CIN : L31400GJ1972PLC002091

Corporate Information

BOARD OF DIRECTORS

Chairman & Managing Director

Mr. S. K. Khurana

Directors

Mr. P. P. Shah

Mr. D. J. Thakkar

Mr. G. N. Punj

Ms. G. A. Goradia (W.e.f. May 21, 2014)

Mr. M. Shigeta (W.e.f. Feb 04, 2014)

Mr. C. R. Amin (Upto May 09, 2014)

Mr. H. Aota (Upto Jan 01, 2014)

Mr. T. Nonaka (Upto May 16, 2014)

COMPANY SECRETARY

Ms. Susheela Maheshwari

AUDITORS

M/s K. C. Mehta & Co.

Chartered Accountants, Vadodara

BANKERS

State Bank of India

The Bank of Tokyo-Mitshubishi UFJ Ltd.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

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-454774, Madhya Pradesh - India

42nd Annual General Meeting of the Company is scheduled to be held on **Monday, July 28, 2014 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.

CONTENTS

Corporate Information	1
Notice to Members	2
Directors' Report	11
Report on Corporate Governance	15
Corporate Governance Compliance Certificate	26
CEO Certificate	26
Auditors' Report	27
Balance Sheet	30
Statement of Profit & Loss	31
Cash Flow Statement	32
Notes to the Financial Statements	33



Panasonic Energy India Co. Ltd.

NOTICE is hereby given that the **42nd 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 Monday, July 28, 2014, at 11:00 a.m. to transact, with or without modifications, as may be permissible, the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend on equity shares for the year ended March 31, 2014.
3. To re-appoint M/s K. C. Mehta & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the third consecutive Annual General Meeting i.e. 45th AGM (for FY 2016-17) and to fix their remuneration subject to the ratification by the shareholders at every AGM.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. M. Shigeta (holding DIN 06792203) who was appointed as an additional director of the Company pursuant to section 161 of the Companies Act, 2013 and Article 134 of the Articles of Association of the Company who holds office upto the date of ensuing Annual General Meeting and in respect of whom, the Company has received a notice under section 160 of the Companies Act, 2013 from a member, in writing, proposing his candidature for office of director, be and is hereby appointed as a Non-executive Director of the Company liable to retire by rotation.”

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Ms. Geeta Goradia (holding DIN 00074343) who has been appointed as an additional director of the Company pursuant to section 161 of the Companies Act, 2013 and Article 134 of the Articles of Association of the Company and who holds office up to the date of ensuing Annual General Meeting and in respect of whom, the Company has received a notice under section 160 of the Companies Act, 2013 from a member, in writing, proposing her candidature for office of director, be and is hereby appointed as an Independent Director of the Company pursuant to sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, with effect from July 28, 2014 for a period of upto five years.”

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Dilip J. Thakkar (holding DIN 00007339) an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange and whose term of office was liable to be determined by retirement of director by rotation, be and is hereby appointed as an Independent Director of the Company pursuant to sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, with effect from April 01, 2014 for a period of upto five years.”

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Pradip P. Shah (holding DIN 00066242) an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange and whose term of office was liable to be determined by retirement of director by rotation, be and is hereby appointed as an Independent Director of the Company pursuant to sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, with effect from April 01, 2014 for a period of upto five years.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Gautam N. Punj (holding DIN 00048225) an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange and whose term of office was liable to be determined by retirement of director by rotation, be and is hereby appointed as an Independent Director of the Company pursuant to sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, with effect from April 01, 2014 for a period of upto five years.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310, and that of Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of all concerned authorities, if any necessary, including that of the Central Government and subject to the relevant guidelines issued by Central Government from time to time and upon recommendation by the Remuneration Committee, and as approved by the Board of Directors at its meeting held on September 25, 2013, approval of the Company be and is hereby given to the re-appointment of Mr. S. K. Khurana (holding DIN 00843882) as Chairman & Managing Director of the Company for a further period of two years with effect from October 01, 2013 upto September 30, 2015 on such terms and conditions including his remuneration as set out in the agreement executed on September 25, 2013 between Mr. Khurana of the one part and the Company of the other part by affixing its Common Seal thereon in accordance with the relevant provisions contained in the Articles of Association of the Company.”

“FURTHER RESOLVED THAT the Board be and are hereby authorized to revise the terms of his remuneration and in particular give annual increments in his monthly salary in such an amount as the Board thinks fit subject to upper limit of Rs. 30,000/- per increment with appropriate increase in the perquisites related to such monthly salary but subject to the limitations in that behalf as per the said Schedule XIII and as specified in the said Agreement and broad details of which are given in the Explanatory Statement in respect of this item of Notice, with liberty to agree to modifications, if any, to the above terms as may be suggested by any authority wherever applicable and as agreed to by the Board of Directors and Mr. Khurana.”

By Order of the Board

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

Susheela Maheshwari
Company Secretary & Manager (Legal)
Mumbai, May 21, 2014

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY 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. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, July 14, 2014 to Monday, July 28, 2014 (both days inclusive) for the purpose of determining payment of dividend.
3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item Nos. 4 to 9 of the accompanying Notice is annexed hereto.
4. Dividend on Equity Shares as recommended by the Directors, if declared at this Annual General Meeting, will be paid on Wednesday, August 20, 2014 to those members whose names appear on the Company's Register of Members at the close of business on Monday July 28, 2014.
5. 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.

- 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.panasonicenergy.in or may write to the Company Secretary at the Registered Office of the Company.
6. Unclaimed dividend
- a) All unclaimed dividends upto the financial year ended on March 31, 1995 (paid in the year 1995) have been deposited with the General Revenue Account of the Central Government and shareholders may claim the same from the Registrar of Companies, Gujarat.
- b) Unclaimed dividends for the years 1995-96 to 2005-06 have been transferred to the Investor Education and Protection Fund pursuant to Sections 205A and 205C of the Act and that of 2006-07 will be transferred in July, 2014.
- c) Shareholders who have not en-cashed their dividend warrants for the year 2006-07 are requested to claim the amount immediately from the Company before July, 2014 and for the years from 2007-08 to 2012-13, are requested to claim the same at the earliest.
7. 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 2B) 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.
8. 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
- (d) E-mail ID for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
9. 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.
10. Members are requested to bring their copies of the Annual Reports along with duly filled attendance slip to the meeting.
11. 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.
12. **E-Voting:**

The Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 42nd Annual General Meeting of the Company dated May 21, 2014 (the AGM Notice). The Company has appointed Mr. Vijay Bhatt, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

Electronic Voting Sequence Number (EVSN): 140625011

The instructions for members for voting electronically are as under:-

In case of members receiving an e-mail from Company's Registrars (Link Intime India Pvt. Ltd.) for members whose email ID's are registered with the Company / Depository Participant(s) :

- (i) Log on to the e-voting website www.evotingindia.com during the voting period from Monday, July 21, 2014 at 10.00 a.m. to Wednesday, July 23, 2014 at 06.00 p.m.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "Panasonic Energy India Co. Ltd." from the drop down menu and click on "SUBMIT".
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID), Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.

(vi) Now, fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and 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) • Those members who have not registered their PAN are requested to enter a common PAN i.e. PECIN28714
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. • Those members who have not registered their date of birth are requested to enter a common date of birth i.e. 21/05/2014.
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 member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN (140625011) for the “Panasonic Energy India Co. Ltd.” on which you choose to vote.
- (xi) 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.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolution.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy (For members whose email IDs are not registered with the Company / Depository Participant(s):

- a. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- b. The voting period begins on Monday, July 21, 2014 at 10.00 a.m. and ends on Wednesday, July 23, 2014 at 06.00 p.m. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. commencement of Book Closure date (Monday, July 14, 2014), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- c. 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO NOTICE

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

ITEM NO. 4

In terms of the Collaboration Agreement with Panasonic Corporation, Japan, Mr. M. Shigeta had been appointed as an additional director of the Company w.e.f. February 04, 2014 pursuant to section 161 of the Companies Act, 2013 and Article 134 of the Articles of Association of the Company. Mr. Shigeta holds office upto the date of this Annual General Meeting.

The Company has received notice in writing from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Mr. Shigeta for the office of director pursuant to section 160 of the Companies Act, 2013.

He has gained vast experience by working on various senior positions in different core areas. Currently, he is heading the worldwide operations of "Panasonic" battery business in his capacity as 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. 4 of the accompanying notice.

Pursuant to the requirements of the Listing Agreement on appointment of Director, a statement containing briefly the details of Mr. Shigeta is given in Report on Corporate Governance.

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

ITEM NO. 5

Ms. Geeta Goradia has been appointed as an additional director on the board of the Company w.e.f. May 21, 2014. Ms. Goradia holds office upto the date of this Annual General Meeting.

Ms. Goradia is a successful entrepreneur. She is the immediate Past President of Federation of Gujarat Industries (FGI), first lady President in 92 years since its inception in 1918. Currently, she is Managing Director of Jewel Consumer Care Pvt. Ltd. Vadodara, and Director of Pioneer Furnaces Pvt. Ltd. Vidyanagar. She was a Lecturer in M.S University in Faculty of Commerce from 1984 to 1992. She is actively associated with United Way of Baroda and other educational Institutes.

Your Board is of the opinion that Ms. Goradia fulfills the conditions specified in the Act and the rules made thereunder for appointment as Independent Director of the Company and she is independent of the management..

The Company has received notice in writing from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Ms. Goradia for the office of director pursuant to section 160 of the Companies Act, 2013.

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

Pursuant to the requirements of the Listing Agreement on appointment of Director, a statement containing briefly the details of Ms. Goradia is given in Report on Corporate Governance.

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

ITEM NO. 6 to 8

As per the present Board Structure, Mr. Dilip J. Thakkar, Mr. Pradip P. Shah & Mr. Gautam N. Punj are Non-executive Independent Directors of the Company.

Section 149(4) of the Companies Act, 2013 states that every listed public company shall have at least one-third of the total number of directors as Independent Directors. Section 149(5) also provides that every company existing on or before the date of commencement of this Act shall, within one year from such commencement or from the date of notification of the rules in this regard as may be applicable; comply with the requirements of the provisions of sub-section (4) of section 149.

Section 149 (10) of the Companies Act, 2013, inter alia, provides that subject to the provisions of Section 152, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company. It is further clarified in the proviso to sub-sections (10) and (11) of section 149 of the Act that, any tenure of an Independent Director on the date of commencement of this Act shall not be counted as a term under those sub-sections (10) and (11).

Your Board is of the opinion that all of the above mentioned Directors fulfill the conditions specified in the Act for appointment as Independent Directors of the Company. All are eminent personalities in their respective fields. Your Board considers that their continued association would be of immense benefit to the Company. In view thereof, the Board has recommended them to be classified as Independent Directors.

Accordingly, the Board recommends the approval of the shareholders, under item nos. 6 to 8 of the accompanying notice, the classification of the aforementioned Directors as Independent Directors pursuant to section 149 of the Companies Act, 2013 read with rules made thereunder, with their respective term of office to be for a period of upto five years with effect from April 01, 2014.

Concerned Directors are interested in their respective resolutions being related to their own appointments. Other than the aforesaid, none of the Directors/KMP/their relatives is concerned or interested in the Resolutions as set out in item Nos. 6 to 8 of the accompanying Notice.

Details in respect of the Directors, who are proposed to be appointed as Independent Directors, are furnished in the Report on Corporate Governance.

ITEM NO. 9

Mr. S. K. Khurana is a B.E. (Mechanical), F.I.E., Chartered Engineer and has been working with your Company since December 01, 1972 in different capacities.

The members at their 35th Annual General Meeting held on July 12, 2007 had approved the appointment of Mr. Khurana as the Managing Director of the Company for a period of five years with effect from October 01, 2006 to September 30, 2011. Members had also approved the re-appointment of Mr. Khurana as the Managing Director of the Company for a period of two years with effect from October 01, 2011 to September 30, 2013 at their 40th Annual General Meeting held on July 25, 2012. During this term Mr. Khurana was re-designated as Chairman & Managing Director of the Company w.e.f. July 01, 2012.

Considering Mr. Khurana's immense contribution to the Company and future challenges, Panasonic Corporation, Japan had proposed to re-appoint him for a further period of 2 years.

