

Board of Directors	Mr. H. Aso Managing Director Mr. Justice S. Natarajan Mr. A. Raghavendra Rao Mr. K. Subramanian Mr. Harshad Reddy Mr. Norifumi Matsui
Company Secretary	Mr. Tom Antony
Auditors	M/s Brahmayya & Co., Chartered Accountants No. 48, Masilamani Road, Balaji Nagar, Royapettah Chennai - 600 014.
Registered Office and Factory	N.H. No.5, Sholavaram Village, Ponneri Taluk, Chennai - 600 067. Tamilnadu. Tel : +91 44 2633 0133 Fax : +91 44 2633 0132
Corporate Office	“SPIC HOUSE” Annexe 6 th Floor, 88, Mount Road, Guindy, Chennai - 600 032. Tel : +91 44 6108 9401-05 Fax : +91 44 6108 9400
Bankers	The Bank of Tokyo Mitsubishi UFJ Ltd., HDFC Bank Ltd.

TWENTY THIRD ANNUAL REPORT	
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Twenty Third Annual General Meeting	
Venue	: Sri P. Obul Reddy Hall, Vani Mahal, No. 103, G.N. Chetty Road, T. Nagar, Chennai – 600 017.
Date	: 30 th September 2011
Time	: 02.30 p.m.

Registrar & Share Transfer Agents	
M/s. Integrated Enterprises (India) Limited “Kences Towers”, 2 nd Floor, #1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017 Email : corperserv@iepindia.com	
Tel	: +91 44 2814 0801
Fax	: +91 44 2814 2479

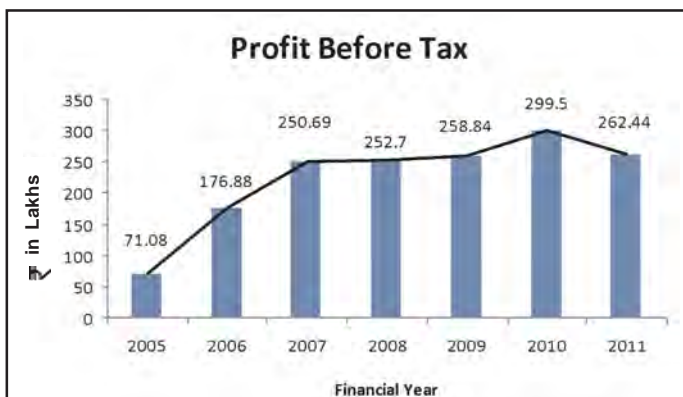
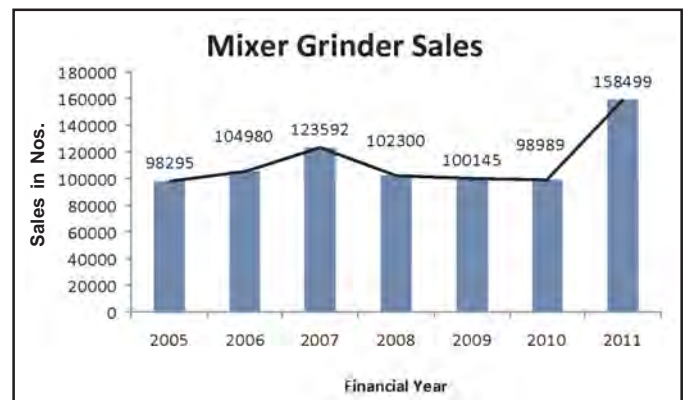
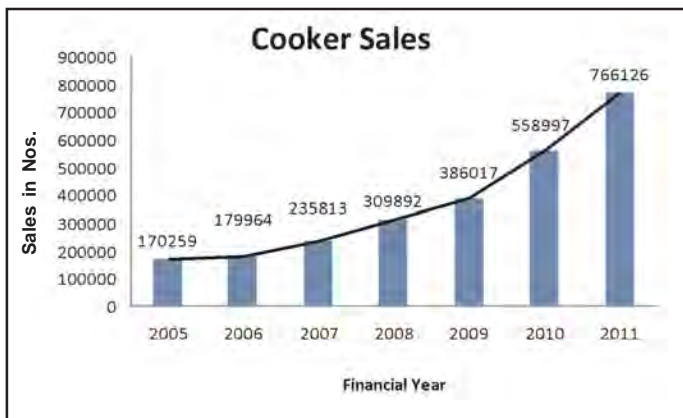
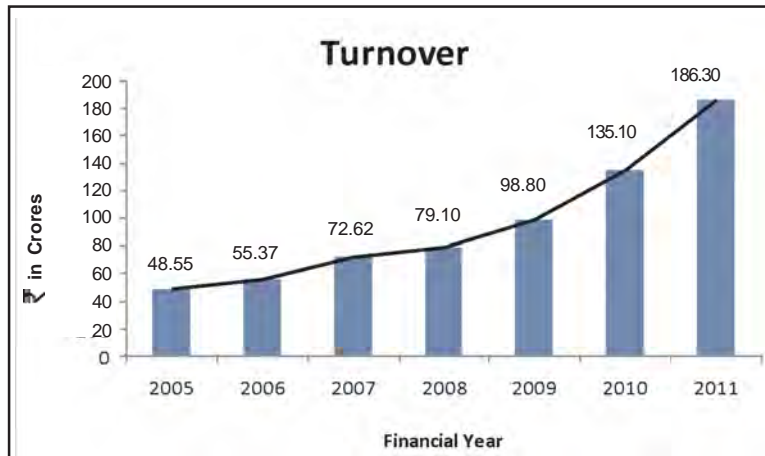
Note :

1. Kindly bring your copy of Annual report along with you for the Annual General Meeting.
2. Only Members and, in their absence, duly appointed proxies will be allowed for the Meeting. Please avoid bringing non-members and/or children for the Meeting.
3. Members are requested to fill in the respective columns provided in the Attendance Slip/Proxy Form fully and legibly so as to facilitate smooth entry into the Meeting Hall.
4. Company is not arranging any compliments for distribution in the Meeting.
5. Shareholder's Privilege Discount Coupon is enclosed along with this Annual Report.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form may register their email Id by informing the same to the Company or its R&T Agent.

FINANCIAL HIGHLIGHTS 2005-2011



PANASONIC HOME APPLIANCES INDIA Co. LTD.

Notice of Twenty Third Annual General Meeting

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Panasonic Home Appliances India Co. Ltd will be held on Friday, 30th September 2011 at 02.30 pm at Sri.P.Obul Reddy Hall, Vani Mahal, No.103, G.N.Chetty Road, T.Nagar, Chennai – 600 017 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2011, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares for the financial year ended 31st March 2011.
3. To appoint a Director in place of Mr.A.Raghavendra Rao who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and to fix their remuneration. The retiring Auditors M/s.Brahmayya & Co., Chartered Accountants are eligible for re-appointment and have confirmed their willingness to accept the office, if re-appointed.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** M/s.Brahmayya & Co., Chartered Accountants, Chennai be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as shall be fixed the Board of Directors of the Company”.

Special Business

5. 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 all other applicable provisions if any of the Companies Act, 1956 (Act) read with Schedule XIII to the Act, [including any statutory modification or re-enactment thereof for the time being in force] and in partial modification of the Resolutions passed earlier in respect of re-appointment of and payment of remuneration to Mr. H. Aso as Managing Director of the Company the consent of the Company be and is hereby accorded to the increase in the salary payable to Mr. H. Aso by an amount not exceeding ₹ 2,60,000/- in aggregate which will be effective retrospectively from 01.04.2011 for the remaining term of his appointment.
“**RESOLVED FURTHER THAT** all other terms of appointment of Mr. H. Aso as Managing Director of the Company including perquisites as approved by the members till date shall remain unaffected.”
“**RESOLVED FURTHER THAT** the Board or any Committee thereof, be and is hereby authorized to decide the salary payable to Mr.H. Aso during his tenure as Managing Director of the Company, within the limit mentioned above.”
“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 198, 309 and all other applicable provisions of the Companies Act, 1956 (Act) read with Schedule XIII to the Act the above remuneration be paid as minimum remuneration in case of absence or inadequacy of profits in any financial year during the term of his office.”
“**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to revise the remuneration and benefits of Mr.H. Aso from time to time within the ceiling prescribed under Schedule XIII to the Companies Act, 1956, as may be in force from time to time.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** Mr. Harshad Reddy who was appointed as a Director by the Board under Section 262 of the Companies Act, 1956 and Article 125 of the Articles of Association of the Company to fill in the casual vacancy on the Board occasioned due to the demise of Mr.P.Obul Reddy, who ceases to hold office under the provisions of the said Section and the Article, and is eligible for re-appointment and in respect of whom, the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation”.

(By Order of the Board of Directors)
For Panasonic Home Appliances India Co. Ltd

Place : Chennai
Date : 29th July 2011

H.Aso
Managing Director

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NOTES

- EVERY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- The instrument appointing a proxy should be received at the Registered/Corporate Office of the Company at least 48 hours before the time fixed for the commencement of the Meeting.
- The Register of Members and Share Transfer Books will remain closed from 24th September 2011 to 30th September 2011 (both days inclusive).
- Shareholders seeking any information, with regard to accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
- Members / Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
- Corporate shareholders/ Trusts/ Societies are requested to send a duly certified copy of the Board/ Managing Committee Resolution authorizing their representative to attend and vote at the Meeting.
- In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- The Dividend as recommended by the Board of Directors, if declared at the Meeting will be paid on or after 10th October 2011 to those shareholders/members whose names appear on the Register of Members as on 30th September 2011. In respect of shares held in Electronic Form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
- Company provides National Electronic Clearing System (NECS) facility for payment of dividend, which can be availed by the shareholders who reside at the locations where NECS facility is made available by Reserve Bank of India (RBI). Availing NECS facility will help the shareholder to avoid loss of dividend warrant in transit and facilitate direct credit of the dividend amount to his bank account instantly. Since correct and up-to-date bank account details of the shareholder is a pre-requisite for successful NECS transfer, all the shareholders are advised to verify and update their bank account details with the Depository or Registrar & Share Transfer Agent as the case may be. Shareholders holding shares in physical form and desirous of availing NECS facility are requested to contact M/s.Integrated Enterprises (India) Ltd, Company's Registrar & Share Transfer Agent, (R&T Agent).
- Those members who have so far not encashed their Dividend Warrants for the below mentioned financial years, may claim or approach either the Company or its R&T Agent for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to Section 205C of the Companies Act, 1956 on the respective due dates. Kindly note that after such date, the members will not be entitled to claim such dividend.

Financial Year	Rate of Dividend	Date of Declaration	Last date for claiming unpaid Dividend
2004 - 2005	10%	02.09.2004	02.10.2011
2005 – 2006	10%	31.08.2005	30.09.2012
2006 - 2007	10%	31.08.2007	30.09.2014
2007 - 2008	10%	24.09.2008	23.10.2015
2008 - 2009	12%	25.09.2009	24.10.2016
2009 - 2010	10%	24.09.2010	23.10.2017

- As per the provisions of Section 109(A) of the Companies Act, 1956 member(s) who are holding Equity Shares in the Company may nominate in the prescribed manner, a person on whom the shares will vest in the event of death of the holder(s). Member(s) desiring to make such a nomination are requested to send the prescribed Form-2B either to the Company or its R&T Agent.
- Members holding shares in physical form are requested to notify / send the following information by quoting their Folio Number to the Registrar and R&T Agent of the Company to facilitate better servicing: -

- i. Any change in their address / mandate / bank details;
- ii. Particulars of the bank account, in case the same have not been furnished earlier;
- iii. Share Certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
- iv. Phone No., Fax No., and Email ID etc for speedy disposal of complaints/requests on various issues.

Explanatory Statement as per Section 173 (2) of the Companies Act, 1956

Item No.5

The members had approved re-appointment of Mr.H.Aso as the Managing Director of the Company at the Annual General Meeting (AGM) held on 25th September 2009 for a period of Three years with effect 01.08.2009. The remuneration payable to Mr.Aso as per the approval of members consists of Salary in the range of ₹ 70,000/- to ₹ 1,30,000/- and perquisites.

Till 01.05.2005, Mr.Aso was receiving a salary of ₹ 2.48 Lakhs per month. Thereafter Mr.Aso was permitted to act as Managing Director of both Panasonic India Pvt Ltd (PI) and your Company. As a result total remuneration of ₹ 2.48 Lakhs per month was being paid to him which had been shared by the Company and PI. Since Mr.Aso has resigned from the Board of PI with effect from 15.03.2011, the Remuneration Committee at its meeting held on 09th May 2011 recommended that he should be given a salary not exceeding ₹ 2.60 Lakhs considering the salary he was drawing prior to 01.05.2005 as his services will be henceforth be exclusively utilized in the business of the Company. The perquisites to which he is entitled to will remain the same as in the past.

