

Panasonic

*Celebrating
Colours of Life!*



Panasonic Appliances India Co. Ltd.
(Formerly Panasonic Home Appliances India Co. Ltd.)

ANNUAL REPORT 2013-2014

Panasonic Cooking

Super Mixer Grinders

NEW ARRIVALS



Unbreakable Polycarbonate Juicer Jar

TRUE 5 JAR MIXIE



MX-AC555

Unbreakable Polycarbonate Juicer Jar



MX-AC400 (B)



DOUBLE CHUTNEY JAR



MX-AC310

Unique Features



Double Safety locking system



Unique Inter Locking System



Hardened stainless steel blade



Original Oil Seal Protection System



Flow Breakers Jars



Juice Extractor (For selected models)



Convenient Piano Type Button Switches



Circuit Breaker System

<p>Board of Directors (as on August 29, 2014)</p> <p>Mr. Hidenori Aso Managing Director</p> <p>Mr. A. Raghavendra Rao Mr. K. Subramanian Mr. Ajit Gopal Nambiar Mr. Harshad Reddy Mr. Shigeru Dono</p> <p>CFO & Company Secretary</p> <p>Auditors</p> <p>Registered Office and Factory</p> <p>CIN</p> <p>Bankers</p>	<p>Mr. Tom Antony</p> <p>M/s Brahmayya & Co., Chartered Accountants, No. 48, Masilamani Road, Balaji Nagar, Royapettah, Chennai - 600 014.</p> <p>N.H. No.5, Sholavaram Village, Ponneri Taluk, Chennai - 600 067. Tamilnadu. Tel : +91 44 2633 0397 / 0133 Fax : +91 44 2633 0132 Email : secretary@panasonicindia.in Website: www.panasonicappliances.in</p> <p>L30007TN1988PLC016184</p> <p>The Bank of Tokyo Mitsubishi UFJ Ltd., HDFC Bank Ltd.</p>	<p style="text-align: center;">TWENTY SIXTH ANNUAL REPORT CONTENTS</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;">Page</th> </tr> </thead> <tbody> <tr> <td>Notice of Annual General Meeting</td> <td style="text-align: right;">6</td> </tr> <tr> <td>Directors' Report</td> <td style="text-align: right;">15</td> </tr> <tr> <td>Independent Auditors' Report</td> <td style="text-align: right;">35</td> </tr> <tr> <td>Balance Sheet</td> <td style="text-align: right;">38</td> </tr> <tr> <td>Statement of Profit and Loss</td> <td style="text-align: right;">39</td> </tr> <tr> <td>Cash Flow Statement</td> <td style="text-align: right;">40</td> </tr> <tr> <td>Notes forming part of Financial Statements</td> <td style="text-align: right;">42</td> </tr> </tbody> </table> <p style="text-align: center;">Twenty Sixth Annual General Meeting</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; vertical-align: top;">Venue</td> <td style="width: 85%;">: Mahaswamy Auditorium, Vani Mahal, #103, G.N. Chetty Road, T.Nagar, Chennai – 600 017</td> </tr> <tr> <td style="vertical-align: top;">Date</td> <td>: September 29, 2014</td> </tr> <tr> <td style="vertical-align: top;">Time</td> <td>: 10.15 a.m.</td> </tr> </table> <p>Registrar & Share Transfer Agents</p> <p>M/s. Integrated Enterprises (India) Limited "Kences Towers", 2nd Floor, #1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017 Email: srirams@integratedindia.in Tel : +91 44 2814 0812 Fax : +91 44 2814 2479</p>		Page	Notice of Annual General Meeting	6	Directors' Report	15	Independent Auditors' Report	35	Balance Sheet	38	Statement of Profit and Loss	39	Cash Flow Statement	40	Notes forming part of Financial Statements	42	Venue	: Mahaswamy Auditorium, Vani Mahal, #103, G.N. Chetty Road, T.Nagar, Chennai – 600 017	Date	: September 29, 2014	Time	: 10.15 a.m.
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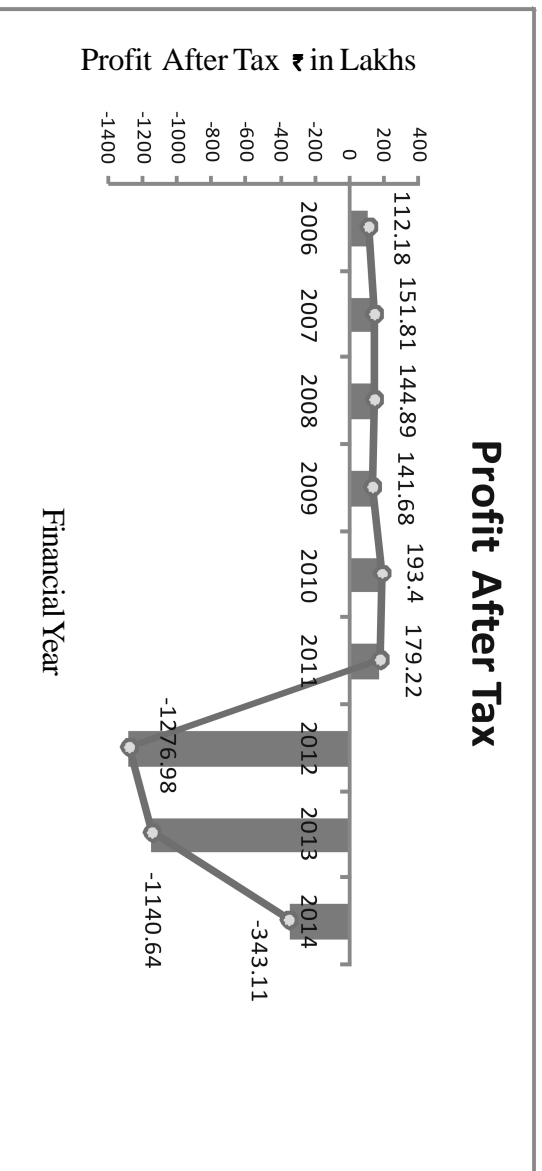
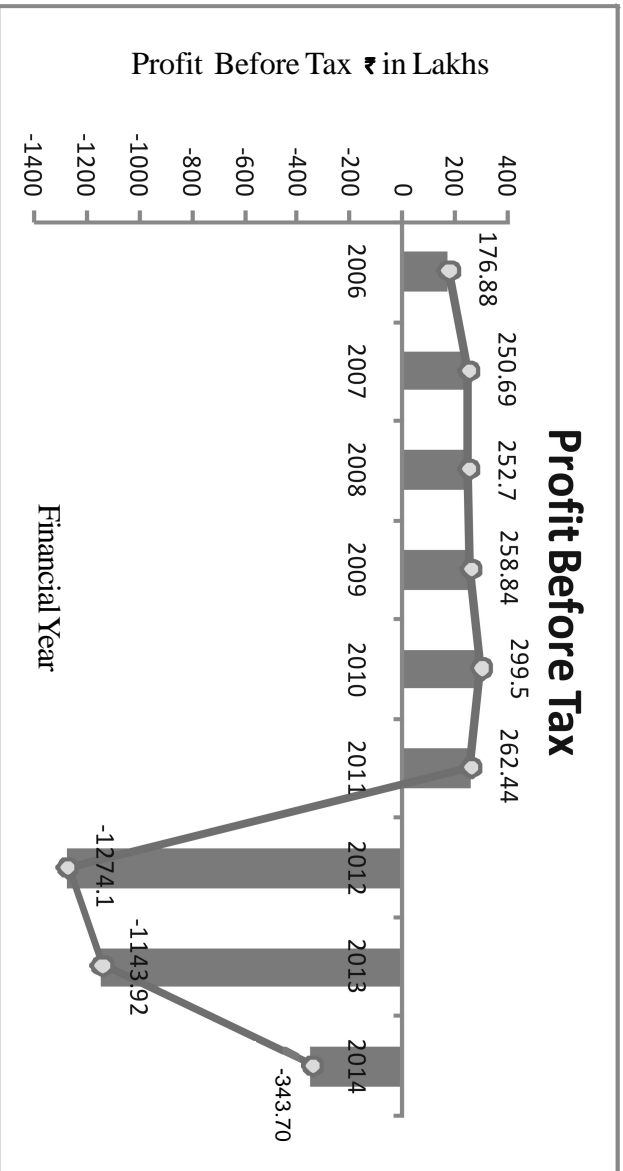
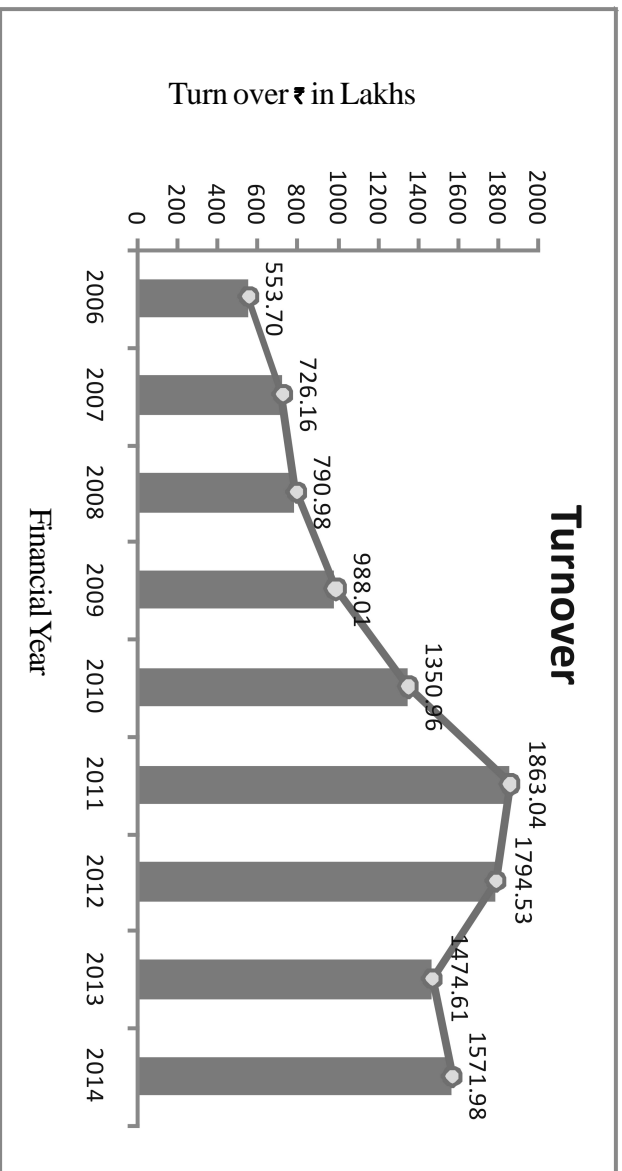
Note :