The Board of Directors at their meeting held on September 25, 2013 approved the re-appointment of Mr. Khurana as Chairman & Managing Director for a further period of 2 years i.e. from October 01, 2013 to September 30, 2015 on following terms and conditions:

A. Salary:

Rs. 1,86,000 (One lac eighty six thousand only) per month with liberty to the Board to sanction annual increments in his monthly salary in such amount as the Board think fit, subject to the upper limit of Rs. 30,000 per increment with appropriate increase in the perquisites related to such monthly salary.

B. Special Allowance:

Rs. 57,000 (Fifty seven thousand 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 his 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 Section II of Part II of Schedule XIII of the Companies Act, 1956.

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 318 of the Companies Act, 1956.

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.

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

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

Disclosures to be given under sub-clause (iv) under the proviso to sub-paragraph (B) of paragraph 1 under section II of Part II of Schedule XIII.

I General Information:

Nature of Industry	Manufacturing of Dry Cell Batteries										
Date of commencement of commercial production	July, 1973										
Financial performance based on given indicators	<table style="width: 100%; border: none;"> <tr> <td></td> <td style="text-align: right;">FY 2012-13 (Rs. In lacs)</td> </tr> <tr> <td>Sales Turnover</td> <td style="text-align: right;">23822</td> </tr> <tr> <td>Profit /(Loss) before Tax</td> <td style="text-align: right;">373</td> </tr> <tr> <td>Rate of Dividend</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Earnings Per Share (in Rs.)</td> <td style="text-align: right;">3.28</td> </tr> </table>		FY 2012-13 (Rs. In lacs)	Sales Turnover	23822	Profit /(Loss) before Tax	373	Rate of Dividend	20%	Earnings Per Share (in Rs.)	3.28
	FY 2012-13 (Rs. In lacs)										
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Profit /(Loss) before Tax	373										
Rate of Dividend	20%										
Earnings Per Share (in Rs.)	3.28										
Export performance and net foreign earning	<table style="width: 100%; border: none;"> <tr> <td></td> <td style="text-align: right;">FY 2012-13 (Rs. In lacs)</td> </tr> <tr> <td>Foreign Exchange Earned</td> <td style="text-align: right;">104</td> </tr> <tr> <td>Foreign Exchange Used</td> <td style="text-align: right;">4568</td> </tr> <tr> <td>Net Foreign Exchange Used</td> <td style="text-align: right;">4464</td> </tr> </table>		FY 2012-13 (Rs. In lacs)	Foreign Exchange Earned	104	Foreign Exchange Used	4568	Net Foreign Exchange Used	4464		
	FY 2012-13 (Rs. In lacs)										
Foreign Exchange Earned	104										
Foreign Exchange Used	4568										
Net Foreign Exchange Used	4464										
Foreign Investments or collaborators, if any	<p>No. of shares held by Foreign collaborators/FILs/ NRI (Shareholding as on 30.9.2013)</p> <p>Total 47,18,915 shares out of which 43,54,144 shares (58.055%) are held by Foreign Collaboration Panasonic Corporation, Osaka, Japan.</p>										

II Information about the appointee

Background Details	Mr. S. K. Khurana has been working with the Company since December 01, 1972 in different capacities, last being as Sr. Executive President (Technical & Manufacturing) before being appointed as Managing Director w.e.f. October 01, 2006 and thereafter being re-designated as Chairman & Managing Director w.e.f. July 01, 2012.								
Past Remuneration (FY 2012-13)	<table style="width: 100%; border: none;"> <tr> <td>Salary</td> <td style="text-align: right;">Rs. 2428800</td> </tr> <tr> <td>Perquisites</td> <td style="text-align: right;">Rs. 1559745</td> </tr> <tr> <td>Others (Retirals)</td> <td style="text-align: right;">Rs. 491670</td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>Rs. 4480215</u></td> </tr> </table>	Salary	Rs. 2428800	Perquisites	Rs. 1559745	Others (Retirals)	Rs. 491670	Total	<u>Rs. 4480215</u>
Salary	Rs. 2428800								
Perquisites	Rs. 1559745								
Others (Retirals)	Rs. 491670								
Total	<u>Rs. 4480215</u>								
Recognition or awards	<ol style="list-style-type: none"> 1) Gold Medalist from Indore University of 1969 batch. 2) Under the guidance of foreign collaborators responsible for setting up of Pithampur factory during 1987~90. 								
Job Profile and his suitability	Mr. Khurana is a qualified B.E. (Mechanical) F.I.E., Chartered Engineer. He has been working with the Company since 1972. He has acquired considerable experience in company's line of business and specialization on overall productivity enhancement in its manufacturing process. Prior to his appointment as Managing Director, Mr. Khurana was an active member of "Core Management Team" during which he acquired deep knowledge in formulating and implementing policies in manufacturing, administration and sales & marketing. Under his leadership as Managing Director since October, 2006, the Company has made a turnaround. He has managed to mitigate overheads and improved the bottom line of the business operations of the Company.								
Remuneration Proposed (Annual)	<table style="width: 100%; border: none;"> <tr> <td>Salary</td> <td style="text-align: right;">Rs. 2916000</td> </tr> <tr> <td>Perquisites</td> <td style="text-align: right;">Rs. 1784960</td> </tr> <tr> <td>Others (Retirals)</td> <td style="text-align: right;">Rs. 602640</td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>Rs. 5303600</u></td> </tr> </table>	Salary	Rs. 2916000	Perquisites	Rs. 1784960	Others (Retirals)	Rs. 602640	Total	<u>Rs. 5303600</u>
Salary	Rs. 2916000								
Perquisites	Rs. 1784960								
Others (Retirals)	Rs. 602640								
Total	<u>Rs. 5303600</u>								

Panasonic Energy India Co. Ltd.

Comparative remuneration profile with respect to the industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Mr. Khurana is Chairman & Managing Director of the Company. His salary along with allowances compared to last drawn salary has increased by about Rs. 42,000 per month from the limit specified in Schedule XIII of the Companies Act, 1956. The proposed remuneration mentioned above is quite reasonable looking to the company's turnover and size of business and the efforts put in by Mr. Khurana. It also commensurate very well with the salary drawn by other Managing Director's in the Industry in current scenario.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Khurana has no pecuniary relationship with the Company or any other managerial personnel except to the extent of remuneration drawn by him as Chairman & Managing Director and as a member to the extent of his shareholding in the Company. (3500 shares)

III. Other Information

Steps taken or proposed to be taken for improvement	We are trying to focus on several cost reduction activities, intensifying brand building activities, penetration in the rural markets, sales productivity improvement through "One Management" concept and introduction of several new models of LED torches including half and one watt high performance torches, Rechargeable batteries, & High performance batteries in the market. In addition to our focused attention towards increasing the sales realization, we are also putting in all our efforts in reducing costs without compromising on the quality of our products. We have taken concrete steps in the areas of manpower rationalization, productivity improvement, "VE" activities and reduction in fixed and variable costs in all the areas of operations for improving the profitability of the Company. With above mentioned initiatives to increase the revenue & cost down activities the Company expects much higher profit margin in F.Y. 2013-14.
Expected increase in productivity and profits in measurable terms.	Projected Management Results for FY 2013-14 (Rs. In Lacs) Sales Turnover 26500+ (112% V/s. last year) Profit Before Tax 1000+ (270% V/s. last year)

By Order of the Board

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

Susheela Maheshwari
Company Secretary & Manager (Legal)
Mumbai, May 21, 2014

Dear Members,

Your directors have pleasure in presenting the 42nd Annual Report together with the Audited Financial Statements along with the Report of the Auditors for the financial year ended on March 31, 2014.

1. FINANCIAL PERFORMANCE

(₹ In lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Sales Turnover	25790.92	23822.39
Profit/(Loss) before Tax	1253.01	372.53
Less: Provision for Taxation (Net of Deferred Tax)	451.98	97.11
Less: Provision for taxation of earlier years (Net of refund/demand)	57.63	29.37
Profit/(Loss) after Tax	743.40	246.05
Add: Profit brought forward from previous year	194.68	142.63
Net available surplus for appropriation	938.08	388.67
APPROPRIATIONS		
Proposed Dividend	262.50	150.00
Dividend Distribution Tax	44.61	25.49
General Reserve No.1 (Statutory)	75.00	18.50
General Reserve No. 2	400.00	-
Surplus carried to Balance Sheet	155.97	194.68
	938.08	388.67

2. OPERATIONAL REVIEW

The Company's turnover for the year stood at Rs. 25,791 lacs which have increased by 8% as compared to the previous year. The Profit before Tax (PBT) of the Company has gone up by over 3 folds and it stood at Rs. 1,253 lacs as compared to the previous year of Rs. 373 lacs.

2013-14 was a year of great challenges for the battery industry. Escalating raw material costs as a result of unprecedented rupee devaluation, rising inflation and resultant sluggish demand for batteries resulted into muted market demand of 98% v/s previous year in the battery industry. In order to counter the above adverse situation, your company has successfully implemented the price rise in case of most of its products by around 5 to 10% on couple of instances during the year. Your Company more or less followed the industry scenario with regards to its market share.

In line to the managements' direction and guidelines, the Company continued to thrive and maintain superiority by way of supplying high quality "Value for Money" eco-friendly batteries through collective wisdom and team spirit.

Your Company proudly wishes to inform you about the launch of "Panasonic Ultimate" during the year which is the best performance battery in the range of AA size zinc carbon batteries in India. Keeping in view the appreciation and response from the trade, Company aims at establishing the same very strongly during the year 2014-15.

At sales front, this year too, your Company focused on educating team members as well as channel partners and end users through various brand building activities. For improving the awareness and visibility at market front, Company continued its basic "DISHA" (Display In-shop Activity) activity. The activity was well supported by innovative and strong merchandising support.

Your Company has planned to regain and improve the market share through introduction of "One Management Activity". The activity aims at improving sales productivity and thereby further improves the overall performance of your company.

3. DIVIDEND

Considering the improved profitability position of the company, your Directors are pleased to recommend payment of a dividend of Rs. 3.50 per equity share (@ 35% at par value of Rs. 10/- each) (previous year Rs. 2/- 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 Rs. 262.50 lacs. It will be tax free income in the hands of recipients and the Company will have to pay dividend distribution tax thereon in the sum of Rs. 44.61 lacs.

4. MANAGEMENT DISCUSSION AND ANALYSIS

A. Business Overview

Zinc carbon batteries

Battery industry slightly underperformed during the year and could achieve only 98% of previous year volume. Your Company concentrated on improved productivity and better realization and could achieve 97% of previous year quantity.

Your Company has aggressive and challenging plan for the coming year. Along with productivity improvement activities, Company is also planning to improve brand awareness and visibility. It will also activate to boost rural as well as urban markets. Training & education of sales team along with efficient & effective data management will be the focus areas for the coming year.

Alkaline batteries

During the year under review, your Company maintained its presence in alkaline range but could not attain targeted sales growth and as such not able to make enough contribution towards total turnover. Company is planning to support strong sales enhancement activities for the aimed presence and volumes in alkaline range.

Flashlights

Flashlight is a very important segment supporting battery industry. Your Company could achieve 21% growth over the previous year. This was achieved through focused attention on this segment as well as by introducing new range of eco-friendly torches at regular intervals during the year. Your Company will continue doing the same with aggressive support activities aiming substantially higher growth.

Rechargeable batteries

Your company is actively trading Rechargeable batteries and chargers of "eneloop" Brand. Company experienced very encouraging response during the year and foresees great potential. Your Company plans to grow noticeably and substantially in this segment by supplies of full range of Rechargeable batteries and chargers consistently.

B. Industry Structure and Development

Battery industry as mentioned earlier has experienced severe challenges and has reported slight de-growth during the year under review.

The continued drastic decline in R20 segment during the recent years has slightly stabilized, which is attributed to the change in current usage pattern of the consumers due to introduction of various gadgets using R20 batteries.

R6 segment which so far was leading the battery industry growth has slightly trailed this year and is at 98% as compared to previous year. All battery players experienced sales loss during the year which forecasts a tough competition in the year 2014-15.

R03 segment maintained consistent growth which was over 113% during the year under review and promises continued growth in the next year too.