Subsequently the Board of Directors at its meeting held on 27th May 2011 accepted the recommendation of the Remuneration Committee and approved increase in the salary of Mr.Aso with retrospective effect from 01.04.2011 for the remaining term of his appointment. In line with the requirements under the Companies Act, 1956, resolution seeking approval of members in respect of increase in the salary of Mr.Aso is placed before members for approval.

The abstract of the terms and conditions of the appointment and remuneration of Mr. H. Aso pursuant to Section 302 of the Companies Act, 1956 has been sent to all the shareholders vide circular dated 15.06.2011

The Board recommends this resolution for approval of Members.

Memorandum of Interest

Except Mr.H. Aso, Managing Director, to the extent of Remuneration receivable by him, no other Director of the company is interested in this resolution.

Item No.6

Mr. Harshad Reddy was appointed as a Director by the Board under Section 262 of the Companies Act, 1956 and Article 125 of the Articles of Association of the Company to fill in the casual vacancy on the Board occasioned due to the demise of Mr.P.Obul Reddy, who ceases to hold office under the provisions of the said Section and the Article, and is eligible for re-appointment. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member signifying his intention to propose him as a candidate for the office of a Director of the Company liable to retire by rotation. Mr. Harshad Reddy represents P.Obul Reddy Group, the Indian Promoters of the Company on the Board of the Company.

The Board recommends this resolution for approval of Members.

Memorandum of Interest

Except Mr. Harshad Reddy no other Director of the company is interested in this resolution.

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AS REQUIRED UNDER THE LISTING AGREEMENT, THE PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE APPOINTED / RE-APPOINTED ARE GIVEN BELOW.

Mr.A.Raghavendra Rao

Mr.A.Raghavendra Rao is a Commerce and Law Graduate and also an associate member of Institute of Cost and Work Accountants of India (ICWAI). He joined Indian Revenue Service in 1958 and held various important positions including Commissioner of Income Tax, Under secretary in Department of Revenue, Ministry of Finance, Additional Secretary in the Department of Space and Member of Central Board of Direct Taxes (CBDT) till 1992. Between 1992 and 1997 he worked as Member, Vice-Chairman and Chairman of Income Tax Settlement Commission. He was also appointed by the Company Law Board (CLB) as Chairman and by Madras High Court as Administrator for several NBFC's. He was the Chairman of the Expert Group on Nidhis constituted by the Central Government.

Presently he is a Director on the Board of Panasonic Carbon India Co. Ltd. He is also a member of Audit Committee and Shareholder/Investor Grievance Committee in Panasonic Carbon India Co. Ltd.

Mr.A.Raghavendra Rao does not hold any shares in the Company.

Mr.Harshad Reddy

Mr.Harshad Reddy is the grandson of late Mr.P.Obul Reddy, the founder and Chairman of the Company. He is an Engineer with specialization in Manufacturing Management from University of Warwick, U.K and completed M.Sc in Management from Cass Business School, London. Presently he is working as an Executive Director in PPN Power Generating Company Private Limited.

Mr.Harshad Reddy does not hold any shares in the Company.

(By Order of the Board of Directors)
For Panasonic Home Appliances India Co. Ltd

Place : Chennai
Date : 29th July 2011

H.Aso
Managing Director

PANASONIC HOME APPLIANCES INDIA CO. LTD.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Third Annual Report together with the Audited Accounts of your Company for the financial year ended 31st March 2011.

FINANCIAL RESULTS

The financial performance of your Company for the financial year ended 31st March 2011 is summarized below:

(₹ in Crores)

Particulars	2010-11	2009-10
Gross Sales	201.69	144.66
Profit before depreciation and interest	7.59	6.20
Less: Interest	2.21	0.94
Depreciation	2.75	2.27
Profit before Tax	2.62	2.99
Less: Provision for taxation	0.83	1.06
Profit after Tax	1.79	1.93
Add: Profit brought forward from previous year	3.72	2.79
Balance available for Appropriation	5.51	4.72
Less: Dividend proposed / paid	0.86	0.86
Tax on dividend	0.14	0.14
Balance of Profit & Loss carried to Balance Sheet	4.52	3.72

PERFORMANCE

During the year under review your Company has registered an impressive growth in its sales where the gross sales increased to ₹ 201.69 Crores from ₹ 144.66 Crores in the previous year registering a growth rate of 39.42%. The increase in sales was mainly contributed by the Electric Cooker segment. Your Company has registered a profit before tax of ₹ 2.62 Crores as against ₹ 2.99 Crores, in the previous year. The profit after tax of your Company stood at ₹ 1.79 Crores as against ₹ 1.93 Crores in the previous year. There was a drop in profit in spite of an increase in sales mainly due to the increase in interest expenses and depreciation.

DIVIDEND

Keeping in mind the fund requirements of the Company and the shareholders expectations, the Board of Directors at its meeting held on 29th July 2011 recommended a dividend of ₹ 1/- per share (10%) on an equity share of par value ₹ 10/- for the financial year 2010-11. Pursuant to the decision on dividend, the Board also approved corresponding changes to the financial statements which were approved at the Board Meeting held on 27th May 2011. The dividend, together with dividend distribution tax of ₹ 0.14 Crore absorbs a sum of ₹ 1 Crore.

LONG TERM BORROWING

During the financial year 2010-11, in order to fund the capacity expansion plans, your Company availed long term loans aggregating to ₹ 8 Crores from Bank of Tokyo-Mitsubishi UFJ Ltd. The tenor of the loan is 4 years with 1 year moratorium for principal repayment.

IMPORTED PRODUCT BUSINESS

In the Annual General Meeting held on 03rd September 2009 the Shareholders were informed that the Company is considering a proposal to integrate its sales and marketing activities with Panasonic India Private Limited (PI), which is a company registered in India and wholly owned by Panasonic Corporation, Japan. The Proposal was mooted in the context of the global policy of Panasonic Corporation, Japan of "One Country – One Sales Company". Pending further negotiations with PI, it was

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decided to have a "routing arrangement" with effect from 01.04.2009, under which substantial portion of the sales of your Company are routed through PI. However the negotiations could not successfully be completed till now due to differences between your Company and PI, on several issues like consideration for the transfer of marketing activities, guaranteed volume of business, introduction of new products to be manufactured in the factory of your Company etc.,

The Shareholders are aware that your Company has been dealing with imported goods which includes Beauty Care and Health Care Products, Microwave Oven etc., manufactured by various Panasonic group companies situated at places like Singapore, Malaysia, China, Thailand etc.,. However your company has been informed that with effect from 01.04.2011 the business of marketing of such imported goods will be done by PI. The Board of Directors is fully aware that the profitability of the Company will be substantially affected by the discontinuance of the imported goods business. Taking into account the fact that no progress has been made in finalizing the agreement for transfer of marketing activities of your Company and also the decision to take over the imported goods business by PI, your Company has decided to discontinue the "routing arrangement" with effect from 01.10.2011.

The Business Plan for the current year has been prepared with the objective of selling One million units of Electric Cookers. The Managing Director of your Company recently met the officials of Panasonic Corporation, Japan and obtained their approval for permitting your Company to import and market with effect from 01.07.2011 small kitchen appliances like Thermo pot, Juicer, Hand Mixer, Bowl Mixer, Oven Toaster, Coffee Maker, Sandwich Maker, Pop Up Toaster etc.,. The Board is taking necessary steps to ensure that the net profit of the Company for the current year is maintained at least at the present level.

DIRECTORS

In accordance with the Articles of Association Mr.A.Raghavendra Rao and Mr.Harshad Reddy, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS

M/s.Brahmayya & Co., Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and have given their consent for reappointment. The Company has also received a confirmation from them that their appointment would be within the limits prescribed under proviso of Section 224(1B) of the Companies Act, 1956.

PERSONNEL

None of the employees fall under the purview of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended. With effect from financial year 2011-12, the remuneration of senior management personnel has also brought under the purview of Remuneration Committee. As a part of review of the existing system followed by the Company in respect of performance appraisal, payment of performance incentive bonus, sales incentive etc, your Company has engaged Ma foi Randstad, a HR Consultancy to study the existing system. Your Company is in the process of implementing their suggestions in a phased manner. The remuneration recommended for the senior management personnel for the financial year 2011-12, has been reviewed by the Remuneration Committee based on the study report submitted by Ma foi Randstad.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE AND OUTGO

Information relating to energy conservation, foreign exchange earned and spent and research and development activities undertaken by the Company in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given in Annexure "A" to the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. Followed in the preparation of Annual Accounts, the applicable Accounting Standards and given proper explanations relating to material departures, if any;
- ii. 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 that period.
- iii. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- iv. Prepared the Annual Accounts on a going concern basis.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, your Company greatly values the conservation of our environment and is committed to conducting business activities with minimal adverse impact on the environment. Your Company endeavors to produce energy-efficient products and strive for reduction of CO2 emissions and encourage the spread of environmental conservation activities. The manufacturing process and plants of your Company adhere with the standards laid down by various regulatory authorities for the protection of environment and safety of workers engaged in the manufacturing process. Your Company has obtained certification under ISO 14001 Environment Management System Standards from TUV India Private Limited.

Product safety and quality underline the Company's determination to deliver a sense of security and satisfaction in its products to all its customers. The Company ensures product safety by enhancing product designs, adhering strictly to Panasonic's Safety Design Standard, regulatory requirements and Restriction of Hazardous Substances ("RoHS") compliance. The Company has through its "eco ideas" activities contributed to the prevention of global warming by implementing measures that help to reduce CO2 emissions. The operations have been reviewed to improve energy efficiency by reducing energy, fuel and diesel consumptions in daily operations which have a direct impact on CO2 emissions.

CORPORATE GOVERNANCE

Your Company recognizes the importance and need of good Corporate Governance as an important step in creating stakeholders confidence and for a healthy and stable Capital Market thereby enhancing the long term enterprise value. Apart from the mandatory corporate governance requirements under Clause 49 of the listing agreements with Stock Exchanges your Company endeavors to follow the Corporate Governance voluntary Guidelines 2009 issued by Ministry of Corporate Affairs.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report (Annexure 'B') and Corporate Governance Report (Annexure 'C') along with Auditors' Certificate regarding Compliance of the Conditions of Corporate Governance are given as part of this Annual Report.

GROUP

Panasonic India Pvt Ltd, Panasonic Holdings (Netherlands) BV and Panasonic Asia Pacific Pte. Ltd. will be considered as entities forming part of the Panasonic group under clause 3(1)(e) of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

DEPOSITS

Your Company has not accepted/ invited any Deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

ACKNOWLEDGEMENTS

Your Directors wish to express their deep sense of appreciation for the committed services of all the employees of the Company. They place on record their appreciation for the support and co-operation your Company has been receiving from its Bankers, Customers, Distributors, Dealers, suppliers and other business partners and also the valuable assistance received from the collaborator Panasonic Corporation, Japan. Your Directors also take this opportunity to thank all stakeholders, banks, regulatory and government authorities for their continued support. As we continue to grow and expand, we look forward to sharing our success in the years ahead with all our stakeholders.

(By Order of the Board)
for Panasonic Home Appliances India Co. Ltd

Place : Chennai
Date : 29th July 2011

H.Aso
Managing Director

Justice S Natarajan
Director

ANNEXURE 'A' to DIRECTORS' REPORT
Information as required under Section 217(e) of the Companies Act, 1956

CONSERVATION OF ENERGY

<p>a) Energy Conservation measures taken</p>	<ul style="list-style-type: none"> - Introduction of additional machinery with improved technology resulted in reducing the cycle time in anodizing plant which helped in saving both power and chemicals used - Automatic oil controller Cut off in Furnace helped to reduce the oil consumption - Replacement of Sodium Vapor Lamps with energy efficient lamps like LED Lamps continued both inside the factory and factory premises which enabled to save electricity - Introduction of solar powered light for street Lights continued
<p>b) Additional investments and proposals, if any, being implemented for reduction of Consumption of energy.</p>	<ul style="list-style-type: none"> - There are no pre-planned investment proposals to mention here.
<p>c) Impact of the measures of (a) and (b) for reduction of energy consumption and consumption impact on the cost of production of goods.</p>	<ul style="list-style-type: none"> - Furnace oil consumption reduced from 0.36 Ltrs to 0.26 Ltrs per product and corresponding cost reductions per product was ₹ 0.30/-. - Electricity consumption reduced from 2.9 units to 2.8 units per product and corresponding cost reduction per product was ₹ 0.35/-.