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.

TEN-YEAR HIGHLIGHTS

₹ In Lakhs

Particulars	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Total Revenue	4,897.83	5,602.22	7,366.30	7,986.42	9,986.58	13,524.30	18,687.75	18,001.23	14,820.71	15,800.19
Profit Before Tax	71.08	176.88	250.69	252.70	258.84	299.50	262.44	(1,274.10)	(1,143.92)	(343.70)
Profit After Tax	55.74	112.18	151.81	144.89	141.68	193.40	179.22	(1,276.98)	(1,140.64)	(343.11)
Assets										
Fixed Assets	823.97	818.43	797.98	1,132.49	1,343.98	1,854.69	2,841.50	3,277.04	3,168.58	2,993.40
Other Non Current Assets	-	19.30	19.30	19.30	-	-	145.38	196.89	171.01	149.84
Total - Non Current Assets (1)	823.97	837.73	817.28	1,151.79	1,343.98	1,854.69	2,986.88	3,473.92	3,339.59	3,143.24
Total - Current Assets (2)	1,577.97	1,592.78	2,179.13	2,752.87	2,875.68	3,763.91	4,515.04	5,084.28	3,849.67	3,810.56
Total Assets (1+2)	2,401.94	2,430.51	2,996.41	3,904.67	4,219.66	5,618.60	7,501.92	8,558.20	7,189.26	6,953.80
Liabilities										
Share Capital	857.00	857.00	857.00	857.00	857.00	857.00	857.00	857.00	954.30	983.20
Reserves and Surplus	821.72	836.18	887.73	905.46	926.82	1,020.29	1,099.91	(177.07)	(198.76)	(209.52)
Share Holders Funds (3)	1,678.72	1,693.18	1,744.73	1,762.46	1,783.82	1,877.29	1,956.91	679.93	755.54	773.68
Total - Non Current Liabilities (4)	308.05	278.12	171.35	303.72	216.19	726.79	1,145.25	1,302.54	780.09	319.90
Total - Current Liabilities (5)	415.17	459.20	1,080.33	1,838.49	2,219.64	3,014.52	4,399.76	6,575.73	5,653.62	5,860.22
Total Liabilities (3+4+5)	2,401.94	2,430.51	2,996.41	3,904.67	4,219.66	5,618.60	7,501.92	8,558.20	7,189.26	6,953.80
Earning Per Share (₹)	3.55	1.31	1.77	1.69	1.65	2.26	2.09	(14.90)	(12.12)	(3.58)
Dividend Per Share(₹)	1.00	1.00	1.00	1.00	1.20	1.00	1.00	-	-	-
Number of Shares (In No's)	8,570,000	8,570,000	8,570,000	8,570,000	8,570,000	8,570,000	8,570,000	8,570,000	9,543,000	9,832,000



NOTICE OF TWENTY SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty Sixth Annual General Meeting** of the Members of Panasonic Appliances India Co. Ltd (CIN:L30007TN1988PLC016184) will be held on Monday, September 29, 2014 at 10.15 a.m. at Mahaswamy Auditorium, Vani Mahal, #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 March 31, 2014, and the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Harshad Reddy (DIN: 02364798) who retires by rotation and being eligible, offers himself for re-appointment.
3. 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. (Registration No. 000511S), 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 of the Company at such remuneration as shall be fixed by the Board of Directors of the Company”.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and applicable provisions under Clause 49 of the Listing Agreement, Mr. K. Subramanian (DIN: 00019088), a Non-Executive Director of the Company, who retires by rotation at this Annual General Meeting, who has submitted a declaration that he meets the criteria of independence as provided under Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the Office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 5 (five) consecutive years commencing from September 29, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and applicable provisions under Clause 49 of the Listing Agreement, Mr. Ajit. G. Nambiar (DIN: 00228857), a Non-Executive Director of the Company, who retires by rotation at this Annual General Meeting, who has submitted a declaration that he meets the criteria of independence as provided under Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the Office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 5 (five) consecutive years commencing from September 29, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and applicable provisions under Clause 49 of the Listing Agreement, Mr. A. Raghavendra Rao (DIN: 00171736), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided under Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the Office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 5 (five) consecutive years commencing from September 29, 2014.”