C. Opportunities and threats

Opportunities

Present low per capita consumption of batteries in India compared to other developing countries indicates potential for higher growth. Changed usage patterns of gadgets, arrival of new appliances and the trend towards miniaturization of appliances promise growth especially in AA/AAA batteries. Current scenario also provides scope for introduction of high value / better performance batteries.

Threats

Import of huge quantity of low performance cheap Chinese batteries pose a big threat to the organized sector of the Industry, as it not only puts more pressure on the pricing of economic range of batteries but also augments price competition within existing players.

D. Risks & Concerns

Continuous upward trend in raw material cost, possibility of devaluation of rupee and regular price rise in crude oil and oil based products is a matter of concern for the Indian economy including battery industry. Changing consumer behavior towards higher grade battery operated appliances also is a matter of great concern and will have to be continuously and closely monitored.

E. Outlook

Availability of new appliances and improved usage pattern can play an important role in growth of battery business in India. Identification of consumer needs and tastes, product and packaging, adaption to innovative sales and marketing activities and strong cross functional marketing activities are areas to focus upon.

F. Internal Control System

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. Developments in Human Resources and Industrial Relations

Directors wish to place on record their appreciation to all its employees for their sustained efforts and valuable contribution. The total employee strength of the Company as on March 31, 2014 stood at 814.

None of the employees of the Company drew a remuneration of Rs. 5 lacs per month or more (where appointed for a part of the year) or Rs. 60 lacs or more (where appointed for the whole year) and hence no information is provided pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

H. Research & Development

In today's scenario customer is looking for new products with better quality in day to day life. To meet with the expectation of customer, your Company launched the "Panasonic ULTIMATE" India's No.1 performer zinc carbon battery with 36 months shelf life in R6 category which is the highest shelf life offered in this segment. This product is best suited for heavy drain appliances like toys, remote control, torch etc. You would appreciate the fact that yours is the only manufacturing Company in India which manufactures the complete range of eco-friendly products. As a part of continual improvement, your Company is trying to further eliminate those identified hazardous contents which are otherwise permissible under the Indian Law. We do not restrict these activities to our Company only but these are also extended to our key suppliers who supply the raw materials which are used for manufacturing the dry batteries.

During the year under review, the raw material prices have gone abnormally high mainly, due to weakening of Indian rupee. To counter the cost up, additional cost reduction measures have been taken at different levels without compromising the quality of products. Several other activities were also undertaken to further improve quality, reduction in rejection by use of basic Q.C. techniques like small improvement in process through Q.C. Circle and Kaizen. Your Company participated in the Q.C. Circle contest to enhance the morale of the people. This resulted in solving problems which had arisen during manufacturing process. It helped in enhancement of the confidence level of employees for quality improvement and reduction of manufacturing cost.

During the year under review, your Company has introduced new eco-friendly models of LED torches and lantern which will help to facilitate and increase the sales of R20 products. Your Company is always making efforts in ensuring optimal energy utilization

and thereby reducing Co₂ emission. Further, during the year under review, your company improved the recycle rate as per the guidelines of its collaborator, for the waste generated.

I. Exports

Continuous efforts are being made to boost exports, particularly in the areas of machinery spare parts and battery components. During the current financial year the Company has earned foreign exchange to the tune of Rs. 122 lacs (previous year Rs. 104 lacs). The Company intends to further improve its exports.

5. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) in preparation of the annual accounts for the financial year ended on March 31, 2014 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have 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 at the end of the financial year and of the profit of the Company for the year under review;
- (iii) they have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the accounts for the financial year ended on March 31, 2014 on a going concern basis.

6. CORPORATE GOVERNANCE

A separate report on Corporate Governance is annexed hereto as a part of this report. A certificate from the Company Secretary in Practice regarding compliance of conditions of Corporate Governance as prescribed under clause 49 of the Listing Agreement is attached to this Report.

7. STATEMENT PURSUANT TO LISTING AGREEMENT

The Company's equity shares are listed on the Bombay Stock Exchange Limited (BSE). Annual listing fee for the year 2014-15 has already been paid to BSE.

8. DIRECTORS

During the year under review, Mr. H. Aota has resigned from the directorship of your Company w.e.f. January 01, 2014. Your directors appreciate the valued contribution rendered by him during the tenure of his directorship in the Company.

Mr. Chirayu Amin has resigned from the directorship of your Company w.e.f. May 09, 2014. Your directors appreciate the valued contribution rendered by him during the tenure of his directorship in the Company.

Mr. T. Nonaka has resigned from the directorship of your Company w.e.f. May 16, 2014. Your directors appreciate the valued contribution rendered by him during the tenure of his directorship in the Company.

Mr. M. Shigeta, a nominee of Panasonic Corporation, Japan, has been appointed as an Additional Director on the Board w.e.f. February 04, 2014. Pursuant to section 161 of the Companies Act, 2013, Mr. Shigeta holds office till the ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, the Company has received notice in writing from a Member proposing the candidature of Mr. M. Shigeta as a Director of the Company.

Ms. Geeta Goradia is appointed as an Additional Director on the Board effective from the date of signing of this report. Pursuant to section 161 of the Companies Act, 2013, Ms. Goradia will hold office till the ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, the Company has received notice in writing from a Member proposing the candidature of Ms. Goradia as a Director of the Company.

As per the requirements of section 149(4) of the Companies Act, 2013, every listed public Company shall have at least one-third of the total number of directors as Independent Directors. Section 149(5) also provides that every Company existing on or before the date of commencement of this Act shall, within one year from such commencement or from the date of notification of the rules in this regard as may be applicable; comply with the requirements of the provisions of sub-section (4) of section 149.

Accordingly, the Board recommends the appointment of Mr. Dilip J. Thakkar, Mr. Pradip P. Shah & Mr. Gautam N. Punj as Independent Directors (not liable to retire by rotation) of the Company for a period of five years w.e.f. April 01, 2014 uptill March 31, 2019.

As required by the Listing Agreement with the Stock Exchanges, 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 Directors' Report.

The Directors recommend all the resolutions placed before the members relating to Directors for their approval.

9. AUDITORS

M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara retire, and being eligible, offer themselves for reappointment.

10. ACKNOWLEDGEMENTS

Your Directors take this opportunity to acknowledge with sincere gratitude the support of its esteemed Customers, the strength it derives from its association with Panasonic Corporation, Japan, the loyalty of the large family of the valued Shareholders, Company's Dealers and Stockists and the continued support and co-operation from Govt. authorities, Suppliers and Banks. Deep appreciation is also recorded for the dedicated efforts and contribution of the employees at all levels, as without their focus, commitment and hard work, the Company's consistent growth would not have been possible, despite the challenging environment.

For and on behalf of the Board

S. K. Khurana
Chairman & Managing Director

Mumbai, May 21, 2014

Annexure I to the Directors' Report

PARTICULARS AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED ON MARCH 31, 2014.

FORM A**(A) CONSERVATION OF ENERGY**

Not given as the Company is not covered under the list of specified industries. Optimum use of energy and measures to conserve the energy are taken care on month to month basis. As a result reduction in CO₂ is achieved.

FORM B**(A) DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (R&D)**

1	Specific areas in which R&D carried out by the Company	<ol style="list-style-type: none"> 1. Introduced "Panasonic Ultimate" India's No. 1 performance dry battery with 36 months shelf life in premium grade category. 2. Developed PVC with RoHS compliance. 3. Introduced new models of high performance LED torches & Lantern. 4. Participated in FY13 APMEA green factory challenge contest and received "Special Award" in chemical substance management category from Environment Management Group, Panasonic Corporation, Japan.
2	Benefit derived as a result of above R&D	<ol style="list-style-type: none"> 1. Customer satisfaction. 2. Compliance with the stringent eco-friendly norms of Panasonic. 3. Supply of new models of LED torches.
3	Future plan of action	<ol style="list-style-type: none"> 1. To further develop cost effective products. 2. To introduce additional LED torch models. 3. To reduce cost of products by further VE & cost down measures. 4. To reduce the effect of global warming by optimum use of energy.
4	Expenditure on R&D:	(₹ in lacs)
	(i) Capital	NIL
	(ii) Recurring	117.93
	(iii) Total	117.93
	(iv) Total R&D expenditure as a Percentage of total turnover	0.5%

(B) TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION

1	Effort in brief made towards technology absorption, adaptation and innovation.	<ol style="list-style-type: none"> 1. Developed No.1 performance dry battery in premium range in R6 segment. 2. Introduction of new models of LED torches & lantern. 3. Measures to reduce manufacturing cost. 4. Efforts for energy conservation.
2	Benefit derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution, etc	<ol style="list-style-type: none"> 1. Manufacturing of Panasonic products in terms of quality & environment compliance & thereby contribute to society. 2. Implementation of new cost effective ideas to reduce cost of raw material, component & process. 3. Explore global sourcing for cost reduction.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

1	Activities relating to export initiatives taken to increase exports; development of new export markets for products and services; and export plan	During the year Company earned foreign exchange through export of machinery spare parts and Raw materials.
2	Total Foreign Exchange :	(₹ in lacs)
	Used	4501
	Earned	122

For and on behalf of the Board

S. K. Khurana
Chairman & Managing Director

Mumbai, May 21, 2014

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 Clause 49 of the Listing Agreement. As on March 31, 2014 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.

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.

The Notice convening Board Meetings are being sent to each of the Directors along with relevant papers around 7 to 8 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, 2014, five Board Meetings were held. The dates on which the said meetings were held are as follows:

May 17, 2013, July 23, 2013, September 25, 2013, October 28, 2013 and February 04, 2014. The last Annual General Meeting was held on July 23, 2013.

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 25 companies) or committees (only Audit Committee and Investors' Grievance Committee included) of which, a director is a member or chairman is as under:

Name of the Director	Category of Director	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships held in Public Companies	No. of Audit Committees and Shareholders/ Investors Grievance Committees	
					Chairman	Member
Mr. S. K. Khurana ¹	Chairman & Managing Director	5/5	Yes	1	-	2
Mr. P. P. Shah	Non-Executive (Independent)	5/5	Yes	12	1	9
Mr. D. J. Thakkar	Non-Executive (Independent)	5/5	Yes	13	5	9
Mr. G. N. Punj	Non-Executive (Independent)	2/5	No	6	1	-
Mr. C. R. Amin ²	Non-Executive (Independent)	0/5	No	12	1	3
Mr. T. Nonaka ³	Non-Executive (Promoter)	0/5	No	1	-	-
Mr. M. Shigeta ⁴	Non-Executive (Promoter)	0/0	No	2	-	1
Mr. H. Aota ⁵	Non-Executive (Promoter)	2/5	No	2	-	-

1 Mr. S. K. Khurana has been re-appointed as Chairman & Managing Director w.e.f. October 01, 2013.

2 Mr. C. R. Amin ceased to be Director w.e.f. May 09, 2014.

3 Mr. T. Nonaka ceased to be Director w.e.f. May 16, 2014

4 Mr. M. Shigeta has been appointed as an Additional Director w.e.f. February 04, 2014.

5 Mr. H. Aota ceased to be Director w.e.f. January 01, 2014.

3. COMMITTEES OF THE BOARD

A) Audit Committee

Terms of Reference

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliances with the legal and regulatory requirements. The terms of reference of the Audit Committee are in conformity with the Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956, and are as under :

- 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 2 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. D. J. Thakkar	Chairman	4	4
2	Mr. P. P. Shah	Member	4	4
3	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. D. J. Thakkar, Chairman of the Audit Committee was present at the 41st Annual General Meeting of the Company held on July 23, 2013.

The minutes of the meetings of Audit Committee are circulated to the members of the Committee and also placed before the Board.

B) Remuneration Committee

Terms of Reference

The Company has duly constituted Remuneration Committee consisting of 3 Independent Directors. The Remuneration Committee recommends the appointment, re-appointment and remuneration payable to Executive Directors. The packages are determined by the committee keeping in view (i) financial position of the Company; (ii) trends in the industry; (iii) appointee's qualification, experience, past performance and past remuneration etc.