FORM B

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)

<p>1. Specific areas in which R&D carried out</p>	<ul style="list-style-type: none"> - Product specifications and requirements as per various countries regulatory requirements have been carried out for development of country specific models of Cooker and Mixer Grinder. - New Mixer Grinder Model AC400 development.
<p>2. Benefits derived as a result of the above R&D</p>	<ul style="list-style-type: none"> - Expansion of sales including penetration to foreign markets like Peru, Egypt, Nigeria, Malaysia and Singapore. - New Mixer Grinder Model AC400 launched successfully - More and more indigenization in production process.
<p>3. Future plan of action</p>	<ul style="list-style-type: none"> - Development of country specific models of Cooker and Mixer Grinder after carrying out necessary study on product specification and regulatory requirements in respect of Iran and South Africa so as to expand the export market.
<p>4. Expenditure on R&D</p>	<ul style="list-style-type: none"> - Expenses incurred for developing export Cooker models during 2010-11 was ₹ 0.45 Crore and Mixer Grinder Model AC400 was ₹ 0.64 Crore.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

<p>1. Efforts, in brief made towards absorption, adaptation and innovation</p>	<ul style="list-style-type: none"> - New Fully Automatic Anodizing process line has been installed. - Automatic Electrical test equipment set up has been installed - Company obtained technical assistance and knowhow from Panasonic Corporation Japan (KABU for the Development of export model Cooker and new model of Mixer Grinder
<p>2. Benefits derived as a result of the above efforts, example product improvement, cost reduction, product development, import substitution etc.</p>	<ul style="list-style-type: none"> - Productivity increased by 25% and Quality improvement in anodizing process.

FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase exports, development new export markets for products.	- The Company has exported 24,792 Nos. of Electric Rice Cookers and 777 Nos. of Mixer Grinder during the financial year 2010-2011
b) Total foreign exchange used and earned	- Foreign Exchange earned during the financial year 2010-2011 was ₹ 16.27 Crores and the outgo was ₹ 54.52 Crores.

(By Order of the Board)

for Panasonic Home Appliances India Co. Ltd

Place : Chennai
Date : 29th July 2011

H.Aso
Managing Director

Justice S Natarajan
Director

**ANNEXURE 'B' to DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

INDUSTRIAL REVIEW

During 2010-11, the Indian economy continued to outperform its peers in the emerging markets and retained its position as the second fastest growing economy, after China, amongst the G-20 countries. The Indian economy has reverted to its growth trend and the estimated growth in Gross Domestic Product (GDP) in 2010-11 was 8.6% as against the revised growth of 8% during 2009-10. The growth during 2010-11 reflects a rebound in agriculture and sustained levels of activity in industry and services. The IMF World Economic Outlook estimates global growth forecast at 4.4% for 2011 and 4.5% for 2012.

As inflation stayed above the projections during 2010-11, monetary policy was continually tightened throughout the year by Reserve Bank of India. As a result Interest rates firmed up and the Banks progressively passed on the increased costs in the form of higher lending rates. Reserve Bank's Industrial Outlook Survey shows that the Indian manufacturing sector is concerned about slowdown in overall demand conditions as rising input costs may result in higher selling prices. The profits margins may also come under pressure with rising input costs.

The consumer durables and electronics sector has registered a 12-13% growth in 2010 according to the Consumer Electronics and Appliances Manufacturers Association (CEAMA). The total size of consumer durables and electronics sector in India is around US\$ 7.85 billion as per CEAMA estimate. Due to its vast pool of resources, cost-efficient environment and skilled workforce, India is now being looked upon as one of the most appropriate manufacturing destinations by foreign companies which may eventually make India as a global manufacturing hub. The draft 'National Manufacturing Policy' seeks to increase the share of manufacturing in the GDP to 25% by 2022 from the current 15%.

ANALYSIS OF FINANCIAL CONDITION AND RESULTS

During the year under review your Company has registered an impressive growth in its sales where the gross sales increased to ₹ 201.69 Crores from ₹ 144.66 Crores in the previous year registering a growth rate of 39.42%. The increase in sales was mainly contributed by the Electric Cooker segment. During the year, exports including deemed exports, were increased by over 350% which stood at ₹ 13.42 Crores as against ₹ 2.98 Crores in the previous year. The consumption of raw materials increased by 53% from ₹ 48.35 Crores to ₹ 74.06 Crores mainly on account of increase in production and sales. Traded goods purchases were ₹ 36.83 Crore as compared to ₹ 25 Crores in the previous year. The staff cost was ₹ 15.47 Crore for the year as against ₹ 11.97 Crores in the previous year mainly due to the addition of manpower to cater to the sales and marketing requirements. Profit before interest, taxes and depreciation increased by 22% from ₹ 6.20 Crores to ₹ 7.59 Crores. The operating profit before other income and interest increased by 23% from ₹ 3.85 Crore to ₹ 4.75 Crore. Interest cost was higher at ₹ 2.21 Crores as against ₹ 0.94 Crore in the previous year. Depreciation was higher at ₹ 2.75 crore as against ₹ 2.27 Crores in the previous year. Your Company has registered a profit before tax of ₹ 2.62 Crores as against ₹ 2.99 Crores, in the previous year. The profit after tax of your Company stood at ₹ 1.79 Crores as against ₹ 1.93 Crores in the previous year

OUTLOOK ON OPPORTUNITIES, THREATS, RISKS AND CONCERNS

According to a McKinsey Global Institute (MGI) study titled 'Bird of Gold': The Rise of India's Consumer Market, the total consumption in India is likely to quadruple making India the fifth largest consumer market by 2025. Urban India will account for nearly 68% of consumption growth while rural consumption will grow by 32% by 2025. The major factors which supports

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India's growth story are strengthened economic growth, population expansion, the increasing wealth of individuals and the rapid construction of organized retail infrastructure. Moreover, India has been ranked as the third most attractive nation for retail investment among 30 emerging markets by the US-based global management consulting firm, A T Kearney in its 9th annual Global Retail Development Index (GRDI) 2010.

The small appliances or the brown goods market in India is estimated at ₹5,900 Crore, growing at over 15% over the past five years. Rising income levels, increasing urban households and increasing growth in penetration in rural markets are some of the prominent factors driving demand for small appliances. Your Company expects to maintain its growth momentum due to favorable factors like rising level of consumerism, favorable demographics, expansion of the small appliances market to smaller towns and rural areas.

The major differentiating factor in favor of the kitchen appliances segment is that these products have a shorter replacement cycle of 2-3 years, and lower price range in comparison to higher prices consumer durable such as white goods. These factors result in higher volume growth and quicker penetration possibilities. The small kitchen appliance business in India is highly fragmented. With the relaxation in imports restrictions in line with WTO commitments, import of kitchen appliances including Electric Cooker has considerably increased. Availability of Chinese made Cookers at a price which was substantially low compared to the price of Company's Cookers has been the major challenge faced by the Company during the year which is expected to continue in future also.

Entry of new players in the industry due to low entry barriers, cheap imports from China and dominance of local unorganized market, unbranded products, and high levels of inflation are matters of concern at this stage. Increase in prices of key raw materials and power shortage are some of the major adverse factors which may have some impact on margins of your Company as it would not be able to pass on the increase in input costs to the customers.

There is a substantial increase in the import of Chinese made Electric Cookers which were largely present in major markets like Andhra Pradesh. Most of the Chinese made Electric Cookers available in the market use low quality materials and do not follow any quality/safety standards. This make them far cheaper than the Electric Cooker manufactured by your Company which meets the stringent international quality standard IEC. The increased presence of Chinese made Electric Cookers is not only a threat to the domestic industry but also a concern for the safety of its users due to compromise in quality and safety precautions for cost competitiveness. Most of the developed and developing countries have stringent certification requirements for domestic appliances like COC standard in Singapore, UL / CE or equivalent in US and UK, SASO in Saudi Arabia, SONCAP in Nigeria and KUSO in Kuwait. However in India no mandatory quality standard is prescribed by Bureau of Indian Standards (ISI Standard) for Electric Cooker as a domestic appliance which is a major concern for the safety and protection of its consumers especially when there is a steady and substantial increase in cheaper imported models.

With the manufacture of Electric Cooker and Mixer Grinder meeting the international IEC standard, your Company expects to increase the exports sales substantially in the coming years. In order to cater to the requirements of growing demand, your Company has embarked upon a major expansion of its Electric Cooker production capacity which is expected to be completed during the year 2011-12. Upon completion of the expansion project, your company would be able to produce One million Cookers per annum. The investment requirements for the ongoing expansion project and for the development of new models of electric cooker and mixer grinder are being met through a combination of internal accruals and debt.

The main objective of expanding the production capacity is to meet the growing demand of Electric Cookers in both domestic and export market. Quality of the product continues to be the strength of the Company to secure maximum customer satisfaction. Keeping in mind the expectations of customers belonging to various geographical locations, your Company has launched various models of Electric Cookers to meet consumer preferences which generally vary from place to place.

Throughout the year, your Company had continuous negotiations with suppliers and localisation of imported material parts in order to achieve cost reduction targets. In addition, the Company implemented some in-house production projects to achieve greater cost efficiency and to improve quality of products, your Company was able to achieve significant cost reduction through these exercises. Strong distribution network, own manufacturing facility, market positioning and branding coupled with product technology that benefit the customer through low power consumption, low service requirement and low cost of operation are the factors which strengthen your Company

Your Company will continue to enhance its market presence by launching new models of Electric Cookers and Mixer Grinders. With the expected introduction of GST, the gap between cost structures of branded and non-branded players is likely to reduce which is expected to help the Company to increase its sales.

RISK MANAGEMENT

Risk refers to events which hinder the achievement of business objectives and the occurrence of which is uncertain, and Risk Management refers to a series of measures to recognize, confirm, evaluate and prioritize risks and, by establishing measures to respond to such risks in advance, to prevent the occurrence of or reduce such risks, or to minimize the damage caused when such risks occur. Your Company follows the risk management policy globally adopted by all Panasonic companies where it is committed to ensuring the achievement of its business plans by adequately promoting risk management and appropriately responding to risks that could impede the accomplishment of its business goals, with the aim of achieving the sustainable and steady growth of business. The Company has laid down procedures to inform Board members about risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management is controlling risks through properly defined framework.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company has a proper and adequate system of internal controls to ensure that its assets are safeguarded and protected against loss and from unauthorized use and to ensure that transactions are authorized, recorded, and reported correctly. The internal control systems are supplemented by internal audits by an external auditor, periodic reviews by management. The adequacy of the internal control systems are regularly tested by the Statutory as well as Internal Auditors. The systems and procedures are constantly upgraded to suit the requirements.

HUMAN RESOURCES

Human Resource Management, work place safety and employee welfare have always been given utmost importance in your Company. The Company will continue to strengthen employer-employee relationship by providing a conducive working environment and offering a competitive compensation package. Imparting adequate HR training programmes and specialized trainings to the employees of the Company is an on going exercise. The industrial relations in your Company continued to be cordial. The attrition rate for the year stood at 13%. The Company has 265 number employees as on 31st March 2011.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could affect influence Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

ANNEXURE 'C' TO DIRECTORS REPORT
CORPORATE GOVERNANCE
(Pursuant to Clause 49 of the Listing Agreement)

The corporate governance framework of the Company is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values besides an effective independent Board and the separation of the Board's supervisory role from the executive management.

1. Company's Philosophy on Code of Governance

The Company continues to focus on good corporate governance practices, which result in growth of business with all integrity, ethics and regulatory compliance and enhance long-term economic value of shareholders.

Your Company's primary objective is to create and adhere to a highest level of transparency, accountability and responsibility in all its operations, high business ethics, and interaction with all stakeholders including shareholders, employees and the Government. Your Company is committed to ultimate customer satisfaction by providing quality products and services.

2. Board of Directors

The Board functions as a full Board and it meets at regular intervals. Policy formulation, evaluation of performance and control function vests with the Board.

The meetings of the Board of Directors are normally held at Chennai. Meetings are scheduled well in advance and after adequate notice. The Board meets at least once in a quarter to review the quarterly performance and the financial results.

The agenda for the Board/Committee Meetings along with explanatory notes are circulated to the Directors in advance. The Members of the Board are also free to recommend inclusion of any matter in the agenda for discussion.

The Board comprises of one Executive Director, Five Non-Executive Directors including three Independent Directors. The post of Chairman of the Board became vacant after demise of Mr.P.Obul Reddy. The Board is yet to elect a Chairman of the Board. In every Board Meeting, one of the Directors present is being elected as Chairman to chair the meeting.

Composition and Category of Directors and attendance at the Board Meetings

The Composition of the Board is in conformity with Clause 49 of the Listing Agreement with the Stock Exchanges.

Name of the Director	Designation & Category	No. of Board Meetings in the year		Attendance at last A.G.M
		Held \$	Attended	
Mr.P.Obul Reddy*	Chairman; Promoter; Non-Executive. (up to 30 th June 2010)	3	Nil	N.A
Mr.H.Aso	Managing Director; Promoter; Executive.	11	11	Yes
Mr.Justice S Natarajan	Director; Non-Executive; Independent	11	11	Yes
Mr.A.Raghavendra Rao	Director; Non-Executive, Independent	11	11	Yes
Mr.K.Subramanian	Director; Non-Executive; Independent	11	11	Yes
Mr.Harshad Reddy#	Director; Promoter; Non-Executive	8	6	No
Mr.Norifumi Matsui	Director; Promoter; Non-Executive	11	1	No

(\$)Held since appointment or up to resignation; (*) Mr.P.Obul Reddy expired on 30th June 2010 (#) Mr.Harshad Reddy has been appointed as a Director with effect from 22nd July 2010 in the casual vacancy created due to the demise of Mr.P.Obul Reddy.