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

“RESOLVED THAT in supersession of the earlier resolutions and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force and the Articles of Association of the Company, the consent of the Company be and is hereby accorded, to the Board of Directors of the Company (which term shall be deemed to include any duly authorized committee(s) thereof, for the time being exercising the powers conferred by the Board by this resolution) for borrowing from time to time, any sum or sums of money for the business of the Company upon such terms and conditions and with or without security as the Board of Directors may in its absolute discretion think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from the Company’s Bankers in the ordinary course of business, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed ₹ 75 Crores (Rupees Seventy Five Crore only).”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and/or create charge on all or anyone or more of the movable/ immovable properties or such other assets of the Company, both present and future, on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favour of Financial Institutions/ Banks/Multilateral Institutions/Body Corporate, etc. hereinafter referred as “the lenders” to secure any Term Loans/ Cash Credit Facilities or the like, obtained/to be obtained from any of the aforesaid lenders together with interest thereon and all other monies payable by the Company to such lenders under the respective loan/other agreement(s) entered/to be entered into between the Company and the lender(s) in respect of the said borrowing(s).”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to execute all such documents, instruments and writing as it may consider necessary for the purpose of giving effect to the above resolution.”

8. 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 94 and other applicable provisions, if any, of the Companies Act, 2013, and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded for keeping the Register of Members of the Company and the respective Register of Debenture holders and other security holders, if any, maintained under Section 88 of the Companies Act, 2013 together with the Index of Members and/ or Debenture holders/ other security holders, and copies of Annual Returns of the Company filed under Section 92 of the Companies Act, 2013 at the office of the Company’s Registrar and Transfer Agents viz. M/s. Integrated Enterprises (India) Limited, situated at, “Kences Towers”, 2nd Floor, #1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai 600 017 and at such places within Chennai where the Registrar and Transfer Agent may shift its office from time to time instead of at the registered office of the Company.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient to give effect to this resolution.”

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

Place : Chennai
Date : August 29, 2014

Hidenori Aso
Managing Director

Panasonic *APPLIANCES INDIA Co. LTD.*

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **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.** Pursuant to the provisions of Section 105 of the Companies Act, 2013 a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. **The instrument appointing the proxy in order to be effective should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**
3. 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.
4. 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.
5. Members should bring the Attendance Slip duly filled in for attending the Meeting.
6. The Register of Members and Share Transfer Books will remain closed from September 20, 2014 to September 29, 2014 (both days inclusive).
7. 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.
8. The Company transferred the unclaimed dividend pertaining to the financial years 2004-2005 and 2005-2006 to the Investor Education and Protection Fund (IEPF) of the Central Government, pursuant to Section 205C of the Companies Act, 1956 (corresponding to Section 125 of the Companies Act, 2013). Those members who have so far not encashed their Dividend Warrants for the below mentioned financial years are requested to claim the same by approaching the Company or its Share Transfer Agents for the payment thereof as the same will be transferred to the **Investor Education and Protection Fund** on the respective due dates mentioned there against.

Details of dividend declared for the Financial Years from 2006-2007 onwards are given below :

Financial Year	Rate of Dividend	Date of Declaration	Last date for claiming unpaid Dividend
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
2010 - 2011	10%	30.09.2011	29.09.2018

9. Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2014 on the website of the Company (www.panasonicappliances.in) under the section 'Investor Relations', as also on the website of IEPF - www.iepf.gov.in
10. Member(s) can avail the facility of nomination in respect of shares held by them in physical form in accordance with the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 duly filled in to the Registrar and Share Transfer Agent of the Company, M/s Integrated Enterprises (India) Limited.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Register & Share Transfer Agents, M/s Integrated Enterprises (India) Limited.

12. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished requisite declarations for their appointment/re-appointment.
13. Electronic copy of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in permitted mode.
14. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2013-14 will be available on the Company's website www.panasonicappliancesindia.in for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: secretary@panasonicindia.in.
15. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by 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 for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically. Members who hold shares in physical form may register their email ID by informing the same to the Company or its Register and Share Transfer Agent.
16. Members holding shares in physical form are requested to notify / send the following information by quoting their Folio Number to the Registrar and Share Transfer 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.

17. **Voting by electronic means**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, read with Clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through the e-Voting Services provided by National Securities Depository Limited (NSDL).

The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed three days prior to the date of AGM. Accordingly the e-voting period commences on Monday, September 22, 2014 at 9.00 a.m. and ends on Wednesday, September 24, 2014, at 6.00 p.m. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on the resolution is cast by the shareholder, the shareholder shall not be able to change it subsequently.

Members are requested to follow the instructions below to cast their vote electronically:-

"Procedure and manner of e-voting"

- A. **In case a Member receives an email from NSDL** [(for members whose email ids are registered with the Company/Depository Participant(s))
 - (i) Open email and open PDF file viz; "Panasonic Appliances e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password provided in the PDF is an 'Initial Password'.

- (ii) Log on to the e-voting website by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder – Login
- (iv) Type User ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
- (vii) Select “EVEN” of Panasonic Appliances India Company Limited
- (viii) Cast vote page for e-voting opens
- (ix) Cast your vote by selecting the appropriate option and click on “Submit” and also “Confirm” when prompted
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory (ies) who are authorised to vote, to the Scrutinizer through e-mail to info@csrabi.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant (s) or requesting physical copy]:

- (i) Initial password is provided as below/ at the bottom of the Attendance Slip for the AGM:

EVEN (e-Voting Event Number)	USER ID	PASSWORD/PIN
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- (ii) Please follow all steps from Sl. No (ii) to Sl. No. (xii) above, to cast vote.

General Instructions

- (a) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- (b) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of Friday, August 29, 2014.
- (c) Mr. Rabi Narayan Pal, Practicing Company Secretary (Membership No. FCS 4993) has been appointed as the Scrutinizer to scrutinize the e-voting process and ensure that it is conducted in a fair and transparent manner.
- (d) The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour of or against, if any, forthwith to the Chairman.
- (e) The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer’s Report shall be placed on the website of the Company www.panasonicappliances.in and on the NSDL website <https://www.evoting.nsdl.com> within two working days of the passing of the resolutions at the 26th AGM of the Company on September 29, 2014 and also communicated to the Stock Exchanges.
- (f) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user Manuel for Shareholders available in the ‘downloads’ section of www.evoting.nsdl.com. You can also contact NSDL via e-mail at evoting@nsdl.co.in

- 18. All documents referred to in the accompanying Notice and the Statement pursuant to section 102(1) of the Companies Act, 2013, will be available for inspection at the registered office of the Company during business hours on all working days up to the date of declaration of the result of the 26th Annual General Meeting of the Company.

ANNEXURE TO THE NOTICE

Explanatory Statement as per Section 102 of the Companies Act, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the notice

Item Nos. 4, 5, 6

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Mr. K. Subramanian and Mr. Ajit. G. Nambiar, Non-Executive Independent Directors will retire by rotation at the ensuing AGM. The provisions governing the appointment and tenure of Independent Directors provided under the Companies Act, 2013 came into effect from 01.04.2014 which will be applicable to the appointment/re-appointment of Independent Directors made after 01.04.2014. Accordingly, the re-appointment of Mr. K. Subramanian and Mr. Ajit. G. Nambiar is required to be made in accordance with the applicable provisions of the Companies Act, 2013.