Composition

As per clause 49 of the Listing Agreement, constitution of Remuneration Committee is non-mandatory requirement. However, the Company formed Remuneration Committee on January 23, 2004 and it was reconstituted by the Board of Directors at its meeting held on January 12, 2011.

The present composition of the 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. P. P. Shah	Chairman	1	1
2	Mr. D. J. Thakkar	Member	1	1
3	Mr. G. N. Punj	Member	1	1

The minutes of the meeting of Remuneration Committee are circulated to the members of the Remuneration Committee and are also placed before the Board. The Company Secretary acts as the secretary of the Remuneration Committee.

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 salary, perquisites and contribution to provident & superannuation funds.

Sr. No.	Name & Designation	Salary (Rs.) (A)	Perquisites (Rs.) (B)	Contribution to PF & other funds [Exempted Perks] (Rs.) (C)	Total (Rs.) (D=A+B+C)	Commission (Rs.) (E)	Total (Rs.) (F=D+E)
1	Mr. S. K. Khurana Chairman & Managing Director	27,48,000	16,99,079	5,63,760	50,10,839	13,28,345	63,39,184

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.

(iii) Remuneration to Non - Executive Directors and the No. of shares held by them

The Non-Executive Directors, except those nominated by promoter, were paid sitting fees of Rs. 10,000 for attending each of the Board and its Committee meetings, The Chairman and Managing Director is not paid any sitting fee.

Sr. No.	Name	Category of Director	Sitting Fess (Rs.) (A)	Commission (Rs.) (B)	Total (Rs.) (C=A+B)	No. of shares
1	Mr. P. P. Shah	Independent	1,10,000	2,24,882	3,34,882	5,000
2	Mr. D. J. Thakkar	Independent	1,00,000	2,24,882	3,24,882	-
3	Mr. G. N. Punj	Independent	30,000	2,24,882	2,54,882	264
4	Mr. C. R. Amin	Independent	-	2,24,882	2,24,882	-
5	Mr. H. Aota	Promoter	-	1,69,432	1,69,432	-
6	Mr. T. Nonaka	Promoter	-	2,24,882	2,24,882	-
7	Mr. M. Shigeta	Promoter	-	34,503	34,503	-

No severance fee is paid to Executive Director during the year.

The Company has not issued stock options to any of its Directors.

C) Investors' Grievance Committee

Terms of Reference

As per the requirement of clause 49 of Listing Agreement, Investors' Grievance Committee was formed in the Board Meeting held on January 23, 2001 and it was reconstituted by the Board of Directors at its meeting held on January 12, 2011 and October 27, 2012. 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 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. G. N. Punj	Chairman	1	-
2	Mr. P. P. Shah	Member	1	1
3	Mr. S. K. Khurana	Member	1	1

Panasonic Energy India Co. Ltd.

The Company Secretary has been designated as the Compliance Officer and also acts as secretary of the Committee. The minutes of the meetings of Investors' Grievance Committee are circulated to the members of the Committee and are also placed before the Board.

As per the Circular No. CIR/MIRSD/8/2012 dtd. July 05, 2012 issued by Securities & Exchange Board of India (SEBI), effective from October 01, 2012 SEBI had fixed a time-line of 15 days for registering the transfer of shares.

In view of the above and in order to ensure that the process is completed within prescribed period of 15 days, the Board had authorized M/s. Link Intime India Pvt. Ltd., Registrar & Share Transfer Agents of the Company for the purpose of approval of share transfer requests and signature on the endorsements made on share certificates.

The details of shareholder's queries and requests received and replied during financial year 2013-14 are detailed as under:

Sr. No.	Nature of Correspondence	Received (Nos.)	Responded satisfactorily (Nos.)	Pending as on 31-Mar-14 (Nos.)
1	Change of Address	22	22	NIL
2	Bank Mandate	NIL	NIL	
3	Registration of NECS / ECS Details	44	44	
4	Nomination Request	01	01	
5	Stop Transfer / Procedure for Issuance of Duplicate Share Certificates	09	09	
6	Correction in Name / Address	02	02	
7	Change of Signature	NIL	NIL	
8	Stop Transfer Removal	02	02	
9	Procedure for Transmission / Deletion / Transposition	04	04	
10	Issuance of Duplicate Shares	02	02	
11	Cancellation of Bank Details	NIL	NIL	
12	Transfer Requests	13	13	
13	Transmission Requests	NIL	NIL	
14	Name Deletion	02	02	
15	Revalidation / Issuance of Duplicate Dividend Warrants	76	76	
16	Registration of PAN Card	NIL	NIL	
17	Demat Requests/ Remat Requests	36	36	
	TOTAL	213	213	NIL

No investor correspondence remains unattended for more than 30 days.

4. GENERAL BODY MEETING

Particulars of last three AGM's & Special Resolutions passed

Financial Year	Date & Time	Venue	Special Resolutions passed
2010-2011 (39 th AGM)	July 25, 2011 10:00 AM	C.C.Mehta Auditorium, M.S.University,Vadodara	➤ No Special Resolution was passed at the 39 th AGM.
2011-2012 (40 th AGM)	July 25, 2012 10:00 AM	C.C.Mehta Auditorium, M.S.University, Vadodara	➤ Re-appointment of Mr. A. K. Lakhanpal as Chairman of the Company from January 06, 2012 to June 30, 2012. ➤ Re-designation of Mr. S. K. Khurana as Chairman and Managing Director of the Company from July 01, 2012 to September 30, 2013. ➤ Alteration & Amendment in Articles of Association of the Company.
2012-2013 (41 st 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

All the aforesaid resolutions were passed on show of hands.

Postal Ballot Resolution

No special resolution through postal ballot was passed during the year 2013-14.

5. DISCLOSURES

a) Related Party Transaction

Related party transactions between Company and related parties as per the Accounting Standard (AS-18) "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given at note No. 32 of Notes to the Financial Statements.

Among the Related party transactions entered into by the Company from time to time in which Directors of the Company are interested are entered into the Register of Contracts maintained under section 301 of the Companies Act, 1956 and the Register is placed before the Audit Committee and Board.

In the opinion of the Management there are no related party transactions which are prejudicial to the interests of the Company.

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) CEO / CFO Certification

The Company has complied with and adopted the mandatory requirements stipulated under clause 49 of the Listing Agreement. The Company has obtained CEO / CFO Certificate from the Chairman & Managing Director and the person heading the finance function in terms of the clause 49 of the Listing Agreement entered into with the Stock Exchange.

d) Secretarial Audit

A qualified Practicing Company Secretary carried out the Secretarial 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.

e) 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.

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

There are no unclaimed shares and hence no suspense account is required to be opened and credited with such shares and there is no freeze on voting rights of any shares.

g) Non-Mandatory Requirement

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 Clause 49 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.panasonicenergy.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, 2014. 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, 1992, the Company has adopted a code of conduct for prevention of insider trading w.e.f. January 29, 2003.

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.

Panasonic Energy India Co. Ltd.

- b) The results are also uploaded on the Company's website (www.panasonicenergy.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 42nd ANNUAL GENERAL MEETING OF THE COMPANY

Name	Mr. M. Shigeta	Ms. G. A. Goradia	Mr. S. K. Khurana
Date of Birth	: May 22, 1964	Sep 19, 1953	June 30, 1947
Educational Qualification	: Graduate in Business Management from Waseda University.	M.A. Honors in Industrial Economics and Law from M.S. University, Vadodara.	B.E. (Mechanical), F.I.E., Chartered Engineer.
Specific functional Area	: Company Executive	Managing Director of Jewel Consumer Care Pvt. Ltd.	Chairman & Managing Director
Brief Resume	: Currently, he is heading the worldwide operations of "Panasonic" battery business in his capacity as Director of Energy Device Business Division, Automotive and Industrial Systems Company, Panasonic Corporation.	She is a successful entrepreneur and presently Managing Director of Jewel Consumer Care Pvt. Ltd. Vadodara. She was a Lecturer in M.S University in Faculty of Commerce from 1984 to 1992. She is immediate past President of Federation of Gujarat Industries. She is actively associated with United Way of Baroda and other educational Institutes.	He has been associated with the Company since its inception in 1972. He has been the in-charge of the overall operations and management. He has deep knowledge and experience in Companies manufacturing process, formulating and implementing policies in administration, Sales & Marketing and Value Engineering etc.
Shareholding	: Nil	Nil	3500
Other Directorships held	: Public Companies Panasonic Carbon India Co. Limited Private Companies Nil Foreign Companies Panasonic Energy Belgium N.V. Panasonic Energy Poland S.A. Panasonic Energy Tanzania Co. Ltd. Panasonic Energy Shanghai Co. Ltd. Panasonic Energy Anyang Co. Ltd. Panasonic Energy Corporation of America Panasonic Energy Europe N.V. Panasonic Energy (Thailand) Co. Ltd. PT Panasonic Gobel Energy Indonesia Panasonic Energy Wuxi Co. Ltd.	Public Companies Nil Private Companies Jewel Consumer Care Pvt. Ltd. Pioneer Furnaces Pvt. Ltd.	Public Companies Nil Private Companies Nil
Other Committees of Board where membership held	: None	None	Audit Committee Panasonic Energy India Co. Ltd (Member) Investors' Grievance Committee Panasonic Energy India Co. Ltd (Member)

Name	Mr. D. J. Thakkar	Mr. P. P. Shah	Mr. G. N. Punj
Date of Birth	: October 01, 1936	January 07, 1953	January 08, 1974
Educational Qualification	: B.Com, LL.B, FCA	B. Com., AICWA, ACA, M.B.A.(Harvard)	'A' Level Oxford & Cambridge Board, U.K. Law Graduate from the London School of Economics & Political Science, U.K.
Specific functional Area	: Practicing Chartered Accountant	Venture Capitalist	Industrialist
Brief Resume	: Mr. Thakkar has over forty two years of experience as a Chartered Accountant and is a senior partner of M/s. Jayantilal Thakkar & Co. & M/s. Jayantilal Thakkar Associates, Mumbai. He specializes in the Foreign Exchange Management Act, and has advised overseas corporations and large Indian companies on investments, taxation and collaboration. He is trustee of HSBC Mutual Fund. He has been on the Board of your Company since February 05, 1994.	Mr. P. P. Shah started IndAsia, a corporate finance and private equity advisory business in April 1998. IndAsia entered into a joint venture with AMP in 2001 for the private equity business in India. Prior to starting IndAsia, he helped in establishing the Indocean Fund in 1994 in association with affiliates of Chase Capital Partners and Soros Fund Management. Before that, he was the founder Managing Director of the Credit Rating Information Services of India Limited (CRISIL), India's first and largest credit rating agency. While at CRISIL, he was instrumental in technology transfer to and the training of personnel of Rating Agency Malaysia Berhad and The Israeli Securities Rating Company. He has been honoured in Israel with a garden of a hundred trees in his name. Prior to founding CRISIL, Mr. Shah assisted in founding Housing Development Finance Corporation (HDFC) in 1977. Before joining HDFC, he was a Project Officer at ICICI Ltd. & served as a consultant to USAID, the World Bank & the ADB. He has been on the Board of Your Company since May 05, 1992.	Mr. Punj is an Industrialist. He has vast experience in Administration and management of Companies. He has been on the Board of your Company since January 30, 2002.
Shareholding	: Nil	5000	264
Other Directorships held	: Public Companies Poddar Developers Ltd. Essar Oil Ltd. The Ruby Mills Ltd. PAE Ltd. Himatsingka Seide Ltd. Indo Count Industries Ltd. Walchandnager Industries Ltd. Garware Polyester Ltd. Essar ports Ltd. Modern India Ltd. Premier Ltd. Westlife Development Ltd.	Public Companies BASF India Ltd. Godrej & Boyce Mfg. Ltd. Grindwell Norton Ltd. Kansai Nerolac Paints Ltd. KSB Pumps Ltd. Mukand Ltd. Pfizer Ltd. Shah Foods Ltd. Sonata Software Ltd. Tata Investment Corporation Ltd. Wyeth Limited.	Public Companies Punj Star Properties Ltd. Isolloyd Engineering Technologies Ltd. Lloyd Insulations (India) Ltd. T&T Motors Ltd. Ineco Engineering Ltd.