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Details of the Board of Directors in terms of their Directorships / Memberships in committees of other public companies (excluding Panasonic Home Appliances India Co. Ltd)

S.No.	Directors	No. of Directorships	No. of Committees		No. of Shares Held
			Member	Chairperson	
1	Mr.H.Aso	Nil	Nil	Nil	0
2	Mr.Justice S Natarajan	2	2	1	500
3	Mr.A.Raghavendra Rao	1	2	Nil	0
4	Mr.K.Subramanian	3	3	Nil	0
5	Mr.Harshad Reddy	Nil	Nil	Nil	0
6	Mr.Norifumi Matsui	Nil	Nil	Nil	0

The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of all Public Limited Companies has been considered.

Number of Board Meetings held, dates on which held

During the financial year ended 31st March 2011, Eleven Board Meetings were held on 07th May 2010, 11th June 2010, 24th June 2010, 22nd July 2010, 09th August 2010, 19th October 2010, 12th November 2010, 07th January 2011, 04th February 2011, 18th March 2011 and 31st March 2011.

3. Committees of the Board

(A) Audit Committee:

Terms of reference

The Board has constituted Audit Committee in accordance with the requirements of Section 292A of the Companies Act 1956 and Clause 49 of the Listing Agreement with Stock Exchanges. The terms of reference of Audit Committee include the powers set out in Clause 49 II (C) and role stipulated in Clause 49 II (D) of the Listing Agreement.

The objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting processes with a view to ensure accurate and proper disclosure and the transparency and quality of financial reporting. The Committee also reviews the financial and risk management policies and the adequacy of internal control systems and meets Internal Auditors and Statutory Auditors periodically.

The Audit Committee reviews with the management, quarterly financial statements before submission to the Board of Directors for its approval. The Committee is also responsible for objectively reviewing the reports of the internal auditors and statutory auditors and ensuring adequate follow-up action is taken by management on observations and recommendations made by the auditors. In addition, the Committee annually reviews the performance of the Company's auditors (both internal and statutory), to ensure that an objective, professional and cost-effective relationship is being maintained.

Composition

The Audit Committee of the Company comprises solely of Independent Directors. During the year Five Audit Committee Meetings were held on 21st April 2010, 03rd May 2010, 21st July 2010, 18th October 2010, and 03rd February 2011. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Sl.No	Name of Member	Number of Meetings Attended
1.	Mr. Justice S. Natarajan, Chairman	5
2.	Mr.A.Raghavendra Rao	5
3.	Mr.K.Subramanian	5

All the members of the Audit Committee are financially literate with knowledge in finance and accounts. The Company Secretary acts as the Secretary to the Audit Committee. Apart from Statutory Auditors and Internal Auditors, Senior Officers from the Finance and Accounts Department attend the Audit Committee Meetings as invitees.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 24th September 2010.

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(B) Share Transfer and Investor Grievances Committee

Terms of reference

The functions and powers of the Committee include approval of transfers, transmissions, transpositions, splitting, consolidation of shares, issue of duplicate certificates and demat / remat requests within the purview of the guidelines issued by SEBI and Listing Agreement besides review and redressal of shareholders' and investors' complaints.

Composition

The Share Transfer and Investor Grievances Committee comprise Two Independent Directors and Managing Director.

During the year Twelve Share Transfer and Investor Grievances Committee Meetings were held on 01st April 2010, 07th May 2010, 24th June 2010, 22nd July 2010, 23rd August 2010, 24th September 2010, 19th October 2010, 11th November 2010, 09th December 2010, 13th January 2011, 10th February 2011 and 18th March 2011. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

SI.No	Name of Member	Number of Meetings Attended
1.	Mr.Justice S. Natarajan, Chairman	12
2.	Mr.H.Aso	12
3.	Mr.K.Subramanian	12

The Company attends to the Shareholders correspondence and investor grievances expeditiously. During the year, the Company received 22 complaints and all the complaints have been redressed to the satisfaction of investors. There was no Shareholder/ Investor Compliant pending as on 31st March 2011.

(C) Remuneration Committee & Policy

Terms of Reference

The Company has constituted a Remuneration Committee in accordance with the requirements specified under the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The functions of the Committee include recommendation of appointments to the Board, evaluation of the performance of the wholetime Directors on predetermined parameters, recommendation to the Board of the remuneration (including performance bonus and perquisites) to wholetime Directors. With effect from financial year 2011-12, the remuneration of senior management personnel has also brought under the purview of Remuneration Committee.

Composition

The Remuneration Committee comprises Three Independent Directors and is chaired by Mr.Justice S Natarajan. The details of the composition of the Committee are set out in the following table:

SI.No	Name of Member
1.	Mr. Justice S. Natarajan, Chairman
2.	Mr.A.Raghavendra Rao
3.	Mr.K.Subramanian

During the year there was no meeting of the Remuneration Committee.

Whole-time Directors

The Company has only one Whole-time Director viz., the Managing Director. The detail of remuneration paid to the Managing Director during the year is given below:

Name & Designation	Salary	Perquisites	Total
Mr.H.Aso Managing Director	₹ 13,15,404/-	₹ 1,00,268/-	₹ 14,15,672/-

The Managing Director is not paid any sitting fees for the Board Meetings attended by him. The Managing Director has been nominated by the Foreign Promoters viz., Panasonic Corporation, Japan.

Non executive Directors' compensation and disclosures

All fees/compensation paid to non-executive directors, including independent directors, has been fixed by the Board of Directors. Company does not have any stock option plans.

Non-Executive Directors other than Promoter Directors have been paid sitting fee at the rate of ₹10,000/- and ₹8,000/- for attending each meeting of the Board and Audit Committee respectively. Non-Executive Directors are paid sitting fee at the rate of ₹5,000/- for attending each Remuneration Committee Meeting and ₹1,500/- for attending each Share Transfer and Investor Grievances Committee Meeting.

Information on the total sitting fees paid to each of the Non-executive Directors during the year for attending Meetings of the Board and Committees is set out in the following table:

Sl.No	Name of Director	Amount (₹)
1.	Mr.P.Obul Reddy	Nil
2.	Mr.Justice S Natarajan	168,000
3.	Mr.A.Raghavendra Rao	150,000
4.	Mr.K.Subramanian	168,000
5.	Mr.Harshad Reddy	Nil
6.	Mr.Norifumi Matsui	Nil
	TOTAL	486,000

4. Annual General Meetings

(a) The last three Annual General Meetings were held as under: -

Financial Year ended	Date	Day	Time	Venue
31 st March 2010	24 th September 2010	Friday	10:15 a.m.	Sri.P.Obul Reddy Hall, Vani Mahal, # 103, G.N.Chetty Road, T.Nagar Chennai – 600 017
31 st March 2009	25 th September 2009	Friday	10:15 a.m.	Sri.P.Obul Reddy Hall, Vani Mahal, # 103, G.N.Chetty Road, T.Nagar Chennai – 600 017
31 st March 2008	24 th September 2008	Wednesday	10:15 a.m.	Sri.P.Obul Reddy Hall, Vani Mahal, # 103, G.N.Chetty Road, T.Nagar Chennai – 600 017

There were no resolutions requiring approval through postal ballot. Hence no resolution (Special / Ordinary) was put through postal ballot during the past three years.

(b) Disclosures:

(i) Related Party Transactions

The Company has not entered into any transactions of material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company. Transactions with related parties are disclosed under S.No.14 of the notes on Accounts under Schedule 12.

(ii) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets and there were no strictures or penalties imposed either by SEBI or Stock Exchanges or any Statutory Authorities for non-compliance of any matter related to capital markets during the last three years.

The Company has complied with mandatory requirements of Clause 49 of the Listing Agreement. As regards the compliance with non-mandatory requirements, Company has constituted a Remuneration Committee and formulated a Whistle Blower Policy.

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Code of Conduct

The Board of Directors and the Senior Management Staff have submitted the annual declaration of compliance, confirming the compliance with the provisions of Code of Conduct for the financial year ended 31st March 2011. The Code of Conduct is available on the website of the Company.

CEO / CFO CERTIFICATION

The Managing Director and Chief Operating Officer (as CFO) have submitted the certificate to the Board of Directors as required under Clause 49 of the Listing Agreement for the year ended 31st March 2011 and same was taken on record by the Board.

Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, Company has framed and implemented code of conduct for prevention of insider trading.

5. Means of Communication:

(a) Quarterly results were published in "Business Standard", "Trinity Mirror" and the Tamil version of the same was published in "Makkal Kural". The periodic financial results, shareholding pattern and Annual Report are available at the website of the Company and Stock Exchanges.

(b) The Management Discussion and Analysis Report forms part of the Annual Report.

6. General Shareholders Information:

i) Annual General Meeting

Date	30 th September 2011
Time	02.30 p.m
Venue	Sri.P.Obul Reddy Hall, Vani Mahal # 103, G.N.Chetty Road, Chennai – 600 017

ii) Financial Calendar

Adoption of Quarterly Results for the quarter ending

30 th June 2011	3 rd / 4 th week of July, 2011
30 th September 2011	3 rd / 4 th week of October 2011
31 st December 2011	3 rd / 4 th week of January 2012
31 st March 2012	01 st / 2 nd week of May 2012

iii) Date of Book Closure

24th September 2011 to 30th September 2011 (Both days inclusive)

iv) Listing on Stock Exchanges

The Equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (NSE) besides being traded at National Stock Exchange (NSE) under the MOU signed between MSE and NSE. The Company confirms that it has paid annual listing fees to above Exchanges for the year 2010-2011 and 2011- 2012.

v) Stock Code

The Bombay Stock Exchange Ltd	:	523307
Madras Stock Exchange Ltd	:	INDOMATAPP
National Stock Exchange of India Ltd	:	PANASONIC
ISIN	:	INE841C01015

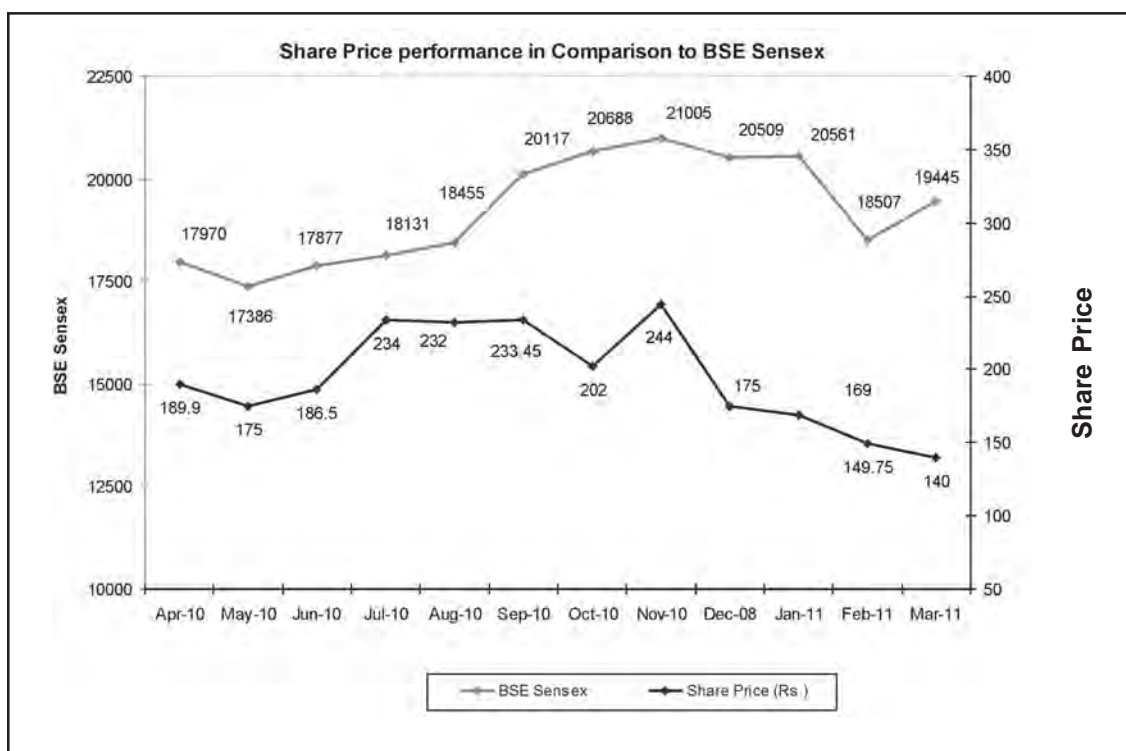
PANASONIC HOME APPLIANCES INDIA CO. LTD.

vi) Market Price data for the Financial Year ended 31st March 2011:

The reported high and low prices based on the daily closing prices of the equity shares of the Company traded during the financial year 2010– 11 on BSE and NSE are set out in the following table:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2010	189.90	143.20	183.30	144.00
May 2010	175.00	131.00	180.00	137.00
June 2010	186.50	135.30	188.90	137.10
July 2010	234.00	169.00	232.85	174.50
August 2010	232.00	178.05	229.80	179.00
September 2010	233.45	184.10	233.45	181.05
October 2010	202.00	162.50	199.00	160.35
November 2010	244.00	139.90	208.95	141.60
December 2010	175.00	110.00	173.70	125.65
January 2011	169.00	130.00	166.00	129.15
February 2011	149.75	116.35	138.95	114.50
March 2011	140.00	91.20	141.95	113.00

vii) Performance in comparison with BSE Sensex



viii) Registrar & Share Transfer Agent:

M/s. Integrated Enterprises (India) Ltd acts as the Registrar and Share Transfer Agent of the Company. The Registrar and Share Transfer Agent handle investor services besides providing electronic connectivity for the purpose of dematerialization of Company's shares through NSDL and CDSL.