In order to align the appointment of Independent Directors with the requirements provided under the Companies Act, 2013 and amendment made to Clause 49 of the Listing Agreement with Stock Exchanges, it is proposed to appoint Mr. A. Raghavendra Rao also who was re-appointed by the members of the Company in the 25th AGM held on December 31, 2013 whose present term has not yet expired, as a Non-Executive Independent Director under the provisions of Section 149 (10)/(11) of the Companies Act 2013 read with Schedule IV.

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which has come into effect on 01.04.2014 provides that the Independent Directors shall be appointed for not more than two terms of up to five years each and shall not be liable to retire by rotation at every AGM. In accordance with the provisions of the revised Clause 49 of the Listing Agreement, those Independent Directors who have already served for five or more years will serve for a maximum period of one term of five years. The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amendment made to Clause 49 of the Listing Agreement. In effect, the transition will be managed by re-appointing all Independent Directors who have already served as Independent Director for more than five years for a period of one more term that does not exceed five years.

Accordingly, it is proposed to appoint, Mr. K. Subramanian and Mr. A. Raghavendra Rao as Independent Directors to hold office for one more term along with Mr. Ajit. G. Nambiar who was appointed on August 30, 2012 for a term of 5 (five) consecutive years commencing from September 29, 2014 in terms of Section 149 and other applicable provisions of the Companies Act, 2013, read with Schedule IV of the Act and the Rules made there under and Clause 49 of the Listing Agreement.

All the above directors are not disqualified from being re-appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. K. Subramanian, Mr. Ajit. G. Nambiar and Mr. A. Raghavendra Rao for the office of Directors of the Company.

A brief profile of the proposed Independent Directors, including nature of their expertise and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided herein. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

In the opinion of the Board, Mr. K. Subramanian, Mr. Ajit. G. Nambiar and Mr. A. Raghavendra Rao fulfill the conditions specified in the Companies Act, 2013 and the rules made thereunder and the amended Clause 49 of the Listing Agreement for their appointment as Independent Directors of the Company. Having regard to the qualifications, knowledge and experience, their appointment as Independent Directors will be in the interest of the Company. The Board recommends their appointment as Independent Directors in the interest of the Company.

Except Mr. K. Subramanian, Mr. Ajit G. Nambiar and Mr. A. Raghavendra Rao who are interested in their respective re-appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

Item No. 7

As per the provisions under Section 180 of Companies Act, 2013, the Board of Directors of the Company shall exercise their power to borrow money (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) where the money to be borrowed together with the money already borrowed by the Company exceed aggregate of the paid up share capital and free reserves only with the consent of the Company by a special resolution instead of an ordinary resolution envisaged under Section 293 of the Companies Act, 1956 which was now replaced by the Companies Act, 2013. Similarly to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company also requires consent of the Company by a special resolution instead of an ordinary resolution under the Companies Act, 2013.

Considering the long term fund requirements and the compliance requirements provided under the Companies Act, 2013 it is proposed to obtain the consent of the members under Section 180(1)(c) to enable the Board to borrow money (other than temporary borrowings) in excess of paid up capital and free reserves of the Company subject to a ceiling of ₹ 75 Crores by way of a special resolution. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole of the undertaking of the Company which requires consent of the members by a special resolution as per Section 180(1)(a) of the Companies Act, 2013. Accordingly, the consent of the members is also sought under Section 180 (1) (a) to enable the Board to create charge/mortgage on all or anyone or more of the movable/ immovable properties or other assets of the Company (both present and future) in favour the lenders to secure any borrowing from such lenders wherever required. The Board recommends these resolutions for the approval of the members as Special Resolution

None of the Directors & Key Managerial Personnel of the Company including their relatives are, in any way concerned or interested in the said Resolution.

Item No. 8

Pursuant to the provisions of Section 94 of the Companies Act, 2013, ("the Act") the registers required to be kept and maintained by the Company under Section 88 viz., register of members, debenture holders and other security holders if any and Indexes thereof besides copies of annual return filed under Section 92, shall be kept at the registered office of the Company. However the aforesaid registers/returns can also be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside provided a proposal in this regard is approved by a special resolution passed at a general meeting.

The Company proposes to keep the Register of Members, copies of Annual Returns and all relevant documents/ registers pertaining thereto, maintained by the Company either physically or electronically, at the office of the Registrar & Transfer Agents of the Company viz., M/s. Integrated Enterprises (India) Ltd currently situated at "Kences Towers", 2nd Floor, #1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017. In terms of the requirements of Section 94 of the Act, it is proposed to pass a special resolution and obtain authority of the members to keep the aforesaid Register/Returns etc., at the office of M/s. Integrated Enterprises (India) Ltd, Registrar & Transfer Agent of the Company.

None of the other Directors, Key Managerial Personnel of the Company or their relatives is deemed to be interested or concerned in the resolution mentioned under Item No. 8.

The Board recommends this resolution for approval of the Members.

PROFILE OF DIRECTORS

A brief profile of the Directors who are proposed to be appointed/re-appointed is given below

Mr. K. Subramanian (DIN: 00019088)

Mr. K. Subramanian joined the Board of the Company in January 2007 as a Non-Executive Independent Director. He is a member of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Company.

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Mr. K. Subramanian, 74 years, M.A., B.L., joined banking service in 1964 and rose to the level of Chairman and Managing Director of Indian Overseas Bank (IOB) in 1996 and was holding that position till 1999. He held the position of Chief Executive In-Charge Singapore Operations and also headed the International and Credit division in Indian Bank. He held various prestigious positions viz., Director-United India Insurance Company Ltd., Member – Finance Committee – Board of Control for Cricket in India (BCCI) and Vice-President and Chairman-Finance Committee – Tamil Nadu Cricket Association. He also published many articles relating to Banking and edited the book “Banking Reforms in India”. He has wide experience and knowledge in Finance and Banking areas.

Directorship and Membership/Chairmanship of Board Committees in other Companies (excluding foreign and private companies)

Directorship in other Companies	Position held	Membership/Chairmanship of Board Committees in other Companies
Panasonic Carbon India Co. Ltd	Director	Audit Committee - <i>Member</i> Shareholders/Investors Grievance Committee - <i>Member</i> Remuneration Committee- <i>Member</i>
The Jeypore Sugar Company Ltd	Director	Audit Committee - <i>Member</i> Share Transfer Committee- <i>Member</i>
V. Ramakrishna Sugars Limited	Director	

Mr. K. Subramanian does not hold any shares in the Company.

Mr. Ajit. G. Nambiar (DIN: 00228857)

Mr. Ajit. G. Nambiar joined the Board of the Company in August 2012 as a Non-Executive Independent Director. He is a member of the Nomination and Remuneration Committee of the Company.

Mr. Ajit G Nambiar, 51 years, is the Chairman and Managing Director of BPL Limited. After obtaining his degree in Computer Engineering from Boston University, USA, Mr. Nambiar started his career in Electronic Research Private Limited (ERPL)(which is a company in BPL Group) in 1984 and was appointed as its Managing Director in 1986. He took over as the Managing Director of BPL Ltd in 1993 and is presently its Chairman and Managing Director. He also holds Directorship in many closely held companies in the BPL Group. Over the last 20 years, Mr. Nambiar has played a pivotal role in BPL's growth and success and was instrumental in setting up of the Manufacturing Facility in Dobaspet, near Bangalore. He is an industrialist with rich business experience.