Name	Mr. D. J. Thakkar	Mr. P. P. Shah	Mr. G. N. Punj
	<p>Private Companies Rajasvi Properties Holdings Pvt. Ltd. Starrock Investments & Trading Co. Pvt. Ltd. Blueberry Trading Co. Pvt. Ltd. Township Real Estate Developers Pvt. Ltd. Hamlet Constructions (India) Pvt. Ltd. Windmere Hospitality (India) Pvt. Ltd. Skidata (India) Pvt. Ltd. Ameya Logistics Pvt. Ltd. Universal Trustees Pvt. Ltd. Magus Estates & Hotel Pvt. Ltd.</p> <p>Mutual Fund HSBC Mutual Fund</p>	<p>Private Companies C D Aviation (India) Pvt. Ltd. Helios GreenTech Pvt. Ltd. IndAsia Fund Advisors Pvt. Ltd. Pangea EcoNet Assets Private Limited Universal Trustees Private Limited.</p> <p>Foreign companies Hardy Oil & Gas Limited (U.K) Supra Advisors (BVI) Limited (British Virgin Island)</p>	<p>Private Companies Subhavan Investments Pvt. Ltd. Nitam Investments Pvt. Ltd. Punj Star Infotech Pvt. Ltd. Dyaus Power Project Co. Pvt. Ltd.</p>
Other Committees of Directors where membership held	<p>Audit Committee Essar Oil Ltd. (Chairman) PAE Ltd (Chairman) Himatsingka Seide Ltd. (Chairman) Walchand Nagar Industries Ltd. (Chairman) Premier Ltd. (Member) Westlife Development Ltd. (Member) Investors' Grievance Committee Essar Oil Ltd. (Member) Walchand Nagar Industries Ltd. (Member)</p>	<p>Audit Committee BASF India Limited (Member) Hardy Oil & Gas Limited (U.K.) (Member) Kansai Nerolac Paints Limited (Chairman) Pfizer Limited (Member) Sonata Software Limited (Member) Tata Investment Corporation Limited (Member) Investors' Grievance Committee Pfizer Limited (Member) Wyeth Limited (Member) Other Committees Godrej & Boyce Mfg. Ltd - Corporate Social Responsibility (Member) Hardy Oil & Gas Limited (U.K.) Remuneration (Member) Nomination (Member) Tata Investment Corporation Limited Investment Committee (Member)</p>	None

9. GENERAL SHAREHOLDER'S INFORMATION

a) Annual General Meeting

Day, date and time	Monday, July 28, 2014 at 11.00 A.M.
Venue	C. C. Mehta Auditorium, M.S. University, Sayajigunj, Vadodara - 390 005.

b) Financial Calendar

For the financial year 2014-15, financial results will be announced as per the following tentative schedule:

1 st quarter ended on June 30, 2014	Third week of July, 2014
2 nd quarter ended on September 30, 2014	Third week of October, 2014
3 rd quarter ended on December 31, 2014	Third week of January, 2015
Audited financial results for the year ended on March 31, 2015	Third week of May, 2015

c) Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Monday, July 14, 2014 to Monday, July 28, 2014 (both days inclusive).

d) Dividend payment date

The dividend for the financial year 2013-14 shall be declared under agenda No. 2 of the forthcoming 42nd Annual General Meeting scheduled on Monday, July 28, 2014. The mandate date on the dividend warrants shall be Wednesday, August 20, 2014.

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 2014 -15 to BSE.

f) **Stock Code**

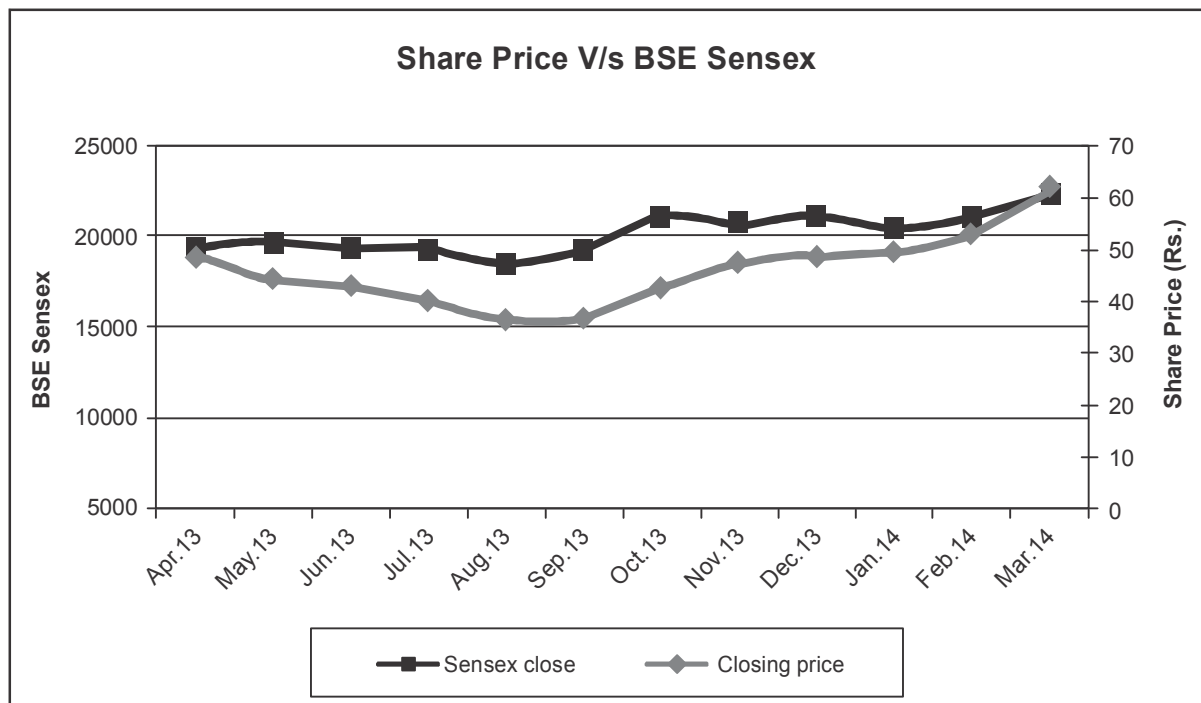
The Bombay Stock Exchange Ltd.	504093
International Securities Identification No. (ISIN)	INE795A01017

g) **Market price data for the year 2013-14 of the Company on BSE**

Month	Months High price (₹)	Months low price (₹)	Sensex	
			High	Low
April' 13	54.00	44.00	19622.68	18144.22
May'13	53.80	44.10	20443.62	19451.26
June'13	47.00	41.00	19860.19	18467.16
July'13	45.95	40.00	20351.06	19126.82
August'13	41.50	34.60	19569.20	17448.71
September'13	38.00	36.05	20739.69	18166.17
October'13	43.10	36.65	21205.44	19264.72
November'13	49.00	41.25	21321.53	20137.67
December'13	51.45	45.20	21483.74	20568.70
January'14	55.50	47.10	21409.66	20343.78
February'14	54.95	48.90	21140.51	19963.12
March'14	62.90	51.40	22467.21	20920.98

h) **Company's closing share price movement during the financial year 2013-14 on BSE vis-à-vis Sensex**

Share Price V/S BSE Sensex



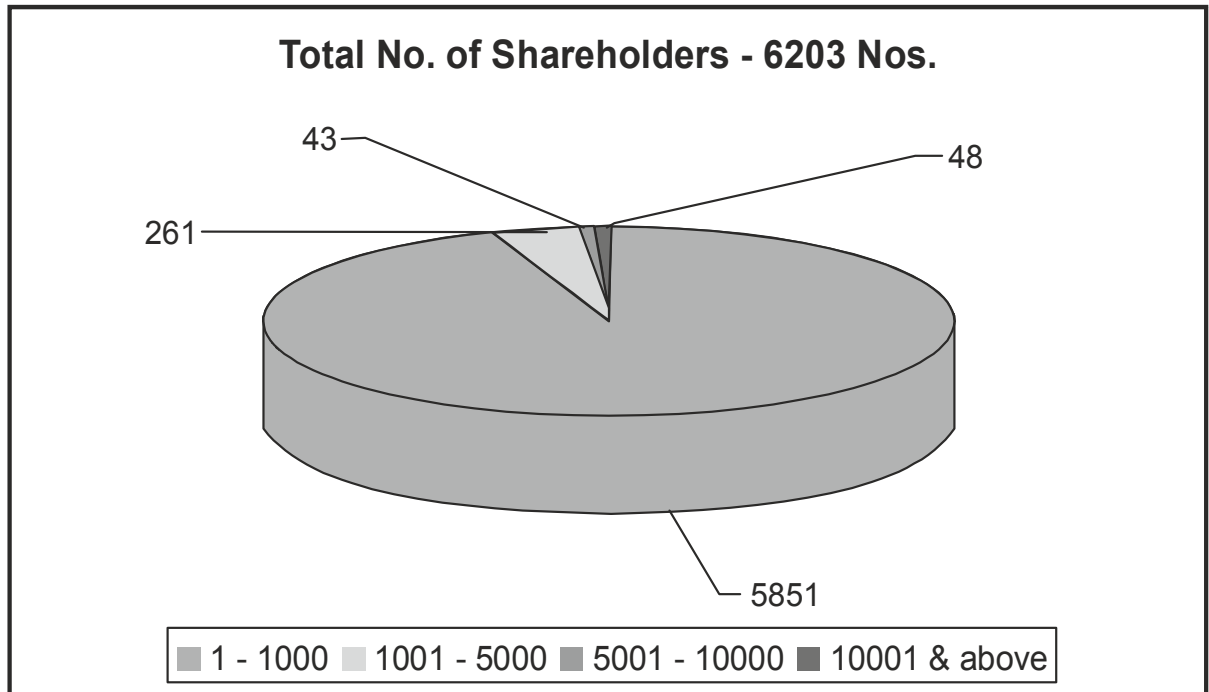
i) **Registrar & Transfer Agent**

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, 2014



l) Dematerialization of Shares and Liquidity

At the end of the year 67,25,863 shares were held in dematerialized form which comes to 89.68% 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) Custodial fee to Depositories

The Company has paid custodian fees for the year 2014-15 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

n) Audits in 2013-14

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

o) Compliance Officer

Ms. Susheela Maheshwari, Company Secretary is the Compliance Officer of the Company. Contact details have been given elsewhere in this report.

p) Plant locations

Location	Address
Gujarat	G.I.D.C, Makarpura, Vadodara - 390 010 (Gujarat)
Madhya Pradesh	Plot No. 112, Sector III Pithampur Industrial Area, Dist. Dhar - 454 774 (M.P.)

q) 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/ 263 8888 Fax: (0265) 263 8890 E-Mail: susheela.maheshwari@in.panasonic.com Website: www.panasonicenergy.in	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) 325 6573/ 235 6794 Fax: (0265) 235 6791 E-mail: alpesh.gandhi@linkintime.co.in

r) Information on dividend of past years

Pursuant to section 205A of the Companies Act, 1956 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 205C of the Companies Act, 1956.

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
2006-07	15	11.07.2014
2007-08	30	17.07.2015
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

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.

s) 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 109A of the Companies Act, 1956, may submit to the Company / Registrar & Share Transfer Agent, the prescribed form 2B. Form 2B can be downloaded from the Company's website at www.panasonicenergy.in

(ii) Bank details

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

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

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

(iii) NECS facility

Shareholders who are desirous of receiving dividends by way of direct credit to their bank account through NECS may authorize the Company by way of their NECS mandate. The shareholders desirous to obtain NECS mandate form may download it from the website of the Company at www.panasonicenergy.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.

t) 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

Mumbai, May 21, 2014

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., for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor 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 21, 2014**

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

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 the revised Clause 49 of the Listing Agreement.

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, 2014.

For Panasonic Energy India Co. Ltd.

**Place: Vadodara
Date: April 30, 2014**

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

Independent Auditors' Report to the Members of Panasonic Energy India Company Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Panasonic Energy India Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Vishal P. Doshi
Partner
Membership No. 101533

Place: Mumbai
Date: May 21, 2014

(ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT)

The annexure referred to in our report to the members of **Panasonic Energy India Company Limited** ("the Company") for the year ended 31st March, 2014.