All share transfer and the relating queries may be forwarded to the Share Transfer Agent directly to their address mentioned under para 6(xiv): -

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ix) Share Transfer System

The Board has delegated the power to approve Share Transfer to the Share Transfer and Investor Grievances Committee. The Share Transfer and Investor Grievances Committee holds its meeting every month to consider all matters concerning transfer, transmission, transposition of shares. The shares received for transfer in physical mode by the Company are transferred expeditiously. Confirmation in respect of the request for dematerialization is sent to the depositories through the Registrars. The equity shares of the Company are traded only in dematerialized form.

As required under Clause 47(c) of the listing agreements entered into with Stock Exchanges, a certificate is obtained every six months from a practicing Company Secretary, with regard to, inter alia, effecting transfer, transmission, sub-division, consolidation, renewal and exchange of equity shares within one month of their lodgment. The certificates are forwarded to the Stock Exchanges where the equity shares are listed and also placed before the Board.

In terms of SEBI's circular no. D&CC/FITTC/CIR-16 dated December 31, 2002, reconciliation of share capital audit is conducted on a quarterly basis by a Practicing Company Secretary, for the purpose of, inter alia, reconciliation of the total admitted equity share capital with the depositories and in the physical form with the total issued/paid-up equity capital of the Company. Certificates issued in this regard are placed before the Board and forwarded to the Stock Exchanges where the equity shares of the Company are listed.

x) Distribution of shareholding as on 31st March 2011:

No. of Shares	Number of Shareholders		Number of Shares	
	Number	%	Number	%
Upto - 500	5,978	94.62	7,23,816	8.45
501 – 1000	184	2.91	1,49,956	1.75
1001 – 2000	65	1.02	98,630	1.15
2001 - 3000	31	0.49	77,555	0.91
3001 – 4000	8	0.13	28,218	0.33
4001 – 5000	12	0.19	57,183	0.67
5001 – 10000	15	0.24	1,08,317	1.26
10001 and above	25	0.40	73,26,325	85.49
Total	6,318	100.00	85,70,000	100.00

Shareholding pattern as on 31st March 2011

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Indian Promoters	12	16,65,106	19.43
Foreign Promoters	1	43,70,000	50.99
Corporate Bodies	134	11,66,819	13.61
Mutual Funds & UTI	2	1,700	0.02
Banks & Financial Institutions	8	1,800	0.02
NRIs/OCBs	40	10,875	0.13
Indian Public	6,094	13,45,187	15.70
Clearing Member	27	8,513	0.10
Total	6,318	85,70,000	100.00

xi) Dematerialisation of Shares and Liquidity

The Company's shares are available for trading in dematerialized form. The International Securities Identification Number (ISIN) allotted is INE841C01015. As on 31st March 2011, 19,83,410 Equity Shares constituting 23.14% of the paid-up share capital of the Company have been dematerialized. Panasonic Corporation (formerly Matsushita Electric and Industrial Company Ltd.), Japan the foreign promoter and technical collaborator of the Company continues to hold its shares amounting to 50.99% of the aggregate paid up capital of the Company in physical form.

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	No. of Shareholders	No. of Shares	% of Shares
No. of Shareholders in Physical Mode	3,455	6,586,590	76.86
No. of Shareholders in Electronic Mode	2,863	1,983,410	23.14
Total	6,318	8,570,000	100.00

xii) Outstanding GDR / ADR / Warrants or any convertible instruments

The Company has not issued any GDR / ADR / Warrants or other convertible instruments.

xiii) Plant Location

N.H.No.5, Sholavaram Village, Ponneri Taluk, Chennai – 600 067

xiv) Address for Correspondence:

In line with the requirement of Clause 47(f) of the Listing Agreement, Company has designated an email ID secretary@panasonicindia.in exclusively for the purposed of registering complaints by investors. The Shareholders may address their correspondence to:

Compliance Officer

Tom Antony, Company Secretary
Panasonic Home Appliances India Co. Ltd
"SPIC House" Annexe, 6th Floor
88, Mount Road, Guidy, Chennai - 600 032
Phone Nos.:044-61089401 – 05;
Fax No.: 044 - 61089400
Email:tom.antony@panasonicindia.in
Website:www.panasonichomeappliances.in

Registrars and Transfer Agent

M/s. Integrated Enterprises (India) Limited
"Kences Towers", 2nd Floor, #1, Ramakrishna Street
North Usman Road, T.Nagar, Chennai – 600 017
Tamil Nadu
Phone Nos.: 044 - 28140801 Fax: 044 – 28142479
Email: corpserv@iepindia.com
Website: www.iepindia.com

(By Order of the Board)

for Panasonic Home Appliances India Co. Ltd

Place : Chennai
Date : 29th July 2011

H.Aso
Managing Director

Justice S Natarajan
Director

Declaration in respect of Compliance with the Code Conduct

I H.Aso, Managing Director of the Company hereby declare and confirm that all Directors and Senior Officers have affirmed compliance with Code of Conduct of the Company for year ended 31st March, 2011.

Place : Chennai
Date : 29th July 2011

H.Aso
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Panasonic Home Appliances India Co. Limited

We have examined the compliance of conditions of Corporate Governance by Panasonic Home Appliances India Company Limited, for the year ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 the Corporate Governance. It is neither an audit nor an expression 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 Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **BRAHMAYYA & CO.**
Chartered Accountants
Firm Reg.No.000511S
R.Nagendra Prasad
Partner
Membership No.203377

Place : Chennai
Date : 29th July 2011

Panasonic

AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC HOME APPLIANCES INDIA COMPANY LIMITED

1. We have audited the attached Balance Sheet of Panasonic Home Appliances India Co. Limited, as at 31st March 2011, and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 31st March 2011;
 - (b) in the case of the Profit and Loss Account, 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.

For **BRAHMAYYA & CO.**,
Chartered Accountants.
Firm Reg.No.000511S
R.Nagendra Prasad
Partner
Membership No.203377

Place : Chennai

Date : 29th July 2011

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. **The provisions of Clauses of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 listed below are not applicable to the Company for the year:**
 - a) Clause (vi) regarding acceptance of deposits;
 - b) Clause (viii) regarding maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956;
 - c) Clause (xii) regarding loans granted against pledge of shares and securities etc.,;
 - d) Clause (xiii) regarding special statute applicable to Chit Funds and Nidhis/Mutual Benefit Fund and Societies;
 - e) Clause (xiv) regarding dealing or trading in shares, securities etc.;
 - f) Clause (xviii) regarding preferential allotment of shares to specified parties;
 - g) Clause (xix) regarding creation of securities in respect of debentures; and
 - h) Clause (xx) regarding money raised by public issue and its end use
2. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. Fixed assets have been physically verified by the management during the year based on the programme of verifying all the assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification. During the year, there was no substantial disposal of fixed assets affecting the status of the company as a going concern.

PANASONIC HOME APPLIANCES INDIA CO. LTD.

3. Physical verification of inventory has been conducted by the Management at reasonable intervals. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of its inventory and the discrepancies noticed on verification between the physical stocks and the book records were not material and have been adequately dealt with in the books of account.
4. (a) In our opinion and according to the information and explanations given to us, the company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) In our opinion and according to the information and explanations given to us, the company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
6. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
7. In our opinion and according to the information and explanations 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 ₹ 500,000/- in respect of any party during the year have been made at prices which are *prima facie* reasonable having regard to prevailing market prices at the relevant time.
8. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
9. According to the records of the company, the company has been regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax/VAT, wealth-tax, service tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities during the year. We are informed that there are no amounts due or outstanding to be transferred to investor education and protection fund. There are no undisputed amounts payable in respect of statutory dues, which are outstanding as at 31st March, 2011 for a period of more than six months from the date they become payable.
10. Based on our audit procedures and on the information and explanations given by the Management, there are no dues outstanding in respect of excise duty, customs duty, wealth tax and cess on account of any dispute. The details of disputed income tax, sales tax and service tax that have not been deposited with the appropriate authorities are as follows:

Nature of Dues	Amount (in ₹)	Forum where dispute is pending
Sales Tax demands for the financial year 2001-2002 and 2002-2003	220,582	Assistant Commissioner of Sales Tax (Appeals) Kolkata
Income Tax demands for the Assesment year 2003-2004	3,946,091	Income Tax Appellate Tribunal
Income Tax demands for the Assessment year 2004-2005	296,348	Commissioner of Income Tax (Appeals)
Service Tax Liability on the Royalty Payment	2,100,041	Service Tax Appellate Authorities, Chennai

11. The company has no accumulated losses as at the end of the financial year. The company has not incurred any cash losses during the current and the immediately preceding financial year.
12. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks. The company has not obtained any borrowings from any financial institutions or by way of debentures.
13. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
14. On the basis of the review of utilization of funds, the term loans taken by the company were applied for purposes for which the loans were obtained.
15. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment by the Company.
16. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **BRAHMAYYA CO.**,
Chartered Accountants
Firm Reg.No.000511S

R.Nagendra Prasad
Partner

Membership No.203377

Place : Chennai
Date : 29th July 2011

Panasonic

Balance Sheet as at 31st March 2011

	Schedule No.	As at 31 st March 2011		As at 31 st March 2010	
		₹	₹	₹	₹
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	85,700,000		85,700,000	
Reserves and Surplus	2	<u>109,991,068</u>		<u>102,028,882</u>	
			195,691,068		187,728,882
Loan Funds					
Secured Loans	3	173,041,666		55,625,000	
Unsecured Loans	4	<u>10,000,000</u>		<u>10,000,000</u>	
			183,041,666		65,625,000
Deferred Tax Liability (Net)			14,946,578		7,053,658
(Refer Note No: 6 of Schedule 11)					
TOTAL			<u>393,679,312</u>		<u>260,407,540</u>
APPLICATION OF FUNDS					
Fixed Assets:					
Gross Block	5	510,226,364		380,810,844	
Less: Depreciation		<u>228,198,209</u>		<u>204,860,938</u>	
Net Block		282,028,155		175,949,906	
Capital work In Progress		<u>2,121,814</u>		<u>9,519,154</u>	
			284,149,969		185,469,060
Current Assets, Loans and Advances					
Inventories	6	186,202,657		144,849,158	
Sundry Debtors		214,336,047		154,834,917	
Cash and Bank Balances		8,490,601		3,887,103	
Income Receivable		65,969		71,952	
Loans and Advances		<u>88,184,404</u>		<u>72,747,381</u>	
A		497,279,678		376,390,511	
Less: Current Liabilities and Provisions	7				
Current Liabilities		313,856,624		237,499,873	
Provisions		<u>73,893,711</u>		<u>63,952,158</u>	
B		387,750,335		301,452,031	
Net Current Assets	(A-B)		109,529,343		74,938,480
TOTAL			<u>393,679,312</u>		<u>260,407,540</u>
Notes on Accounts	11				

As per our report attached

For and on behalf of the Board of Directors

for **BRAHMAYYA & CO.,**
Chartered Accountants
Firm Registration No. 000511S

H. ASO
Managing Director

JUSTICE S. NATARAJAN
Director

A. RAGHAVENDRA RAO
Director

R. NAGENDRA PRASAD
Partner
Membership No.203377

Place : Chennai
Date : 27th May 2011

K. SUBRAMANIAN
Director

TOM ANTONY
Company Secretary

PANASONIC HOME APPLIANCES INDIA CO. LTD.