Directorship and Membership/Chairmanship of Board Committees in other Companies (excluding foreign and private companies)

Directorship in other Companies	Position held	Membership/Chairmanship of Board Committees in other Companies
BPL Limited	Chairman and Managing Director	Investors' Relation Committee - <i>Member</i>
Bharat Energy Ventures Limited	Director	

Mr. Ajit. G. Nambiar does not hold any shares in the Company.

Mr. A. Raghavendra Rao (DIN: 00171736)

Mr. A. Raghavendra Rao joined the Board of the Company in March 2003 as a Non-Executive Independent Director. He is a member of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Company.

Mr. A. Raghavendra Rao, 79 years, is a Commerce and Law Graduate and also an Associate 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

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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.

Directorship and Membership/Chairmanship of Board Committees in other Companies (excluding foreign and private companies)

Directorship in other Companies	Position held	Membership/Chairmanship of Board Committees in other Companies
Panasonic Carbon India Co. Ltd	Director	Audit Committee - <i>Member</i> Shareholders/Investors Grievance Committee - <i>Member</i> Remuneration Committee- <i>Member</i>

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

Mr. Harshad Reddy (DIN: 02364798)

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 and is the Managing Director of Unique Home Health Care Limited.

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

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

Place : Chennai
Date : August 29, 2014

Hidenori Aso
Managing Director

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with the Audited Accounts of your Company for the financial year ended March 31, 2014.

FINANCIAL RESULTS

The financial performance of your Company for the financial year ended March 31, 2014 is summarized below:

	(₹ in Crores)	
Particulars	2013-2014	2012-13
Revenue from Operations (including Excise Duty)	176.48	167.10
Other Income	0.66	0.65
Profit before depreciation and interest	3.78	(4.55)
Less: Interest	3.83	3.41
Depreciation	3.39	3.48
<u>Profit / (Loss) before Tax</u>	(3.44)	(11.44)
Less: Provision for taxation	0.01	0.03
<u>Profit / (Loss) after Tax</u>	(3.43)	(11.41)
Balance in Profit & Loss Account brought forward	(6.16)	(8.25)
Accumulated Balance in Profit & Loss Account	(9.59)	(19.66)
Less: Loss adjusted against securities premium account pursuant to scheme of arrangement	-	13.50
Profit/Loss after adjustment as per the Scheme of Arrangement	-	(6.16)
Balance of Profit & Loss carried to Balance Sheet	(9.59)	(6.16)

PERFORMANCE

Your Company was able to record a better than expected performance considering the adverse external factors that prevailed during the financial year 2013-14. The increased focus on cost reduction measures at its manufacturing facility, office and branches with special emphasis on reducing input costs and overhead expenses helped the Company to improve its financial performance in spite of the political turmoil which severely affected sales in its major market Andhra Pradesh. The increase in exports coupled with a favourable exchange rate also helped the Company to improve its performance in 2013-14. However, in spite of the aggressive efforts taken by the Company for cost reduction, the impact of the high fixed and overhead costs still continues to be a major factor affecting the company's financial performance.

Considering that the overall consumer sentiment and business confidence which prevailed during the financial year 2013-14 was not conducive due to a host of factors, the fact that your Company was able to increase its sales compared to previous financial year with an improvement in the bottom line shows a sign of revival. The management of the Company strongly believes that the strategic initiatives which were implemented during the previous financial years are far-reaching and will definitely materialize in the long-term and deliver a sustainable and profitable growth.

During the year under review the gross sales of the Company stood at ₹176.48 Crores as against ₹167.10 Crores in the previous year. The Company has incurred a loss of ₹3.43 Crores in 2013-14 as against ₹11.41 Crores in the previous year.

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DIVIDEND

In the absence of any distributable profit, the Board of Directors do not recommend any dividend for the financial year 2013-14.

INCREASE IN SHARE CAPITAL

During the year the Company has allotted 2,89,000 equity shares of face value of ₹ 10/- each at a premium of ₹115/- per share to Panasonic Corporation as a result of the conversion of 2,89,000 Zero Coupon Compulsorily Convertible Debentures (CCD's) of the face value of ₹ 125/- held by Panasonic Corporation into equity shares. Subsequent to the allotment of shares as aforesaid, the Paid-up Equity Share Capital of the Company stands increased to ₹ 9,83,20,000/- divided into 98,32,000 equity shares of face value ₹ 10/- each from its previous level of ₹ 9,54,30,000/- divided into 95,43,000 equity shares of face value ₹ 10/- each

DIRECTORS

Your Directors express their profound grief and sorrow on the sad demise of Mr. Justice S Natarajan, Non-Executive Independent Director of the Company, on April 11, 2014. Mr. Justice S Natarajan joined the Board of the Company in the year 1990 and has been associated with the Company ever since. Your Directors place on record its deep sense of appreciation for the outstanding contribution made and the role played by Mr. Justice S Natarajan as an Independent Director on the Board for the growth of the Company and the interest of all its stakeholders for the last 14 years.

During the year, Mr. Norifumi Matsui who was representing Panasonic Corporation, Japan, resigned from the Directorship of the Company. The Board places on record their appreciation for the valuable contribution made by Mr. Norifumi Matsui during his tenure as Director on the Board of the Company.

The Board of Directors had co-opted Mr. Shigeru Dono as an Additional Director at its meeting held on November 12, 2013 and he was subsequently appointed as Director on the Board of the Company at the Annual General Meeting held on December 31, 2013.

In accordance with the Articles of Association of the Company and applicable provisions of the Companies Act, 2013, Mr. Harshad Reddy retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment

The Company has received notices under Section 160 of the Companies Act, 2013, from members proposing the appointment of Mr. K. Subramanian, Mr. Ajit. G. Nambiar and Mr. A. Raghavendra Rao as Independent Directors. The Company has received declarations from the said Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the Clause 49 of the Listing Agreement with the Stock Exchanges. In accordance with the provisions of Section 149(4) and proviso to Section 152(5) of the Companies Act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company and shall not be subject to retirement by rotation. The profiles of these Directors, as required by Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges is given along with the Notice of the Annual General Meeting.

AUDITORS

The Statutory Auditors of the Company, M/s. Brahmayya & Co., Chartered Accountants retires at the ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept office, if re-appointed. Their re-appointment as the Statutory Auditors for the Financial Year 2014-15, forms part of the Notice of the said Annual General Meeting and the Resolution is recommended for your approval.

COST AUDITORS

As per the requirement of the Central Government and pursuant to the requirement of Section 233B of the erstwhile Companies Act 1956, the Company had appointed M/s. Thanigamani & Associates, Cost Accountants, as Cost Auditors for the Financial Year 2013-2014. The Cost Audit Report for the Financial Year ended March 31, 2014 is being filed within the prescribed time.

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.

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 the Companies Act, 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.

AWARDS & RECOGNITIONS

Your Company has obtained the ISO 9001:2008 (quality management) certification for quality excellence in its operations. This certificate demonstrates your Company's and management's sustained commitment to ensure the highest levels of quality and consistency of execution and in meeting globally recognised management system requirements.

Your Company has been awarded and classified under the category of 'Star Export House' by the Government of India, Ministry of Commerce. This status would enable your Company to enjoy a number of preferential treatments both for import and export in addition to accelerated processing of export incentives.

CORPORATE SOCIAL RESPONSIBILITY

Panasonic Company as a whole aims at a CSR Management that is trusted by the society and implements this by undertaking several initiatives that contribute to the society and promote energy saving and environmental sustainability management. Developing green and energy-efficient products, reducing CO2 emissions, resource circulation, contributing to local communities, expanding with environmental technology at the core, encouraging the spread of environmental conservation activities, developing an excellent working environment and promoting 'eco ideas' for everybody everywhere, are some of the ways Panasonic carries this out. 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.