- i. (a) In our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a regular program of physical verification of fixed assets which, in our opinion is reasonable. The assets which were to be covered as per the said program have been physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) The Company has not disposed off substantial part of its fixed assets during the year and therefore, do not affect the going concern assumption.
- ii. (a) 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.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company 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/taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 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, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventories and fixed assets and sale of goods. Further on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. 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 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder and therefore, the provisions of clause (vi) of the Order are not applicable to the Company.
- vii. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. 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 section 209(1)(d) of the Companies Act, 1956 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.
- ix. (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, investor education protection fund, employee's state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty and other material statutory dues applicable to it. Further, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues were in arrears, as at 31st March 2014 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, there are no disputed dues in respect of income tax, wealth tax and cess which have not been deposited. The following are the particulars of custom duty, service tax, sales tax and central excise as at 31st March 2014 which have not been deposited on account of dispute:

Name of the statute	Nature of disputed dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where pending
Custom Duty, 1962	Custom Duty	81.81	From March 2011 to September 2012	CESTAT, Ahmedabad
Finance Act, 1994	Service Tax	110.37	F.Y. 2005 to F.Y. 2012-13	Assessing Authorities, Commissioner (Appeals), CESTAT, Ahmedabad
Central Excise Act, 1944	Excise Duty	1.55	F.Y. 2007-08 & 2008-09	Assistant Commissioner, Commissioner(Appeals)
Sales Tax	Sales Tax	171.58	F.Y. 1986 to F.Y.2008-09	Sales Tax Tribunal, Commissioner of Sales Tax (Appeals), Dy. Commissioner of Commercial Tax at different Jurisdiction.

- x. In our opinion, the company does not have any accumulated losses as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company does not have any dues to financial institution, bank or debenture holders and therefore, the provisions of clause (xi) of the Order are not applicable to the Company.
- xii. In our opinion, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore, the provisions of clause (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund society and therefore, the provisions of clause (xiii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments 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 given any guarantee for loans taken by others from banks and financial institutions and therefore, the provisions of clause (xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company did not have any term loans outstanding during the year and therefore, the provisions of clause (xvi) of the Order are not applicable to the Company.
- xvii. In our opinion and on an overall examination of the balance sheet of the company, we report that the funds raised on short term basis have not been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under section 301 of the Companies Act, 1956 and therefore, the provisions of clause (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us, during the period of audit the Company has not issued any secured debentures and therefore, the provisions of clause (xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year and therefore, the provisions of clause (xx) of the Order are not applicable to the Company.
- xxi. In our opinion and according to information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

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

**Place : Mumbai
Date : May 21, 2014**

Panasonic Energy India Co. Ltd.

(Amount in ₹ in lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	750.00	750.00
(b) Reserves and Surplus	3	6,543.59	6,107.30
2 Non-current liabilities			
(a) Deferred tax liabilities (Net)	4	206.09	230.49
(b) Long-term provisions	5	256.42	301.11
3 Current liabilities			
(a) Trade payables	6	520.50	811.56
(b) Other current liabilities	7	1,796.87	1,457.65
(c) Short-term provisions	8	529.77	347.31
	TOTAL	10,603.24	10,005.42
II ASSETS			
1 Non - Current Assets			
(a) Fixed Assets	9		
(i) Tangible assets		1,501.41	1,640.31
(ii) Intangible assets		69.99	180.19
(iii) Capital work in progress		0.07	-
(b) Long term loans and advances	10	54.71	48.61
2 Current Assets			
(a) Inventories	11	2,344.92	2,554.58
(b) Trade receivables	12	2,641.62	2,474.48
(c) Cash and bank balances	13	2,570.72	1,686.14
(d) Current investments	14	-	17.00
(e) Short-term loans and advances	15	1,190.56	1,346.33
(f) Other current assets	16	229.24	57.78
	TOTAL	10,603.24	10,005.42
Significant Accounting Policies and Notes	1 to 37		

As per our report of even date attached.

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place : Mumbai
Date : May 21, 2014

For and on behalf of the Board of Directors

S. K. Khurana
Chairman & Managing Director

D. J. Thakkar
Director

Susheela Maheshwari
Company Secretary & Manager (Legal)

Place : Mumbai
Date : May 21, 2014

(Amount in ₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
I. Revenue from operations			
(a) Sale of products	17	25,790.92	23,822.39
Less: Excise Duty		3,381.44	3,236.91
		<u>22,409.48</u>	<u>20,585.48</u>
(b) Other operating revenues		42.99	40.25
		<u>22,452.47</u>	<u>20,625.73</u>
II. Other Income	18	169.48	150.66
III. Total Revenue (I + II)		<u>22,621.95</u>	<u>20,776.39</u>
IV. Expenses			
Cost of materials consumed	19	12,943.46	12,841.99
Purchases of stock-in-trade	20	1,044.16	996.91
Changes in inventories of finished goods work-in-progress and stock-in-trade	21	100.85	(273.27)
Other manufacturing expenses	22	689.99	692.97
Employee benefits expenses	23	2,569.76	2,393.78
Finance costs	24	45.01	15.59
Depreciation and amortization expenses	9	276.60	308.41
Other expenses	25	3,701.42	3,429.79
Total expenses		<u>21,371.25</u>	<u>20,406.16</u>
V. Profit before prior period items and tax (III-IV)		1,250.70	370.23
VI. Less: Prior period Items	26	(2.31)	(2.30)
VII. Profit before tax (V-VI)		1,253.01	372.53
VIII. Tax expense:			
(1) Current tax		476.38	120.61
(2) Deferred tax		(24.40)	(23.50)
(3) Taxation adjustments for earlier years		57.63	29.37
IX. Profit for the period (VII-VIII)		743.40	246.05
X. Earnings per equity share:			
(a) Basic		9.91	3.28
(b) Diluted		9.91	3.28
Significant Accounting Policies and Notes	1 to 37		

As per our report of even date attached.

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place : Mumbai
Date : May 21, 2014

For and on behalf of the Board of Directors

S. K. Khurana
Chairman & Managing Director

D. J. Thakkar
Director

Susheela Maheshwari
Company Secretary & Manager (Legal)

Place : Mumbai
Date : May 21, 2014

Panasonic Energy India Co. Ltd.

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	1,253.01	372.52
Adjustments for :		
Prior period expense / (Income)	(2.31)	(2.30)
Depreciation / amortisation	276.60	308.41
Interest received	(122.37)	(103.40)
Interest paid	37.33	9.83
Provision for doubtful debt and guarantee	-	0.42
Profit on sale of fixed assets	(4.94)	(5.80)
Loss on sale of fixed assets	1.14	0.29
Cash flow from operations before working capital changes	1,438.46	579.99
Increase / (Decrease) in Current Liabilities:		
Trade payables	(291.06)	328.73
Other liabilities	339.22	102.47
Provisions	(43.07)	(41.61)
(Increase)/ Decrease in Current Assets:		
Inventories	209.65	(586.41)
Trade receivables	(167.14)	(489.98)
Loans and advances and other assets	(98.01)	(85.83)
Cash flow from operations after working capital changes	1,388.05	(192.64)
Direct taxes paid	(408.57)	14.07
Net cash flow from operating activities	979.48	(178.57)
[B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(28.56)	(155.16)
Sale of tangible assets	7.11	7.11
Investment	17.00	-
Interest received	122.37	103.15
Net cash flow from investing activities	117.92	(44.90)
[C] CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(37.33)	(9.83)
Dividend paid	(175.49)	(174.33)
Net cash flow from financing activities	(212.82)	(184.16)
Net Increase/ (Decrease) in cash and cash equivalents	884.58	(407.63)
Opening cash & cash equivalents	1,686.14	2,093.79
Closing cash & cash equivalents	2,570.72	1,686.14

Notes:

1 Cash and cash equivalents comprise of:

Cash/cheques on hand	292.07	370.92
Balance with scheduled banks in current accounts	259.93	300.04
Closing cash and cash equivalents	552.00	670.96
Earmarked balances with banks	13.67	13.48
Fixed deposits/margin money	2,005.05	1,001.70
Cash and cash balance at the end of year	2,570.72	1,686.14

2 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3) "Cash Flow Statement".

3 Previous year figures have been regrouped 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 : Mumbai
Date : May 21, 2014

For and on behalf of the Board of Directors

S. K. Khurana
Chairman & Managing Director

D. J. Thakkar
Director

Susheela Maheshwari
Company Secretary & Manager (Legal)

Place : Mumbai
Date : May 21, 2014

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 notified under the Companies Act, 1956 read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and requirements of the Companies Act, 1956 and the Companies Act, 2013 (to the extent notified) 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

Depreciation on tangible assets has been provided as under:

Vadodara Unit:

Leasehold land is amortised over the period of lease.

Depreciation on fixed assets has been provided on written down method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions/deletion during the year is provided on pro-rata basis.

Pithampur Unit:

Leasehold land is amortised over the period of lease.

Depreciation on fixed assets has been provided on straight line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions/deletion during the year is provided on pro-rata basis.

vi) Intangible Assets and amortisation

Intangible assets are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of 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 is treated as an impairment loss and is recognized in the Statement of Profit & 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) Investments

Investments are either classified as current or long term based on the management contention at the time of purchase. Long term investments are shown at cost. However, when there is decline, other than temporary in the value of long term investment, the carrying amount is reduced to recognise the decline. Current investments are stated at lower of cost or market value.

ix) Inventories

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

Inventories	Cost Formula
Raw materials	First-In-First-Out basis.
Material & Consumables in Transit	At Invoice price.
Work-in-process	At raw material cost plus conversion cost, and applicable overheads wherever applicable.
Finished Goods	Cost represents raw material, labour and appropriate proportion of manufacturing expenses and overheads. Excise duty applicable thereon is included for valuation purpose.
Consumable Stores, Spares and Tools	First-In-First-Out basis.

x) Employee Benefits

a. Post-employment benefits

i Defined Contribution plan

The company's contribution to defined contribution plan paid/payable for the year is charged to the Statement of Profit and loss.

ii Defined Benefit plan

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

b. Short-term employee benefits.

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include salary, wages, bonus, performance incentives etc.

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 as reduced by plan 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.

xii) Foreign Currency Transactions

Foreign currency transactions during the year 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 settlement of such transactions and from the translation of such monetary assets and liabilities are recognised in the Statement of Profit and Loss.

xiii) 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.

xiv) Research & Development

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

xv) Taxes on Income

a. Current Tax

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

b. Deferred Tax

Deferred tax assets and liabilities are recognized on timing differences, being the differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods using tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Deferred Tax assets are reviewed at each balance sheet date for their realisability.

xvi) 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:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised		
1,00,00,000 Equity Shares of ₹ 10/- each	1,000.00	1,000.00
Issued Subscribed and Paid Up		
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:

(Amount in ₹ in lacs)

Particulars	No. of Shares	Share Capital- ₹
As at April 01, 2012	7,500,000	750.00
Additions/(Reductions)	-	-
As at March 31, 2013	7,500,000	750.00
As at April 01, 2013	7,500,000	750.00
Additions/(Reductions)	-	-
As at March 31, 2014	7,500,000	750.00

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
Holding Company:				
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, 2014		As at March 31, 2013	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
Panasonic Corporation	4,354,144	58.06%	4,354,144	58.06%

3 Reserves & Surplus

Reserves & surplus consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Capital Reserve	12.89	12.89
Capital State Subsidy Reserve	25.00	25.00
Securities Premium Account	928.13	928.13
General Reserve		
Opening balance	4,946.60	4,928.10
(+) Transfer from Statement of Profit and Loss	475.00	18.50
Closing Balance	5,421.60	4,946.60
Surplus in Statement of Profit and Loss		
Opening balance	194.68	142.62
(+) Net Profit for the current year	743.40	246.05
(-) Proposed dividends ₹ 3.50 per share (P.Y. ₹ 2 per share)	262.50	150.00
(-) Corporate dividend tax	44.61	25.49
(-) Transfer to general reserve	475.00	18.50
Closing Balance	155.97	194.68
Total	6,543.59	6,107.30