Profit and Loss Account for the year ended 31st March 2011

	Schedule No.	1 st April 2010 to 31 st March 2011		1 st April 2009 to 31 st March 2010	
		₹	₹	₹	₹
INCOME					
Sales (Gross)		2,016,906,976		1,446,586,054	
Less: Excise Duty		153,863,626	1,863,043,350	95,621,126	1,350,964,927
Other Income	8	<u>5,731,508</u>		<u>1,464,773</u>	
	(A)		<u>1,868,774,858</u>		<u>1,352,429,700</u>
EXPENDITURE					
Manufacturing and other expenses	9		1,424,564,686		1,039,383,645
Cost of Traded Goods (Refer Note No: 15(b) of Schedule 11)			368,322,058		251,039,148
Interest	10		22,109,869		9,391,535
Depreciation			27,534,289		22,665,548
	(B)		<u>1,842,530,902</u>		<u>1,322,479,876</u>
Profit Before Tax (A-B)			26,243,956		29,949,824
Less : Provision for Taxation :					
Current		5,230,549		7,182,000	
MAT Credit		(4,801,968)			
Deferred		<u>7,892,921</u>		<u>3,427,548</u>	
			<u>8,321,502</u>		<u>10,609,548</u>
Profit After Tax			<u>17,922,454</u>		<u>19,340,276</u>
Add : Profit brought forward from previous year			<u>37,234,588</u>		<u>27,887,682</u>
Amount available for appropriation			<u>55,157,042</u>		<u>47,227,958</u>
Less : Appropriation					
(a) Proposed Dividend		8,570,000		8,570,000	
(b) Tax on Dividend		<u>1,390,268</u>		<u>1,423,370</u>	
			<u>9,960,268</u>		<u>9,993,370</u>
Profit Carried to Balance Sheet			<u>45,196,774</u>		<u>37,234,588</u>
Net Profit after taxation			17,922,454		19,340,276
Number of Equity Shares			8,570,000		8,570,000
Nominal value of Equity Shares			₹ 10		₹ 10
Basic and Diluted EPS			₹ 2.09		₹ 2.26
Notes on Accounts	11				

As per our report attached

For and on behalf of the Board of Directors

for **BRAHMAYYA & CO.,**
Chartered Accountants
Firm Registration No. 000511S

H. ASO
Managing Director

JUSTICE S. NATARAJAN
Director

A. RAGHAVENDRA RAO
Director

R. NAGENDRA PRASAD
Partner
Membership No.203377

Place : Chennai
Date : 27th May 2011

K. SUBRAMANIAN
Director

TOM ANTONY
Company Secretary
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Panasonic

Schedules to Accounts

	As at 31 st March 2011		As at 31 st March 2010	
	₹	₹	₹	₹
Schedule 1				
SHARE CAPITAL				
Authorised				
13,000,000 Equity Shares of ₹ 10 each		130,000,000		130,000,000
Issued,Subscribed and Paid-up				
8,570,000 Equity Shares of ₹ 10 each		85,700,000		85,700,000
(Of the above, 4,370,000 Equity Shares of ₹10 each are held by the Holding Company, Panasonic Corporation, Japan)				
Total		85,700,000		85,700,000
Schedule 2				
RESERVES AND SURPLUS				
Capital Reserve				
As per Last Balance Sheet				
(a) Subsidy received from State Industries Promotion Corporation of Tamil Nadu Ltd.	2,609,000		2,609,000	
(b) Profit on Re-issue of forfeited shares	4,500	2,613,500	4,500	2,613,500
Share Premium Account		61,826,600		61,826,600
General Reserve		354,194		354,194
Balance in Profit and Loss Account		45,196,774		37,234,588
Total		109,991,068		102,028,882
Schedule 3				
SECURED LOANS				
Term Loan-The Bank of Tokyo Mitsubishi UFJ Ltd (Amount due within one year ₹ 34,999,997) (Previous year ₹ 12,583,334)		123,041,666		55,625,000
Working capital loan (cash credit) (Refer Note 3.2 of Schedule 11)		50,000,000		-
Total		173,041,666		55,625,000
Schedule 4				
UNSECURED LOANS				
Term Loan-The Bank of Tokyo Mitsubishi UFJ Ltd (Amount due within one year ₹ 3,333,332) (Previous year ₹ Nil)		10,000,000		10,000,000
Total		10,000,000		10,000,000

Schedule 5

FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost as on 31/Mar/10 ₹	Additions during the year ₹	Deletions during the year ₹	Cost as on 31/Mar/11 ₹	Upto 31/Mar/10 ₹	For the year ₹	On Deletions ₹	Upto 31/Mar/11 ₹	As on 31/Mar/11 ₹	As on 31/Mar/10 ₹
Land	2,116,840	-	-	2,116,840					2,116,840	2,116,840
Building	28,774,668	32,630,589	-	61,405,257	12,525,374	1,347,276	-	13,872,650	47,532,607	16,249,294
Plant&Machinery	307,883,532	93,104,859	2,651,089	398,337,302	164,572,842	21,113,406	1,979,312	183,706,936	214,630,366	143,310,690
Furniture,Fixtures & Fittings	27,913,124	6,624,001	939,702	33,597,423	18,292,013	3,236,394	788,471	20,739,936	12,857,487	9,621,111
Vehicles	8,030,870	2,331,649	1,808,397	8,554,122	4,354,697	1,439,913	1,429,235	4,365,375	4,188,747	3,676,173
<u>Intangible</u>										
Computer Software	6,091,810	123,610	-	6,215,420	5,116,012	397,300	-	5,513,312	702,108	975,798
Sub Total	380,810,844	134,814,708	5,399,188	510,226,364	204,860,938	27,534,289	4,197,018	228,198,209	282,028,155	175,949,906
Capital Work in Progress									2,121,814	9,519,154
Total	380,810,844	134,814,708	5,399,188	510,226,364	204,860,938	27,534,289	4,197,018	228,198,209	284,149,969	185,469,060
Previous Year	298,362,753	90,194,573	7,746,482	380,810,844	188,900,403	22,665,548	6,705,013	204,860,938	185,469,060	134,397,932

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	As at 31 st March 2011		As at 31 st March 2010	
	₹	₹	₹	₹
Schedule 6				
CURRENT ASSETS, LOANS AND ADVANCES				
A. Current Assets				
Inventories :				
(As certified by the Management)				
(Ref: Note 1.(E) of Schedule 11 for basis of valuation)				
(a) Raw materials and Components	43,502,990		35,098,529	
(b) Stores and spares at cost	2,411,397		1,927,734	
(c) Work in progress	24,491,332		19,927,916	
(d) Finished Goods	98,730,955		70,621,124	
(e) Raw materials and Components in transit	<u>17,065,983</u>		<u>17,273,855</u>	
		186,202,657		144,849,158
Sundry Debtors				
(Unsecured, considered good unless otherwise stated)				
Debts Outstanding for a period exceeding six months			1,256,383	
Considered Doubtful	274,913		-	
	<u>274,913</u>		<u>1,256,383</u>	
Less: Provision for Doubtful debts	<u>274,913</u>		-	
	-		1,256,383	
Other Debts	<u>214,336,047</u>		<u>153,578,534</u>	
		214,336,047		154,834,917
Cash and bank balances				
Cash on hand	20,239		83,795	
Balances With Scheduled Banks In Current Accounts	<u>8,470,362</u>		<u>3,803,308</u>	
		8,490,601		3,887,103
Income Receivable		65,969		71,952
B. Loans and advances				
(Unsecured, considered Good)				
Advances recoverable in cash or in kind or for value to be received				
Considered good	19,260,192		15,382,713	
Mat Credit entitlement	4,801,968			
Duty Refund Receivable	8,364,294		8,271,114	
Advance Income Tax & Tax Deducted at Source	55,756,950		49,092,554	
Balance with Excise Authorities	<u>1,000</u>		<u>1,000</u>	
		88,184,404		72,747,381
Total		<u>497,279,678</u>		<u>376,390,511</u>

PANASONIC HOME APPLIANCES INDIA Co. LTD.

	As at 31 st March 2011		As at 31 st March 2010	
	₹	₹	₹	₹
Schedule 7				
CURRENT LIABILITIES AND PROVISIONS				
A. Current Liabilities				
Sundry Creditors				
For Materials, Expenses, Capital items etc.				
(1) Amount due to Micro and Small enterprises (Refer Note 8 of Schedule 11)	23,855		75,067	
(II) Other than Micro and Small enterprises	<u>288,033,582</u>		<u>213,646,459</u>	
	288,057,437		213,721,526	
For others	<u>24,694,553</u>		<u>22,782,740</u>	
		312,751,990		236,504,266
Investor Education and Protection Fund				
Unclaimed Dividends		<u>1,104,634</u>		<u>995,607</u>
		313,856,624		237,499,873
B. Provisions				
For Taxation	51,634,779		46,404,228	
For Proposed Dividend and Tax thereon	9,960,268		9,993,370	
For Gratuity	3,383,113		668,530	
For Leave encashment	4,706,904		3,862,278	
For Warranty Claims	<u>4,208,647</u>	<u>73,893,711</u>	<u>3,023,752</u>	63,952,158
Total		<u>387,750,335</u>		<u>301,452,031</u>

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	1 st April, 2010 to 31 st March 2011		1 st April, 2009 to 31 st March 2010	
	₹	₹	₹	₹
Schedule 8				
OTHER INCOME				
Gain on Foreign Exchange Transactions(Net)		2,979,989		490,947
Insurance claim received		314,332		37,235
Sales Tax Refund Received		-		5,458
Excess provisions / Credit balances written back		1,587,047		-
Miscellaneous income		300		103,575
Interest received		61,384		168,874
Scrap Sales		788,456		658,684
Total		5,731,508		1,464,773
Schedule 9				
MANUFACTURING AND OTHER EXPENSES				
Raw materials and Components consumed (Net of Process Scrap Sales - ₹ 22,639,968 Previous Year - ₹ 13,449,248)		740,554,127		483,491,041
Stores and spares Consumed		24,061,271		17,071,782
Power		10,008,501		6,892,128
Fuel		29,034,665		20,975,145
Royalty		18,549,453		15,044,302
Brand Licence Fee		9,247,893		7,515,841
Payments and Benefits to employees :				
Salaries,Wages and Bonus	126,663,557		99,102,962	
Contributions to Provident Fund	7,129,992		5,165,528	
Gratuity	3,383,113		1,076,739	
Leave Encashment	1,900,498		1,711,040	
Staff welfare	15,576,405		12,650,691	
		154,653,565		119,706,960
Product Development Expenses		2,243,114		3,106,547
Travelling and conveyance		32,927,424		26,534,553
Insurance		3,532,261		2,366,754
Rent		10,352,175		8,641,472
Communications		4,915,513		4,340,795
Printing & Stationery		1,494,082		1,377,658
Rates and taxes		2,125,013		2,151,985
Repairs and Maintenance :				
Machinery	1,941,580		1,553,394	
Buildings	1,590,708		1,591,096	
Vehicles	895,741		801,583	
Others	5,578,021		4,426,656	
		10,006,050		8,372,729
Directors' Sitting Fees		486,000		348,000

PANASONIC HOME APPLIANCES INDIA Co. LTD.

	1 st April, 2010 to 31 st March 2011		1 st April, 2009 to 31 st March 2010	
	₹	₹	₹	₹
Audit Fees :				
For Statutory Audit	325,000		325,000	
For Tax Audit	171,465		100,000	
For Certification, Special Reports and other matters	<u>364,927</u>		<u>222,500</u>	
(Includes fee paid for compliance certificate under clause 41 and 49 of the listing agreement)		861,392		647,500
Professional Charges		2,595,856		1,585,171
Bank charges & Guarantee Commission		1,879,903		1,797,884
Advertisement and sales promotion (Refer Note No. 4 of Schedule 11)		296,777,772		254,112,962
Incentives on Sales		9,348,404		13,194,270
Freight		45,780,169		31,290,713
Turnover tax & Purchase Tax		433,242		2,165,085
Warranty Claims		6,085,000		4,321,460
Provision for Bad and Doubtful Debts		274,913		-
Loss on sale of Fixed Assets (net)		345,379		488,879
Fixed Assets written off		1,819		86,263
Unservicable/Obsolete Stocks written off		1,506,682		1,983,613
Miscellaneous Expenses		11,165,232		9,192,526
Less/Add : (Increase) / Decrease in Stock				
Opening Stock				
Work in process		19,927,916		15,608,896
Finished Goods		<u>37,031,431</u>		<u>30,894,876</u>
		56,959,347		46,503,771
Add / (Less) : Adjustment for excise duty on finished goods		<u>449,956</u>		<u>1,035,203</u>
		57,409,303		47,538,975
Less : Closing Stock				
Work in process		24,491,332		19,927,916
Finished Goods		<u>39,600,155</u>		<u>37,031,431</u>
		64,091,487	(6,682,184)	56,959,347
Total		<u>1,424,564,686</u>		<u>1,039,383,645</u>
Schedule 10				
INTEREST				
Interest				
- on fixed loans		9,479,152		1,032,831
- on others		<u>12,630,717</u>		<u>8,358,704</u>
Total		<u>22,109,869</u>		<u>9,391,535</u>

Panasonic

Schedule 11

NOTES ON ACCOUNTS

1. Significant Accounting Policies

A. Basis of Accounting

The financial Statements have been prepared under the historical cost convention and comply with the Accounting Standards as specified in the Companies (Accounting Standards) Rules 2006.