The Corporate Social Responsibility of Your Company has been guided by the CSR Management philosophy of Panasonic coupled with its basic management philosophy which states that the mission of an enterprise is to contribute to the progress and development of society and the well-being of people worldwide. The sound business practices adopted by the Company are in line with its value system. 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 has continued its green belt activities by planting tree samplings in and around the factory premises. As a part of saving energy, consumption and resources, your Company is working considerably in reducing paper usage. Ground water conservation measures include recycling the waste water with the help of sewage water treatment plants and utilizing it for purposes like gardening, cleaning, etc. In an effort to promote CSR activities in local areas, the Company was also a sponsor for the Program "Vetri Ungal Kayil 2013" conducted by the Gojan School of Business & Technology for meritorious Higher Secondary students.

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Product safety and quality underline the Company's determination to deliver a sense of security and satisfaction in its products to all its customers and your Company obtained the certificate of membership from Safety Association For Everyone (SAFE). The Company ensures product safety by enhancing product designs and 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, the 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.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provision of Section 205A (5) of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

INDUSTRIAL RELATIONS

The relations with the employees of the Company have continued to remain cordial.

ACKNOWLEDGEMENTS

Your Directors wish to express their deep sense of appreciation for the committed services of all the employees of the Company. They also 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 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.

(For and on behalf of the Board of Directors)

Place : Chennai
Date : August 29, 2014

Hidenori Aso
Managing Director

A. Raghavendra Rao
Director

ANNEXURE 'A' to DIRECTORS' REPORT

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange

A. CONSERVATION OF ENERGY

a) Energy Conservation measures taken	<ul style="list-style-type: none"> i) Planning the production schedule according to the power requirement and peak hour power restrictions helped to avoid purchase of private power. This was achieved by altering the shift timings to avoid operation of power intensive processes/machines during peak hour restrictions on government power supply. ii) Buffing operation of Rice cooker Lid removed by improving handling process. iii) Centralised power cut system for Air conditioner during lunch break as an energy conservation measure.
b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.	- There is no pre planned investment proposal.
c) Impact of the measures of (a) and (b) for reduction of energy consumption and consumption impact on the cost of production of goods.	<ul style="list-style-type: none"> i) Reduction in the cost of power to the tune of ₹ 16 lakhs. ii) Energy saving of 1000 units. iii) Energy saving of 600 units.

B. TECHNOLOGY ABSORPTION

FORM B

(See Rule 2)

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

1. Specific areas in which R&D carried out	- In an effort to enter new export Markets, R & D activities were carried out to develop additional models of the Existing Cooker and Mixer Grinder as per Global specifications for the export market, where the product specifications vary from country to country.
2. Benefits derived as a result of the above R&D	- Automatic Rice Cooker with capacity of 4.2 Litres has been developed. The model intended for Hong Kong, Thailand, Malaysia, Singapore, USA and Canada is ready for production and quality/safety certification required from international bodies viz., TISI for Thailand, SIRIM certificate for Malaysia, ETL / NSF for USA and Canada have been obtained which is mandatory for export to these countries.
3. Future plan of action	<ul style="list-style-type: none"> - In-house manufacture of 7.2 Litres capacity Automatic Electric Cookers for both domestic and export markets. - In-house manufacture of 3.2 Litres capacity for Domestic, Hong Kong and Thailand destination. - New Mixer Grinder Models MX-AC555/MX-AC310/MX-AC400 (Black)/MX-AC250 with addition of Multi Jar (New Jar) and Plastic parts color change.

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	<ul style="list-style-type: none"> - Development of Mixer Grinder intended for Kazakhstan. - Development of 3.2 and 4.2 Litres models intended for Africa and Sri Lanka. - Development of 1.8 Litres model intended for Israel.
4. Expenditure on R&D	- Expenditure incurred for development of 4.2 Litres model was ₹ 16,27,849.00 during 2013-14.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

1. Efforts, in brief made towards technology absorption, adaptation and innovation	<ul style="list-style-type: none"> - Company continues to avail technical assistance and knowhow from Panasonic Corporation Japan (KABD and BLBD) for the Development of export model Cooker and new models of Mixer Grinder. - Manufacturing Innovation activities that has been undertaken with the support of Panasonic Corporation has resulted in the improvement of productivity in all in-house parts production and in the main assembly.
2. Benefits derived as a result of the above efforts, example product improvement, cost reduction, product development, import substitution etc.	<ul style="list-style-type: none"> - Cost Reduction in the input materials of cooker parts amounting to ₹ 75.8 lakhs, ₹ 58.0 lakhs in the Mixer parts and ₹ 5.87 lakhs by reduced Transportation Costs resulted in an overall benefit of ₹ 192.5 lakhs during 2013-14. - ₹ 32.89 lakhs cost reduction (included in the above ₹ 192.5 lakhs) in the input materials was achieved due to the localization of certain import parts like Terminal Pin A, Terminal Pin B, PP Raw Material for Bottom Frame and 4.2 L Cooker parts. - Productivity increased by 37% in Press shop, 11% in Cast heater shop, 12% in Cooker Assembly and 5% in Mixer Grinder Assembly.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets.	The Company has exported 73,965 Nos. of Electric Cookers and 72,936 Nos. of Mixer Grinder during the Financial Year 2013-14 as against 79,074 No's of Electric Cooker and 69,750 No's of Mixer Grinders in the previous financial year.
b) Total foreign exchange used and earned	Foreign exchange earned during the financial year 2013-14 was ₹ 28.67 Crores as against ₹ 26.43 Crores in the financial year 2012-13. Similarly the foreign exchange outgo during financial year 2013-14 was ₹ 28.49 Crores as against ₹ 23.67 Crores outgo during the financial year 2012-13.

ANNEXURE 'B' TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW OF ECONOMY

The Indian economy has been going through a difficult phase where GDP growth recorded lower than 5% in the years 2012-13 and 2013-14 as against a 9% growth in the GDP registered between 2005-06 and 2007-08. There was a general slowdown in the global economy which coupled with a host of domestic factors affected the growth of the domestic economy. Average growth in the emerging markets and developing economies including China declined from 6.8 per cent to 4.9 per cent in this period. In addition to the growth slowdown in the economy, the level of inflation continued to be above the comfort levels in spite of the fact that the WPI inflation declined in 2013-14 to 6% as against 7.4% in 2012-13.

The Manufacturing sector, which accounts for 55% of the Industry, showed negative growth by 0.2% during 2013-14. During the year, the economy was hamstrung by high level of inflation and high interest rates, leading to relatively low consumer interest. Policy logjam, political uncertainty, rising input costs, volatile foreign exchange rates, high interest rates etc., were some of the major factors which affected economic growth during 2013-14.

The fact that inflation had remained high reduced the real purchasing power of the households. High interest rate affected demand for home appliances. In the slump period, margins of businesses including that of your Company came under severe pressure, as buyers tend to bargain hard or postpone purchases until the sale season starts. Your Company's performance for the year 2013-14 has to be viewed in the context of the aforesaid economic and market environment.