4 Deferred Tax Provision

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

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Difference between book depreciation and tax depreciation	-	308.04	-	344.05
Unpaid liability allowable on payment basis under Section 43B of Income Tax Act, 1961	101.95	-	113.56	-
Total	101.95	308.04	113.56	344.05
Net Deferred Tax Liability/(Asset)	-	206.09	-	230.49

5 Long Term Provisions

Long term provisions consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for Employee Benefits	256.42	301.11
Total	256.42	301.11

6 Trade Payables

Trade payables consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Payables		
Due to Micro & Small Enterprise	27.40	56.20
Due to others	493.10	755.36
Total	520.50	811.56

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 ₹ 736.43 Lacs (Previous Year ₹ 115.08 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 ₹ 7.41 Lacs (Previous year ₹ 1.19 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:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Advance from customers	11.38	9.37
Unpaid dividends*	13.67	13.48
Security deposits	21.16	22.00
Advance from scrap traders	0.94	1.56
Expenses payable	1,274.11	945.87
Duties & taxes payable	449.43	442.27
Other payables	26.18	23.10
Total	1,796.87	1,457.65

* No amount is due for payment to Investor Education & Protection Fund

8 Short Term Provisions

Short term provisions consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for employee benefits scheme	173.44	171.82
Provision for tax (net of advance tax)	49.22	-
Proposed dividend	262.50	150.00
Provision for corporate dividend tax	44.61	25.49
Total	529.77	347.31

9. Fixed assets consists of following:

(Amount in ₹ in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 01-04-2013	Additions During the year	Sales/ Deductions During the year	As at 31-03-2014	As at 01-04-2013	Depreci- ation for the year	Adjustment during the year	Deprecia- tion up to 31-03-2014	As at 31-03-2014	As at 31-03-2013
TANGIBLE ASSETS :										
Building	919.77	-	-	919.77	622.31	22.84	-	645.15	274.62	297.46
Leasehold land	38.30	-	-	38.30	9.60	0.41	-	10.01	28.29	28.70
Plant & Machinery	8,304.94	2.51	32.14	8,275.31	7,110.62	116.14	29.14	7,197.62	1,077.69	1,194.32
Dies	163.01	-	-	163.01	143.25	3.52	0.01	146.76	16.25	19.76
Electric Installation	122.78	-	0.11	122.67	111.85	1.21	0.44	112.62	10.05	10.93
Computers	172.22	4.37	14.03	162.56	151.03	9.57	16.67	143.93	18.63	21.19
Air conditioners & Refrigerators	37.43	1.31	1.77	36.97	29.28	0.89	1.56	28.61	8.36	8.15
Furniture & Fixtures	162.00	0.36	0.96	161.40	149.84	1.13	0.86	150.11	11.29	12.16
Office Equipments & Other Equipments	99.80	18.46	3.73	114.53	79.00	3.53	3.26	79.27	35.26	20.80
Vehicles & Delivery Equipments	122.59	-	3.73	118.86	95.75	5.68	3.54	97.89	20.97	26.84
								Total (A)	1,501.41	1,640.31
INTANGIBLE ASSETS :										
Know - how	590.00	-	-	590.00	531.49	58.51	-	590.00	0.00	58.51
Non Compete Fees	150.00	-	-	150.00	37.50	50.00	-	87.50	62.50	112.50
Software	41.60	1.48	-	43.08	32.42	3.17	-	35.59	7.49	9.18
								Total (B)	69.99	180.19
TOTAL	10,924.44	28.49	56.47	10,896.46	9,103.94	276.60	55.48	9,325.06	1,571.40	1,820.50
Previous Year	10,796.04	155.16	26.76	10,924.44	8,823.23	308.41	27.70	9,103.94	1,820.50	-
Capital Work in progress									0.07	-

10 Long Term Loans & Advances

Long term loans & advances consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured considered good		
Security deposits	54.71	48.61
Total	54.71	48.61

11 Inventories

a. Inventories consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Raw materials	1,037.90	955.15
Work-in-progress	169.70	151.06
Finished goods	870.09	879.64
Stores & spares	129.66	134.55
Stock in trade		
- Stores & spares	1.69	2.35
- Others	125.38	234.66
Goods in transit		
- Raw materials	10.50	197.17
Total	2,344.92	2,554.58

Refer note 1(ix) of significant accounting policies for basis of valuation

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

(Amount in ₹ in lacs)

Particulars	Closing Inventory	
	For the year ended March 31, 2014	For the year ended March 31, 2013
[A] Finished Goods		
Dry cell batteries	870.09	879.64
Total [A]	870.09	879.64
[B] Stock in trade		
Flashlight	68.14	107.76
Compact fluorescent lamp	8.96	28.71
Eneloop (Rechargeable battery)	32.47	79.95
Others*	17.49	20.59
Total [B]	127.06	237.01
Total [A+B]	997.15	1,116.65

*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:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade receivables not due/overdue for a period less than 6 months		
Unsecured considered good	2,639.15	2,471.31
Trade receivables overdue for a period more than 6 months		
Unsecured considered good	2.47	3.17
Doubtful	-	0.42
Less: Provision for doubtful debts	-	0.42
	2.47	3.17
Total	2,641.62	2,474.48

13 Cash & Bank Balances

Cash & bank balances consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
[A] Cash & Cash Equivalents		
a. Balances with banks in		
- Current account	259.93	300.04
- Deposit account	1,947.00	947.42
b. Cash on hand	3.52	3.84
c. Remittance in transit	288.55	367.08
Total [A]	2,499.00	1,618.38
[B] Other Bank Balances		
(i) Earmarked balances with banks	13.67	13.48
(ii) Bank deposits held as margin money against guarantees	58.05	54.28
Total [B]	71.72	67.76
Total[A+B]	2,570.72	1,686.14

14 Current Investments

Current investments consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Other Investments		
Investment in bonds or debentures		
Rural Electrification Corporation (REC) Bonds [Nil (P.Y. 170) of ₹ 10,000/- each fully paid up maturing on August 01, 2013]	-	17.00
Total	-	17.00

Investment is unquoted and valued at cost.

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Aggregate amount of unquoted Investments	-	17.00

15 Short Term Loans & Advances

Short term loans & advances consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured Considered Good		
Advance to suppliers	34.91	104.53
Advance to employees	22.15	26.80
Prepaid expenses	36.52	44.27
Balances with government authorities	112.89	107.01
Deposits	2.64	6.05
Advance tax (Net of Provisions)	981.45	1,057.67
Total [A]	1,190.56	1,346.33
Unsecured Considered Doubtful		
Bank Guarantees with custom department	12.08	12.08
Less: Provision for doubtful guarantees	12.08	12.08
Total [B]	-	-
Total[A+B]	1,190.56	1,346.33

16 Other Current Assets

Other current assets consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Accrued interest	53.45	35.42
Other receivable	162.08	-
Discount receivable	13.71	22.36
Total	229.24	57.78

17 Sale of products

Sale of product details have been classified under broad heads as follows: (Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
[A] Finished Goods		
Dry cell batteries	24,273.29	22,586.60
Total [A]	24,273.29	22,586.60
[B] Traded Goods		
Flashlight	914.98	706.94
Compact fluorescent lamp	46.14	182.90
Eneloop (Rechargeable battery)	355.19	126.20
Others*	201.32	219.75
Total [B]	1,517.63	1,235.79
Total [A+B]	25,790.92	23,822.39

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

18 Other Income

Other income consists of the following: (Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income		
-Long term investments	0.09	1.02
-Others	122.28	102.38
	122.37	103.40
Profit on sale of fixed assets	4.94	5.80
Net gain on foreign currency translation & transactions	5.39	-
Other non-operating Income	36.78	41.46
Total	169.48	150.66

19 Cost of material consumed

Material consumed has been classified under broad heads as follows: (Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Zinc	3,654.25	3,371.32
Printed metal sheets	1,690.23	1,663.11
Others*	7,598.98	7,807.56
Total	12,943.46	12,841.99

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

20 Purchase of stock in trade

Stock-in-trade purchased has been classified under broad heads as follows: (Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Flashlight	648.09	565.99
Compact fluorescent lamp	20.69	170.38
Eneloop (Rechargeable battery)	278.11	185.02
Others*	97.27	75.52
Total	1,044.16	996.91

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

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

Changes in inventories consists of the following: (Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening Stock		
Work-in-process	151.06	103.83
Stock-in-trade	237.01	169.41
Finished goods	879.64	721.20
Total [A]	1,267.71	994.44
Less:		
Closing Stock		
Work-in-process	169.70	151.06
Stock-in-trade	127.07	237.01
Finished goods	870.09	879.64
Total [B]	1,166.86	1,267.71
Total [A-B]	100.85	(273.27)

22 Other Manufacturing Expenses

Other manufacturing expenses consists of the following:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Consumption of stores and spare parts	118.65	109.63
Power & Fuel	269.92	264.99
Repairs to buildings	13.84	20.63
Repairs to machinery	72.25	67.51
Duties & taxes	24.41	74.43
Water gas & oil expense	190.92	155.78
Total	689.99	692.97

23 Employee Benefits Expenses

Employee benefits expenses consists of the following:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries & wages	2,080.28	1,894.61
Contribution to provident & other funds	177.57	200.57
Staff welfare expenses	311.91	298.60
Total	2,569.76	2,393.78

24 Finance Costs

Finance costs consists of the following:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest expense	37.33	9.83
Other finance costs	7.68	5.76
Total	45.01	15.59

25 Other Expenses

a. Other expenses consists of the following:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Rent*	62.10	55.56
Insurance	22.01	36.36
Rates and taxes	122.64	83.39
Net loss on foreign currency translation & transactions	-	10.08
Transportation expense	672.65	598.05
Travelling & conveyance expense	554.77	514.69
Sales promotion expense	1,282.00	1,252.50
Royalty & brand fees	684.53	623.53
General repairs	18.76	17.55
Post, telegrams & telephone expenses	48.67	52.09
Directors' commission	26.57	4.31
Bad debts	2.47	0.42
Legal & professional fees	102.34	85.63
R & D expenses	5.05	4.90
Loss on sale of fixed assets	1.14	0.29
Directors' sitting fee	2.40	2.40
Sundry balance write off	0.34	0.83
Miscellaneous expenses **	92.98	87.21
Total	3,701.42	3,429.79

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

** None of the item individually accounts for more than Rs. 1 lac or 1% of revenue whichever is higher.

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

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Payment to auditors (excluding service tax)		
-As auditor	2.80	2.80
-For tax audit	0.85	0.85
-For other services (Certification & Taxation)	5.30	6.15
-For reimbursement of expenses	0.71	0.55
Payment to Cost Auditors (excluding service tax)		
-As auditor	1.20	0.90
-For other services (certification)	0.20	0.22
-For reimbursement of expenses	0.14	0.19

26 Prior Period Items

Prior period items consists of the following:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Prior Period Expenses		
[A] Interest income reversal	-	0.25
[B] Depreciation reversal	2.31	2.55
Total [A-B]	(2.31)	(2.30)

27 Estimated amount of contracts remaining to be executed and not provided for (net of advances) is ₹ 82,000 (previous year ₹ Nil)

28 Contingent liabilities not provided for

Details of claims against the company not acknowledged as debts consists of the following:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Disputed Excise / Custom / Service Tax pending before Assessing / Appellate Authorities	132.63	40.55
Bank guarantees	51.53	52.06
Income tax	1,209.49	1,317.93
Sales tax / VAT	171.35	284.84
Claims against the company not acknowledged as debts	55.30	63.00
Claims from employees and former employees	Amount unascertainable	Amount unascertainable

29 Additional Details:

a. CIF value of Imports

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Raw materials (including material in transit)	3,800.00	3,917.62
Total	3,800.00	3,917.62

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

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
	%	(Amount in ₹ in lacs)	%	(Amount in ₹ in lacs)
Raw Materials				
Imported	31.49	4,075.42	33.69	4,326.47
Indigenous	68.51	8,868.04	66.31	8,515.52
Total	100.00	12,943.46	100.00	12,841.99
Stores & Spares				
Imported	0.10	0.11	0.71	0.78
Indigenous	99.90	118.54	99.29	108.85
Total	100.00	118.65	100.00	109.63

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

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Exports - FOB	119.55	99.97
Freight	2.39	3.63