B. Fixed Assets

All tangible assets and Technical Know-how Fees are stated at Cost less depreciation. Cost includes, in the case of substantial expansion or diversification, pre-operative expenses incurred up to the date of commencement of commercial production.

C. Depreciation

The company has adopted the following method of providing depreciation:

- i. Plant and Machinery and Buildings are depreciated under Straight Line Method and all assets other than Land, Building and Plant and Machinery are depreciated under Written down Value method. The rates adopted are those prescribed under Schedule XIV to the Companies Act, 1956.
- ii. Assets costing less than ₹5,000/- individually are fully depreciated.
- iii. Technical Know-how Fee of ₹ 719,255/- paid before commencement of operations included in Plant and Machinery is depreciated under Straight Line Method at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- iv. Technical Know-how Fee of ₹ 10,364,232/- paid after commencement of operations included in Plant and Machinery is amortized over a period of 6 years.

D. Impairment

The carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

E. Inventories

- (i) Raw Materials, Components and Stores (including in transit) are valued at lower of cost and net realizable value. Cost is arrived at on the basis of issues being charged out on weighted average cost method.
- (ii) Finished goods and Work-in-Process are valued at lower of cost and net realizable value.
- (iii) Trade goods are valued at lower of cost or net realizable value. The cost of goods is arrived at on the basis of issues being charged out on 'First - in - First - out ' method.

F. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities are translated at the year-end exchange rate. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the profit and loss account.

Premium or discount on forward exchange contract other than those contracts entered into to hedge the foreign currency risk of a firm commitment or a highly probable forecast transaction is recognized as income or expense over the period of the contract.

G. Borrowing Costs

Borrowing cost that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of such asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expenses in the period in which they are incurred.

H. Insurance Claims

Insurance Claims are accounted on the basis of receipts of claim money or intimation of acceptance if received earlier.

I. Product Warranty

The Company has warranty obligations on the products sold by it. Provision for warranty is made based on past experience.

J. Government Grants

- i) Government Grants received in the nature of promoter's contribution is credited to Capital Reserve.
- ii) Government Grants related to specific fixed assets received on or after 01.04.1994 are credited to Deferred Government Grants. These grants are treated as deferred income and recognized in the Profit & Loss Account over the useful life of assets in the proportion in which depreciation on related assets is charged.

K. Taxes on Income

Provision for Taxation, the aggregate of Income Tax Liability on the profits for the year chargeable to tax and Deferred Tax resulting from timing differences between Book and Tax Profits, is provided in accordance with the Accounting Standard – 22 (AS-22) – “Accounting for Taxes on Income”, as specified in the Companies (Accounting Standards) Rules 2006.

L. Employee Benefits

Contribution to Provident fund which is in the nature of defined benefit contribution scheme and the contributions made is charged to profit and loss account.

Gratuity which is in the nature of defined benefit scheme and provided in the Books of Account based on actuarial valuation. The Liability for Gratuity is funded with Life Insurance Corporation of India under Group Gratuity Scheme.

Leave Encashment benefits is provided for based on valuation, as at the balance sheet dates made by an independent actuary. Leave encashment benefits are provided for based on the rules of the company.

2. Contingent Liabilities

- 2.1 The company has received a Demand from Service Tax cell of Central Excise Department regarding Service Tax Liability of ₹ 2,100,041(Previous year ₹ 2,100,041/-)payable on Royalty as per the order of Deputy Commissioner (Appeals). The Company has preferred an appeal against the order with the Appellate authorities and the matter is pending for the issuance of final orders. The Company has been advised by the Legal counsel that the said sum is recoverable from the collaborator as per the terms of Technical Assistance Agreement.
- 2.2 Income tax demands in dispute for the assessment year 2004-05 is ₹ 296,348/- (previous year ₹ 296,348). The company has preferred an appeal against the order of CIT (Appeals) and the appeal is pending before Income Tax Appellate Tribunal.
- 2.3 The Company has received demand notice for the Assessment year 2003-04 for ₹ 3,946,091/= relating to the allowability of the adjustment of unabsorbed depreciation for 1992-93 and 1993-94 against the business income of the company pertaining to Assessment year 2003-04 under normal provisions. Company has preferred an appeal against the order of DCIT and appeal is pending before the CIT Appeals.
- 2.4 The company has received demand notice for ₹ 220,582/- from Sales Tax Department, West Bengal, for the Assessment years 2001-02 and 2002-03. The Company has preferred an appeal against demand and the appeal is pending before Assistant Commissioner of Sales Tax(Appeal), Kolkata.

Panasonic

3. Secured Loans

- 3.1 Fixed Loans availed from a Bank for funding the Jar cooker Project & capacity expansion are secured by hypothecation of all present and future movable Plant and machinery of the company.
- 3.2 The Cash Credit and Bill Discounting facilities from Banks are secured by a first charge on inventories and book debts.
4. Advertisement and Sales Promotion Expenses is net of amount reimbursed by the Collaborator/Associate Companies amounting to ₹ 42,877,675/- (Previous Year ₹ 24,055,358/-).

5. Warranty Claims

The following is the Reconciliation of the changes in the warranty liability for the Financial year 2010-11

	2010-11 ₹	2009-10 ₹
Opening Balance	3,023,752	2,085,607
Add : Additions during the Year	<u>6,085,000</u>	<u>4,321,460</u>
	9,108,752	6,407,067
Less : Settled during the year	<u>4,900,105</u>	<u>3,383,315</u>
Closing Balance	<u>4,208,647</u>	<u>3,023,752</u>

6. For the current year ended 31st March, 2011 timing differences have resulted in a net deferred tax debit amounting to ₹ 7,892,921/- (Previous Year - Net deferred tax debit of ₹ 3,427,548) which is debited to profit and loss account.

The Components of Deferred Tax Liability and Asset as at 31st March, 2011 are as detailed below:

	2010-11 ₹	2009-10 ₹
A. Deferred Tax Liability :		
Timing difference on account of		
Depreciation	<u>26,351,054</u>	<u>17,415,263</u>
Total – A	<u>26,351,054</u>	<u>17,415,263</u>
B. Deferred Tax Asset :		
Timing difference on account of		
Royalty	9,018,849	7,668,193
Provision for retirement benefits	1,527,155	1,312,788
Provision for doubtful debts	89,196	-
Bonus, Taxes and other expenses	<u>769,276</u>	<u>1,380,624</u>
Total – B	<u>11,404,476</u>	<u>10,361,605</u>
C. Deferred Tax Liability – Net (A – B)	<u>14,946,578</u>	<u>7,053,658</u>

7. Managing Director's Remuneration

	2010-11 ₹	2009-10 ₹
Mr. H.Aso		
Salary	1,315,404	1,150,074
Perquisites	<u>100,268</u>	<u>97,437</u>
Total	<u>1,415,672</u>	<u>1,247,511</u>

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8. Amounts due to Micro, Small and Medium Enterprises.

Principle amount due to Micro and Small enterprises under “ The Micro, Small and Medium Enterprises development Act, 2006” amount to ₹ 2,551,015. No Interest is paid to such enterprises for the year ended 31st Mar 2011. This information as required to be disclosed has been determined to the extent such parties have been identified on the basis of information available with the company.

Information as required to be disclosed as per the Micro, Small and Medium Enterprises Act, 2006 (MSME Act) as at 31st March 2011.

	2010-11 ₹	2009-10 ₹
a) Principle amount due to suppliers under MSME Act	2,551,015	75,067
b) Interest accrued and due to suppliers under MSME Act.	215,425	50,953
c) Payment to suppliers (other than interest) beyond the appointed day, during the year	29,187,607	5,504,742
d) Interest paid to suppliers under MSME Act (Under Sec 16)	Nil	Nil
e) Interest due and payable to suppliers under MSME Act. (for payments already made)	215,425	50,953
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSME Act.	215,425	50,953

9. Particulars of Expenditure in Foreign Currency (On payment basis)

Particulars	2010-11 ₹	2009-10 ₹
Travelling	2,393,171	1,764,565
Royalty (net of taxes)	12,658,652	7,297,578
Brand License Fee (net of taxes)	5,948,226	4,532,544
Design & Consultancy Charges (net of taxes)	4,237,896	7,857,970
Other Payments(net of taxes)	239,147	1,140,596

10. Derivative Instrument and Unhedged Foreign Currency exposure.

S. No	Purpose	As at 31.03.2011	As at 31.03.2010
(A)	Forward Currency Swap Outstanding	Nil	USD 250,000 ₹ 11,252,500
(B)	Unhedged Foreign Currency Exposure		
1.	Outstanding Creditors for Purchase of Materials, Merchandise and Expenses	USD 399,148 ₹ 17,925,764 JPY 3,894,035 ₹ 2,121,470 SGD 8,642 ₹ 307,322	USD 459,818 ₹ 20,834,354 JPY 1,368,090 ₹ 667,491 SGD 6,331.40 ₹ 204,568
2.	Outstanding Receivables	USD 187,671 ₹ 8,389,714 JPY 1,300,000 ₹ 7,082,400	USD 148,803 ₹ 6,676,809 JPY 14,300,000 ₹ 6,869,690

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11. Defined benefit plans as per actuarial valuation as on 31st March 2011, and recognized in the financial statements.

I. Components of Employee Cost.	Gratuity	
	2010-11 (₹)	2009-10 (₹)
a) Current service cost	1,253,042	1,124,934
b) Interest cost	901,653	816,985
c) Expected return on plan assets	(961,978)	(799,674)
d) Actuarial Loss / (gain)	2,190,988	(64,948)
e) Past service cost	-	-
f) Adjustment for opening differences	(592)	(558)
f) Expenses to be recognized in Profit and Loss A/c	<u>3,383,113</u>	<u>1,076,739</u>
II. Amount recognized in Balance Sheet		
Present value of defined benefit obligation	13,562,977	11,270,663
Less : Fair Value of Plan Assets	10,179,272	10,602,133
Net Liability recognised in the balance sheet	<u>3,383,705</u>	<u>668,530</u>
III. Changes in defined benefit obligation during the year		
a. Present Value of defined benefit obligation at the beginning of the year	11,270,663	10,212,871
b. Current service cost	1,253,042	1,124,934
c. Interest cost	901,653	816,985
d. Actuarial (gains)/losses on obligation	2,190,988	(64,948)
e. Benefits paid	(2,053,369)	(818,621)
f. Adjustment for opening differences	(592)	(558)
Present value of defined benefit obligation at the end of the year	<u>13,562,385</u>	<u>11,270,663</u>
IV. Changes in fair value of plan assets during the year		
Fair Value of Plan assets at the beginning of year	10,602,133	5,121,080
Expected return on plan assets	961,978	799,674
Contributions	668,530	5,500,000
Benefits paid	(2,053,369)	(818,621)
Actuarial (gain) / Loss on plan assets	Nil	Nil
Fair Value of Plan assets at the end of the year	<u>10,179,272</u>	<u>10,602,133</u>
V. Principle actuarial assumptions at the balance sheet date.		
Discount rate	8%	8%
Salary growth rate	5%	5%
Attrition rate	1-3%	1-3%
Expected rate of return on plan assets	9.25%	9.15%
The estimate of future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors.		
12. Borrowing cost incurred for acquisition of qualifying asset capitalized during the year ₹1,084,669/- (Previous year ₹ 606,870)		
13. C.I.F. Value of Imports		
	2010-11 ₹	2009-10 ₹
Electric Cooker:		
Raw Materials & Components (Including in-transit)	217,488,774	157,180,763
Capital Goods	43,389,192	27,942,084
Machinery Spares	168,410	237,856

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	2010-11 ₹	2009-10 ₹
Mixer Grinder		
Raw Materials & Components (Including in-transit)	822,255	237,158
Capital Goods	Nil	NIL
Traded Goods		
CIF Value (Including in-transit)	271,878,316	186,444,947
Spare parts	2,963,250	2,933,291

14. Related Party Disclosures

Holding Company

: Panasonic Corporation – Japan
(formerly Matsushita Electric Industrial Company Limited, Japan)

Fellow Subsidiaries

: Panasonic Home Appliances Thailand Co.,Ltd
Panasonic Trading S Pte Ltd. Singapore
Panasonic Electric Works (Asia Pacific) Pte.Ltd.,- Singapore
Panasonic Logistics (Hong Kong) Company Ltd
Panasonic (Export Division)- Singapore
Panasonic Centroamericana.
Panasonic Asia Pacific PTE Ltd
Panasonic Manufacturing Malaysia Berhad
Panasonic Trading Malaysia SDN BHD
Panasonic India Pvt Ltd
Panasonic Latin America
Panasonic Mktg-Middle East
Panasonic Singapore (RSG)
Panasonic Gulf FZE (Dubai)
Panasonic Peruana S.A – Peru