BUSINESS REVIEW

During the year under review, Your Company was able to marginally increase its gross sales which stood at ₹ 176.48 Crores as against ₹ 167.10 Crores in the previous year. The Company has incurred a loss of ₹ 3.43 Crores in 2013-14 as against ₹ 11.41 Crores in the previous year. The finance cost continued to be a major factor affecting the profitability. During 2013-14, the Company has spent ₹ 3.83 Crores as against ₹ 3.48 Crores in the previous year in respect of finance costs. The borrowing level continues to be on the higher side due to the huge losses suffered by the Company in the past two years.

As you are aware, the State of Andhra Pradesh contributes to a major portion of the sales of your Company especially that of Cookers. The continuous agitation in Andhra Pradesh after the announcement of the decision of the Central Government to create a separate state of Telangana during July 2013 severely affected the sales of Cooker in this major market of your Company. In addition to this, long hours of power cut in major markets like Tamil Nadu, Karnataka and Andhra Pradesh due to acute shortage of electricity has also adversely affected the sale of electrical appliances including your Company's products in those States.

The Company through various cost reduction measures as well as strategic initiatives was able to significantly reduce the amount of losses. Uncertain economic situation, a volatile domestic currency, high cost of borrowing, high level of inflation etc., were some of the major impediments for the growth of the economy and your Company during 2013-14.

Despite an unfavourable macro-economic scenario, your Company worked aggressively to strengthen its presence by expanding sales not only pan-India but also by increasing its exports. Your Company was able to increase the export sales considerably during 2013-14. Manufacture of big capacity cookers was one of the significant achievements made during 2013-14. In addition to strengthening its international presence, your Company also strengthened and expanded its existing network of distributors, dealers and retail touch points and made inroads into new markets by innovative brand awareness campaigns.

Your company has ongoing significant turnaround and growth strategies under execution and continues its efforts to expand its product portfolio. Introduction of big capacity cookers, addition to the range of imported small kitchen appliances besides launching the multi-colour "Spectra range of rice cookers" are some of the major measures undertaken to increase market penetration.

OUTLOOK ON OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The global economy is slowly recovering, with consumer sentiment showing signs of improvement in larger markets and advanced economies. Confidence amongst consumers is increasing, particularly with a stable government at the centre and is generating the much needed boost to investor sentiment and reviving the private investment cycle in particular.

The Company is working to increase its manufactured product portfolio keeping in view the changing market aspirations. The strong foundation of the Company coupled with the reputation it has to manufacture High Quality products and deliver services which meet customer expectations is your Company's major strength. The fact that your company has a wide

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network of after sales service centres across the country, with reduced competition from Chinese players and with the kitchen appliances market in India growing at 30 to 40 per cent, there is a lot of opportunity to increase the sales of the products of your company.

Your Company still continues to retain its dominant position in the Electric Cooker segment and is looking to increase its market share with NextGen automatic cookers in a variety of colours. Your Company also showed a steady growth in Mixie sales especially in the International Market.

Quality of its products continues to be the strength of the Company and with a shift happening among customers in their preference from low quality to high quality branded products, your Company stands to gain.

The negative sentiment prevailing in the economy, slow down in employment affecting income level of people and an increasing competition due to entry of new players-foreign as well as regional in the kitchen appliances segment are a matter of concern. The inflationary trend in India which is likely to have a negative effect on the disposable income of individuals can also affect the Company's margins/turnover. The unprecedented and prolonged economic slowdown in the national economy which is only slowly recovering and weak consumer sentiment continue to remain challenges for your Company growth among the rest. Your Company will keep a constant watch over these developments and take such remedial measures as may be necessary.

RISK MANAGEMENT

Risk Management refers to a series of measures to recognize, confirm, evaluate and prioritize risks and 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 a 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 the executive management is controlling risks through a properly defined framework. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company's risk management policy is backed by strong internal control systems.

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 commensurate with the nature of business and the size and complexity of operations. The internal control systems are supplemented by internal audits by an external auditor and 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 ongoing exercise. The workforce management strategy was executed optimally to deliver a sustained utilization rate throughout the year helping business grow while maintaining employee costs at the desired level. The industrial relations in your Company continued to be cordial. The Company has 274 number employees as on March 31, 2014. Attrition rate stood at 4%.

DISCLAIMER CLAUSE

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 or 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

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

"Doing the right thing doesn't automatically bring success. But compromising on a good governance framework and business ethics always almost leads to failure"

The corporate governance framework of your Company continues to lay emphasis on the broad principles of integrity, fairness, equity, transparency, accountability and commitment to values. An effective Independent Board and the separation of the Board's supervisory role from the executive management ensure that the highest standards of professionalism and ethical behavior are maintained at all levels within the organization.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's primary objective is to create and adhere to the highest level of transparency, accountability and responsibility in all its operations and maintain high business ethics in interactions with all stakeholders including shareholders, employees and the Government. Your Company is committed to ultimate customer satisfaction by providing quality products and services. The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges with regard to corporate governance as applicable to it. Our Corporate Governance framework ensures that we make appropriate timely disclosures and share accurate information regarding our financials and performance as well as leadership of the Company.

2. BOARD OF DIRECTORS

The Board of Directors is committed to and is responsible for adhering to sound principles of Corporate Governance in the Company. The Board is entrusted with the responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties to carry out policy formulation, evaluation of performance and control function. All statutory and significant and material information are disclosed to the Board to facilitate it to carry out the responsibility of strategic supervision of the Company as trustees of the Shareholders and play an important role in overseeing how the management serves the interests of shareholders and other stakeholders. The Company strives to maintain an effective, informed and independent Board.

Composition

The Board comprises such number of Non-Executive, Executive and Independent Directors as required under the applicable legislation. As on March 31, 2014, the Board comprised 7 directors including one Executive Director and six Non-Executive Directors, four of whom were also Independent Directors. Accordingly, the composition of the Board is in conformity with the Stock Exchange Listing Agreement. The Composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business and is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchange. All Non-Executive Directors are renowned professionals having diverse experience and expertise. None of the Non-Executive Directors is responsible for the day-to-day affairs of the Company. The Chairman position of the Board remains vacant since the demise of Mr. P. Obul Reddy. At every meeting, one of the Directors present is elected to chair the meeting.

The Composition of the Board and other relevant details relating to Directors is given in Table 1. None of the Directors is a member of more than 10 Board-level Committees of Indian Public Limited Companies; nor are they Chairman of more than five Committees in which they are members. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2014 have been made by the Directors. Further, none of the Directors is related to the other, or to any other employee of the Company.

Board Meetings

The Board functions as a full Board and meets at regular intervals to decide on the Company / business policy and strategy apart from other Board businesses. 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 is set by the Company Secretary in consultation with the Managing Director of the Company and circulated to the Directors well

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in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. The Members of the Board are also free to recommend inclusion of any matter in the Agenda for discussion.

Eight Board Meetings were held during the financial year ended March 31, 2014, as against the minimum requirement of four meetings and the gap between two meetings did not exceed four months. The dates on which the said meetings were held on are May 30, 2013, July 30, 2013, November 12, 2013, December 03, 2013, December 27, 2013, January 30, 2014, February 28, 2014 and March 24, 2014. The last Annual General Meeting of the Company was held on December 31, 2013.