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

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Royalty (including brand fee) for current year (Net of Tax)	607.62	553.47
Foreign travel	0.75	2.00
Communication charges & others	5.08	6.62

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

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Remittance on account of Dividend for the year ended March 31, 2013 (Amount in ₹ in lacs)	87.08	-
Remittance on account of dividend for the year ended March 31, 2012 (Amount in ₹ in lacs)	-	87.08
Number of equity share holders (in Nos)	1	1
Number of shares held (in Nos)	4,354,144	4,354,144

30 Employee Benefits

a. Post employment benefits consists of the following:

i Defined contribution plans:

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

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

The Company recognized ₹ 100.92 Lacs (previous year ₹ 102.97 Lacs) for provident fund contributions and ₹ 3.13 Lacs (previous year ₹ 3.24 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:

(Amount in ₹ in lacs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Current service cost	26.58	26.39
Interest cost	55.82	55.13
Actuarial (gain)/loss	1.40	19.55
Benefits paid	(46.98)	(33.32)
PVO at the beginning of the year	697.80	630.05
Present value of defined benefit obligation at year end	734.62	697.80

c. Change in fair value of Plan assets:

(Amount in ₹ in lacs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Expected return on plan assets	26.32	24.59
Actuarial gain/(loss)	-	1.41
Contributions by the employer	98.56	55.37
Benefits paid	(46.97)	(33.32)
Fair value of Plan assets at the beginning of the Year	329.04	280.99
Fair value of plan assets at end of year	406.95	329.04

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

(Amount in ₹ in lacs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
PVO at end of period	734.62	697.80
Fair Value of planned assets at end of year	406.95	329.04
Liabilities recognized in balance sheet	327.67	368.76

e. Net cost for the year ended:

(Amount in ₹ in lacs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Current service cost	26.58	26.39
Interest cost	55.82	55.13
Expected return on plan assets	(26.32)	(24.59)
Actuarial (gain)/loss	1.40	18.15
Net cost	57.48	75.08

f. Category of assets as at the year end:

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
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, 2014	For the year ended March 31, 2013
Mortality table (LIC)	Indian Assured Lives Mortality (2006-08) (Ultimate)	LIC 1994 - 96 (Ultimate)
Discount rate (per annum)	9.36%	8.00%
Expected rate of return on plan assets (per annum)	9.36%	8.00%
Rate of escalation in salary (per annum)	5.00%	4.50%

h. Experience Adjustment:

(Amount in ₹ in lacs)

Particulars	Gratuity (Funded)			
	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2011
On plan liabilities - Loss/(Gain)	34.51	10.39	73.06	1.85
On plan assets - Loss/(Gain)	-	(1.41)	(1.67)	(11.65)

In Absence of the availability of information relating to experience adjustment on plan liabilities and plan assets for the year ended 31st March 2010 the same have not been furnished above.

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 ₹ 117.93 Lacs (Previous year – ₹ 118.81 Lacs) have been debited to respective heads of Account. Additions to fixed assets include addition to research & development department ₹ NIL (Previous year – ₹ Nil).

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 Trading Asia	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 Energy Poland S.A.	Joint Venture of Holding Company
Panasonic AVC Networks India Co. Ltd.	Joint Venture of Holding Company
Panasonic Manufacturing Malaysia Berhad	Joint Venture of Holding Company
Panasonic Energy Shanghai 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 P Ltd	Joint Venture of Holding Company
Panasonic Excel International Co Ltd	Joint Venture of Holding Company
Panasonic Procurement Asia Pacific Pte Limited (Formerly known as Panasonic Asia Pacific Pte Limited)	Joint Venture of Holding Company
Sanyo Energy (S) Corp. Pte Ltd	Joint Venture of Holding Company
Sanyo Electric (Hong Kong) Limited	Joint Venture of Holding Company
Nippo Batteries Co Ltd (upto 31st July 2012)	Joint Venture of Holding Company
Mr. Ajai K. Lakhanpal (upto 30th June 2012)	Key Management personnel
Mr. S. K. Khurana	Key Management personnel

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

(Amount in ₹ in lacs)

Nature of Transaction	Holding Company	Joint venture of Holding Company	Key Management Personnel	Total
Export of spare parts	-	25.39	-	25.39
	-	(44.37)	-	(44.37)
Dividend paid	87.08	-	-	87.08
	(87.08)	-	-	(87.08)
Royalty (Including brand use fee)	684.53	-	-	684.53
	(623.53)	-	-	(623.53)
Communication charges	5.08	2.75	-	7.83
	(2.07)	(9.10)	-	(11.17)
Purchase - carbon rods	-	913.23	-	913.23
	-	(890.44)	-	(890.44)
Export of raw material	-	94.15	-	94.15
	-	(55.60)	-	(55.60)
Import of raw material	-	113.38	-	113.38
	-	(79.56)	-	(79.56)
Payment made by company on behalf of	6.56	180.84	-	187.40
	(16.50)	(3.68)	-	(20.18)
Expenses incurred on behalf of company by	-	1.02	-	1.02
	-	(1.13)	-	(1.13)
Bad debts written off	-	0.26	-	0.26
	-	-	-	-
Import of appliances / parts	-	44.64	-	44.64
	-	(41.06)	-	(41.06)

Notes to the Financial Statements

(Amount in ₹ in lacs)

Nature of Transaction	Holding Company	Joint venture of Holding Company	Key Management Personnel	Total
Purchase of CFL	-	22.02	-	22.02
	-	(190.56)	-	(190.56)
Purchase of eneloop battery	96.23	123.14	-	219.37
	-	(138.88)	-	(138.88)
Sales promotion expenses reimbursement	-	-	-	-
	-	(3.28)	-	(3.28)
Sale of dry cell	-	22.26	-	22.26
	-	(777.68)	-	(777.68)
Non compete fees	-	-	-	-
	-	-	(168.54)	(168.54)
Remuneration to Chairman & Managing Director (including commission, if applicable)	-	-	63.39	63.39
	-	-	(55.60)	(55.60)
Balance as on 31st March				
Receivables	-	201.62	-	201.62
	(2.27)	(39.47)	-	(41.74)
Payables	1.09	25.43	2.13	28.65
	(0.45)	(40.91)	(1.48)	(42.84)

(Previous year figures are in brackets)

33 Earnings Per Share

Basic and diluted earnings per share is calculated as under

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit after tax as per profit and loss statement (Amount in ₹ in lacs)	743.40	246.05
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 ₹)	9.91	3.28

- 34 The Company has obtained certain premises for its business operations (including furniture and fittings, therein as applicable) under operating leases or leave 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.
- 35 The Operations of the company are limited to one segment, namely, Dry Cell Batteries
- 36 Balances of Trade receivable and Trade payable are subject to confirmation, reconciliation and consequential adjustment, if any.
- 37 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 : Mumbai
Date : May 21, 2014

For and on behalf of the Board of Directors

S. K. Khurana
Chairman & Managing Director

D. J. Thakkar
Director

Susheela Maheshwari
Company Secretary & Manager (Legal)

Place : Mumbai
Date : May 21, 2014

Panasonic Energy India Co. Ltd.

GIDC, Makarpura, Vadodara – 390 010, Gujarat - India

CIN : L31400GJ1972PLC002091

ATTENDANCE SLIP

NAME OF THE SHAREHOLDER:				
FOR PHYSICAL HOLDING		FOR ELECTRONIC FORM (DEMAT)		NO. OF SHARES
LF NO.	DP ID	CLIENT ID		

I hereby record my presence at the 42ND ANNUAL GENERAL MEETING, held at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara - 390 002 on MONDAY, JULY 28, 2014 at 11:00 a.m. as a Shareholder/Proxy*.

*NAME OF PROXY IN BLOCK LETTERS

*SIGNATURE OF THE SHAREHOLDER/PROXY

Notes:

- Shareholder/Proxy holder wishing to attend the meeting must bring duly signed attendance slip to the meeting and hand over the same at the entrance.
- Shareholder/Proxy holder desiring to attend the meeting should carry his copy of the Annual Report for reference at the meeting.

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) Rule, 2014]

CIN : L31400GJ1972PLC002091

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

Registered office: GIDC, Makarpura, 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
- (2) Name : _____ Address : _____
E-mail Id : _____ Signature : _____
or failing him
- (3) Name : _____ Address : _____
E-mail Id : _____ Signature : _____
or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual general meeting of the company, to be held on the Monday of July 28, 2014 at 11.00 a.m. at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara 390 002 and at any adjournment thereof in respect of such resolutions as are indicated below :

Sr. No.	Resolution	Sr. No.	Resolution
	Ordinary Resolution	6	Appointment of Mr. Dilip. J. Thakkar as Independent Director
1	Approval of Annual Accounts	7	Appointment of Mr. Pradip P. Shah as Independent Director
2	Declaration of Dividend	8	Appointment of Mr. Gautam N. Punj as Independent Director
3	Re-appointment of Statutory Auditors		Special Resolution
4	Appointment of Mr. M. Shigeta as Director	9	Re-Appointment of Mr. S. K. Khurana as Chairman and Managing Director
5	Appointment of Ms. Geeta Goradia as Independent Director		

Signed this _____ day of June / July, 2014.

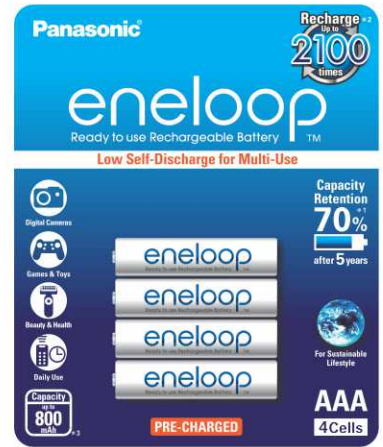
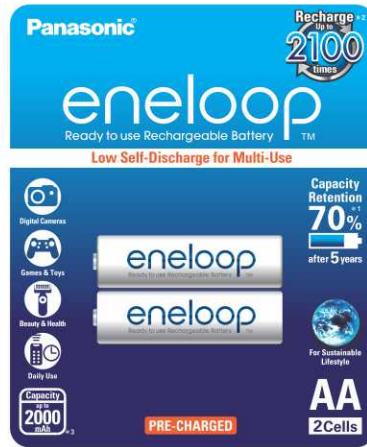
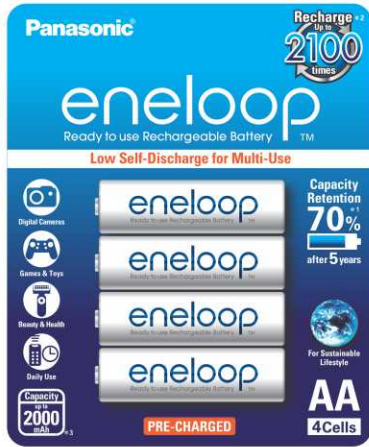
Signature of shareholder

Signature of Proxy holder(s)

Affix
Rs.1
Revenue
Stamp

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

OUR OTHER PRODUCTS



LIGHT UP YOUR LIFE



Panasonic
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To,



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



Panasonic

Batteries & Torches

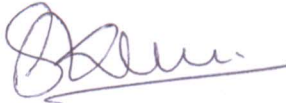


Panasonic Energy India Co. Ltd.

G.I.D.C., Makarpura, P.B.No. : 719, Vadodara-390 010.Gujarat - India.
CIN: L31400GJ1972PLC002091
Phone: (0265) 2642661-62, 2638887, 2638888
Fax: (0265) 2638890, 2638892
Web site: www.panasonicenergy.in
ISO 9001: 2008 & ISO 14001: 2004 Certified Company

July 08, 2014

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company :	Panasonic Energy India Co. Ltd.
2	Annual financial statements for the year ended :	March 31, 2014
3	Type of Audit observation Un-qualified / Matter of Emphasis	Un-qualified
4	Frequency of observation Whether appeared first time...../ repetitive...../ since how long period	Not Applicable
5	To be signed by: • Chairman & Managing Director Mr. S. K. Khurana	
	CFO • Chief Financial Officer (CFO) Mr. Anjan Shah	
	Statutory Auditor • M/s. K. C. Mehta & Co. Chartered Accountants	
	Chairman of the Audit Committee • Mr. D. J. Thakkar	