Associates

: Nil

Key Managerial Personnel

: Mr. H. Aso

(₹ in Lakhs)

Nature of Transactions	Holding company	Fellow Subsidiaries	Associates	Key Managerial Personnel
Royalty	185.49 (150.44)	—	—	—
Brand Licence Fee	92.47 (75.16)	—	—	—
Sales	—	16,149.75 (10,353.55)	—	—
Reimbursement of expenses(recd)	115.73 (109.33)	332.53 (150.97)		
Payment for services and reimbursement of expense (Paid)	65.96 (38.72)	90.93 (1,197.72)	—	—
Purchase of Traded Goods	2,669.17 (1,703.02)	132.55 (109.10)	—	—
Purchase of Materials	1.56 (NIL)	213.06 (65.38)	—	—
Purchase of Fixed Assets	3.03 (3.64)	40.98 (155.99)	—	—
Payables as on 31.03.2011	318.18 (247.00)	74.45 (53.60)	—	—
Receivables as on 31.03.11	115.73 (68.40)	1,165.94 (1,045.11)	—	—
Remuneration	—	—	—	14.15 (12.47)

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15. (a). Details of Licensed, Installed Capacities, Production of Goods manufactured (As certified by the Managing Director and accepted by the Auditors being a technical matter)

Class of Goods Manufactured:	Electric Cooker	Mixer Grinder
Licensed Capacity (Originally Licensed since deregulated)	1,000,000 numbers per annum on single shift Basis	300,000 numbers per annum on single shift Basis
Installed Capacity: (As certified by the Managing Director and accepted by the Auditors being a technical Matter)	1,000,000 numbers per annum on double shift basis	200,000 Numbers per annum on single shift basis

	2010-11	2009-10
Production :		
(a) Electric Cooker-Nos.	769,177	554,627
(b) Mixer Grinder-Nos.	156,360	99,064
Accessories	368,545	354,934
Sales :		
(a) Electric Cooker-Nos.	766,126	558,997
(b) Mixer Grinder-Nos.	158,499	98,989
Accessories	351,956	349,379
Sales Value in ₹		
(a) Electric Cooker	885,354,085	698,369,992
(b) Mixer Grinder	379,393,333	253,475,159
(c) Service Parts & Accessories	69,784,837	49,956,631
Total	1,334,532,255	1,001,801,782
	2010-11	2009-10
Opening Stock		
– Nos. Electric Cooker	21,520	26,243
– Nos. Mixer Grinder	5,108	5,211
Value in ₹		
– Electric Cooker	20,849,922	21,353,855
– Mixer Grinder	8,902,166	5,580,936
Closing Stock		
– Nos. Electric Cooker	24,364	21,520
– Nos. Mixer Grinder	2,919	5,108
Value in ₹		
– Electric Cooker	27,823,052	20,849,922
– Mixer Grinder	6,015,774	8,902,166

Closing stock quantity is exclusive of 207 Nos. Electric Cookers and 50 Nos. Mixer Grinders, (353 Nos. Electric Cooker & 178 Mixer Grinder) scrapped during the year due to unsaleable/damaged stock conditions.

15. (b) (i). Traded Goods:

Home Appliances such as Electric Cookers, Juicer, Microwave Oven, Thermo Pot, Oven Toaster, Steam Iron, Gas Table, Health and beauty care products, Vacuum Cleaner, Massage Lounger etc.,	2010-2011		2009-2010	
	QTY Nos.	Value in ₹	QTY Nos.	Value in ₹
Opening Stock	28,000	33,589,694	41,398	56,970,502
Purchases	381,341	393,863,164	203,538	227,658,340
Sales	355,268	528,511,095	216,413	349,187,269
Closing Stock	53,506	59,130,800	28,000	33,589,694

Closing Stock quantity is exclusive of 567 Nos. (523 Nos.) scrapped during the year due to unsaleable/damaged stock conditions and sample issued for promotional activities.

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(ii) Cost of Traded Goods:

Particulars	2010-11	2009-10
	₹	₹
Opening Stock	33,589,694	56,970,502
Add : Purchases	393,863,164	227,658,340
	<u>427,452,858</u>	<u>284,628,842</u>
Less ; Closing Stock	59,130,800	33,589,694
	<u>368,322,058</u>	<u>251,039,148</u>
Less Insurance claims received	Nil	Nil
Cost of Goods Sold	<u>368,322,058</u>	<u>251,039,148</u>

16. Consumption of Raw Materials & Components

Raw Materials & Components:

	2010- 2011		2009- 2010	
	Qty (Kgs.)	Value ₹	Qty (Kgs.)	Value ₹
A. Electric Cooker				
CRCA Steel	825,081	51,529,573	640,662	36,109,145
Aluminium Sheets	571,522	98,734,445	430,814	67,295,991
Aluminium Ingots	378,142	46,076,740	265,958	28,398,435
Stainless Steel	156,604	19,997,093	129,624	16,383,861
B. Mixer Grinder:				
ABS Materials	82,050	10,472,196	51,925	5,557,618
Stainless Steel	134,523	29,089,691	87,148	18,591,491
Motor –Nos	160,392	72,637,096	104,415	41,634,089
C. Others (which do not individually Contribute 10% of material Value)	-	434,657,260	-	282,969,659
Total (A+B+C)	-	763,194,094	-	496,940,289
D. Less : Process Scrap Sales	-	22,639,967	-	13,449,248
Total (A+B+C-D)	-	740,554,127	-	483,491,041

17. Value of Imported and Indigenous Raw Materials, Spare Parts consumed and Percentage to total consumption:

	2010-11		2009-10	
	Value (₹)	%	Value (₹)	%
Raw Materials Components :				
Electric Cooker				
Imported	232,953,599	46.38	159,660,603	45.95
Indigenous	269,364,519	53.62	187,830,989	54.05
Total	<u>502,318,118</u>	<u>100.00</u>	<u>347,491,592</u>	<u>100.00</u>
Mixer Grinder				
Imported	465,894	0.18	862,262	0.58
Indigenous	260,410,082	99.42	148,586,435	99.42
Total	<u>260,875,976</u>	<u>100.00</u>	<u>149,448,697</u>	<u>100.00</u>
Spare Parts				
Imported	Nil	Nil	Nil	Nil
Indigenous	659,863	100.00	138,885	100.00
Total	<u>659,863</u>	<u>100.00</u>	<u>138,885</u>	<u>100.00</u>

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18. FOB Value of Exports ₹ 131,384,438/- (₹ 18,486,197/-)

19. Remittance during the year in Foreign Currency on account of

	2010-11	2009-10
Dividends (₹)	4,370,000	5,244,000
No. of Non-Resident Shareholders (repatriable category)	1	1
No. of Shares held by them	437,000	437,000
Year to which dividend related	2009-10	2008-09

20. Balance Sheet Abstract and Company's General Business Profile

I. Registration Details			
Registration No.: L30007TN1988PLCO16184	State Code	:	18
Balance Sheet Date: 31.03.2011			
II. Capital Raised During the year (Amount in ₹ Thousands)			
Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
III. Position of Mobilization and Deployment of Funds (Amount in ₹ Thousands)			
Total Liabilities :	393,679	Total Assets :	393,679
Sources of Funds		Application of Funds	
Paid-up Capital	85,700	Net Fixed Assets	284,150
Secured Loans	173,042	Net Current Assets	109,529
Unsecured Loans	10,000	Deferred Tax Asset	Nil
Reserves & Surplus	109,991	Accumulated Losses	Nil
Deferred Govt. Grants	Nil	Investments	Nil
Deferred Tax Liability (Net)	14,946	Misc. Expenditure	Nil
IV Performance of Company (Amount in ₹ Thousands)			
Turnover (inclusive of other income)	1,868,775	Total Expenditure	1,842,531
Profit before Tax	26,244	Profit after tax	17,922
Earning Per Share in ₹	2.09	Dividend Rate	10%
V Generic Names of the Principal Products/Services of Company			
(as per monetary Terms)			
Item Code No. (ITC Code)	8516.60.00		8509.40.90
Product Description	Electric Cooker		Mixer Grinder
21. Previous year's figures have been regrouped wherever necessary for comparison purposes.			
22. Figures in bracket represent figures for the previous year.			

As per our report attached

For and on behalf of the Board of Directors

for BRAHMAYYA & CO.,
Chartered Accountants
Firm Registration No. 000511S

H. ASO
Managing Director

JUSTICE S. NATARAJAN
Director

A. RAGHAVENDRA RAO
Director

R. NAGENDRA PRASAD
Partner
Membership No.203377

Place : Chennai
Date : 27th May 2011

K. SUBRAMANIAN
Director

TOM ANTONY
Company Secretary

PANASONIC HOME APPLIANCES INDIA Co. LTD.

CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

Particulars	1 st April 2010 to 31 st March 2011		1 st April 2009 to 31 st March 2010	
	₹	₹	₹	₹
A. Cash Flows from Operating Activities				
Net Profit before tax		26,243,956		29,949,824
Add: Depreciation	27,534,289		22,665,548	
Interest	22,109,869		9,391,535	
Provision for warranty claims	1,184,895		938,145	
Provision for Gratuity and Leave encashment	3,559,209		1,504,240	
Unservicable/Obsolete Stocks written off	1,506,682		1,983,613	
Provision for doubtful debts	274,913		-	
Gains on foreign currency fluctuations(Net)	250,929			
Loss on sale of fixed assets	345,379		488,879	
Fixed assets written off	1,819		86,263	
		<u>56,767,984</u>		<u>37,058,223</u>
		<u>83,011,940</u>		<u>67,008,047</u>
Less:				
Interest on deposits with banks	61,384		168,874	
Excess provisions/ credit balances writtenback	1,587,047		-	
Profit on sale of fixed assets	-		-	
Gains on foreign currency fluctuations(Net)			<u>356,778</u>	
		<u>1,648,431</u>		<u>525,652</u>
Operating Profit before working capital changes		81,363,509		66,482,395
Adjustments for:				
(Increase) in trade and other receivables	(63,658,465)		(86,916,674)	
(Increase) in inventories	(42,860,180)		(13,551,831)	
Increase in trade payables	<u>65,590,869</u>	<u>(40,927,776)</u>	<u>71,723,922</u>	<u>(28,744,583)</u>
Cash generated from operations		40,435,733		37,737,812
Interest paid	(22,109,869)		(9,391,535)	
Tax paid (Net)	<u>(6,664,396)</u>	<u>(28,774,265)</u>	<u>(6,654,341)</u>	<u>(16,045,876)</u>
Net Cash Generated from Operating Activities Total A		<u>11,661,468</u>		<u>21,691,936</u>
B. Cash Flows from Investing Activities				
Payment for purchase of fixed assets	<u>(115,512,631)</u>		<u>(75,114,348)</u>	
		<u>(115,512,631)</u>		<u>(75,114,348)</u>
Less: Proceeds from sale of fixed assets	854,972		466,327	
Interest received	<u>67,367</u>	<u>922,339</u>	<u>348,029</u>	<u>814,356</u>
Net Cash Used in Investing Activities Total B		<u>(114,590,292)</u>		<u>(74,299,992)</u>

Panasonic

Particulars	1 st April 2010 to 31 st March 2011		1 st April 2009 to 31 st March 2010	
	₹	₹	₹	₹
C. Cash Flows from Financing Activities				
Proceeds /(Repayment) from Term Loans		117,416,666		48,750,000
Repayment of interest free sales tax loan		-		(1,118,226)
Dividend paid		(8,570,000)		(10,284,000)
Tax paid on dividend		(1,423,370)		(1,747,766)
Net Cash from Financing Activities Total C		<u>107,423,296</u>		<u>35,600,008</u>
Net Decrease in cash and cash equivalents Total A+B+C		<u>4,494,472</u>		<u>(17,008,048)</u>
Opening cash and cash equivalents		2,891,496		19,899,544
Closing cash and cash equivalents		<u>7,385,968</u>		<u>2,891,496</u>
Net Decrease in cash and cash equivalents		<u>4,494,472</u>		<u>(17,008,048)</u>

Note: For the purpose of this statement, Bank balances of ₹ 1,104,634 (previous year ₹ 995,607) in unclaimed dividend account are not included in cash and cash equivalents as they are adjusted against unclaimed dividend payable since the obligations of the company are met from unclaimed dividends deposited into separate bank account in accordance with Sec.205A of the Companies Act, 1956.

For and on behalf of the Board of Directors

H. ASO
Managing Director

JUSTICE S. NATARAJAN
Director

A. RAGHAVENDRA RAO
Director

As per our report attached

for BRAHMAYYA & CO.,
Chartered Accountants
Firm Registration No. 000511S

R. NAGENDRA PRASAD
Partner
Membership No.203377

Place : Chennai
Date : 27th May 2011

K. SUBRAMANIAN
Director

TOM ANTONY
Company Secretary