Table 1: Composition, Attendance at Board meetings and last Annual General Meeting (AGM) and details of memberships of Directors in other Boards and Board Committees

Name of the Director	Director Identification Number	Designation and Category	No. of Board Meetings attended in the year	Attendance at the last AGM	No. of Directorships*	No. of Committees**		No. of Shares held
						Chairman	Member	
Mr. Hidenori Aso	00158246	Managing Director; Executive, Promoter	8	Yes	Nil	Nil	Nil	Nil
Mr. Justice S. Natarajan#	00017494	Director; Non-Executive; Independent	8	Yes	1	Nil	2	500
Mr. A. Raghavendra Rao	00171736	Director; Non-Executive, Independent	8	Yes	1	Nil	2	Nil
Mr. K. Subramanian	00019088	Director; Non-Executive; Independent	8	Yes	3	Nil	4	Nil
Mr. Ajit Gopal Nambiar	00228857	Director; Non-Executive; Independent	3	No	2	Nil	Nil	Nil
Mr. Harshad Reddy	02364798	Director; Non-Executive; Promoter	7	No	3	Nil	Nil	Nil
Mr. Norifumi Matsui***	02714976	Director; Non-Executive; Promoter	Nil	No	Nil	Nil	Nil	Nil
Mr Shigeru Dono****	06734015	Director; Non-Executive; Promoter	1	No	Nil	Nil	Nil	Nil

Ceased to be a Director upon his demise on April 11, 2014.

* Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

** Includes only Audit Committee and Stakeholders Relationships Committee

***Resigned as Non-Executive Promoter Director on November 12, 2013

****Appointed as Non-Executive Promoter Director on November 12, 2013

Availability of information to Board Members

The Board has unrestricted and complete access to all the relevant information of the Company including that of employees. The quantum and quality of information supplied by the management to the Board goes well beyond the minimum requirement stipulated in Clause 49. At Board Meetings, managers and representatives who can provide additional insights on items being discussed are invited. Regular updates provided to the Board include:

- Annual operating business plans and budgets and updates
- Reviewing quarterly and annual business performance of the Company

- Minutes of meetings of audit, share transfer and investor grievances, and remuneration committees
- Information on recruitment and remuneration of senior officers below the Board level, including appointment of Key management personnel, if any
- Materially important litigations, show cause, demand, prosecution and penalty notices
- Any materially relevant defaults in financial obligation to and by the Company
- Transactions that involve substantial payments towards goodwill, royalty or Intellectual Property
- Details of foreign exchange exposure and the steps taken by the Management to limit risks of adverse exchange rate movement.
- Non-compliance with any regulatory, statutory or listing requirements

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all Committees are placed before the Board for review. The Board has currently established the following statutory and non-statutory Committees.

3. Audit Committee

The Audit Committee of the Board is constituted in accordance with the applicable provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Terms of reference

The terms of reference of Audit Committee include the powers and role stipulated in Clause 49 of the Listing Agreement and is broadly as under

- 1) Overseeing the Company's financial reporting process and disclosure of its financial information.
- 2) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment of any other services.
- 3) Discussion with the external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 4) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Director's report
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- 5) Reviewing with the management, the quarterly and half-yearly financial statements before submission to the Board for approval.

- 6) Reviewing with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.
- 7) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- 8) Discussion with internal auditors of any significant findings and follow up there on.
- 9) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 10) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 11) Reviewing the functioning of the whistle blower mechanism.
- 12) Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor.
- 13) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition

The Company's Audit Committee for the financial year 2013-14 comprised of three Independent Directors. The Chairman of the Committee is an Independent Director. All the members of the Audit Committee are financially literate with knowledge in accounts and having financial management expertise.

The Audit Committee invites such number of the executives as it considers appropriate, particularly senior officers from the finance and accounts department, representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

Meetings and Attendance

During the financial year ended March 31, 2014, Six Audit Committee Meetings were held on May 21, 2013; June 01, 2013; July 30, 2013; November 6, 2013; December 03, 2013 and January 29, 2014 and the gap between two meetings did not exceed four months. The necessary quorum was present for all the meetings.

Table 2: The details of the Composition of the Committee, Names of Members and Chairperson and attendance at its Meetings are as follows

Sl. No	Name of the Member	Category	Number of Meetings	
			Held	Attended
1.	Mr. Justice S. Natarajan, Chairman	Chairperson; Non-Executive; Independent	6	6
2.	Mr. A. Raghavendra Rao	Member; Non-Executive; Independent	6	6
3.	Mr. K. Subramanian	Member; Non-Executive; Independent	6	6

Attendance at previous Annual General Meeting

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on December 31, 2013 to answer shareholder queries.

4. Remuneration Committee

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.

Terms of Reference

The broad terms of reference of the Remuneration Committee are as under

- To recommend appointments to the Board
- To evaluate the performance of the whole-time Directors on predetermined parameters and to recommend their Remuneration
- To review the remuneration recommended to the senior management personnel
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee

Composition

The Company's Remuneration Committee for the financial year 2013-14 comprised of three Independent Directors. The Chairman of the Committee is an Independent Director.

Meetings and Attendance:

During the financial year ended March 31, 2014, there was no meeting of the Remuneration Committee.

Attendance at previous Annual General Meeting

The Chairman of the Remuneration Committee was present at the last Annual General Meeting of the Company held on December 31, 2013 to answer shareholder queries.

Details of Remuneration

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.

During the year 2013-14, the Company paid sitting fees of ₹ 10,000/- and ₹ 8,000/- to the Non-Executive Directors other than Promoter Directors for attending meetings of the Board and meetings of the Audit Committee respectively. Non-Executive Directors are paid sitting fees 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.

Table 3: Details of remuneration paid to the Directors for the financial year ended March 31, 2014

i) Non-Executive Directors – Sitting Fees:-

SI. No	Name of Director	Sitting Fees (In ₹)
1.	Mr. Justice S Natarajan	1,43,000
2.	Mr. A. Raghavendra Rao	1,28,000
3.	Mr. K. Subramanian	1,43,000
4.	Mr. Ajit G Nambiar	30,000
5.	Mr. Harshad Reddy	Nil
6.	Mr. Norifumi Matsui	Nil
7.	Mr. Shigeru Dono	Nil
	TOTAL	4,44,000

Executive Directors' compensation and disclosures

The Company has only one executive Director viz., the Managing Director. The details of remuneration paid to the Managing Director is given below:-

ii) Executive Directors – Remuneration:-

SI. No	Name of the Director and Designation	Salary	Perquisites	Total
1	Mr. Hidenori Aso, Managing Director	₹ 2,100,000	₹ 208,166	₹ 2,308,166

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.

5. Share Transfer and Investor Grievances Committee

Terms of reference

The Committee is empowered to oversee the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and other miscellaneous complaints. The functions and powers of the Committee also 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. The Committee also reviews the performance of the Company's Registrar and Share Transfer Agents (R &TA) of dealing with and responding to correspondence from shareholders.

Composition

The Share Transfer and Investor Grievances Committee for the Financial Year ended March 31, 2014 comprised of two Independent Directors and the Managing Director. Mr. Justice S. Natarajan, Non-executive Independent Director served as the Chairman of the Committee.

Meetings and Attendance:

During the financial year ended March 31, 2014, Ten Share Transfer and Investor Grievances Committee Meetings were held on April 03, 2013; May 15, 2013; June 11, 2013; July 15, 2013; October 31, 2013; November 12, 2013; December 20, 2013; January 08, 2014, February 28, 2014 and March 18, 2014 to approve share transfers, address investor grievances (if any) and other related matters.

Table 4: The details of the Composition of the Committee, Names of Members and Chairperson and attendance at its Meetings are as follows

Sl. No	Name of the Member	Category	Number of Meetings	
			Held	Attended
1.	Mr. Justice S. Natarajan Chairman	Non-Executive; Independent	10	10
2.	Mr. Hidenori Aso	Managing Director	10	10
3.	Mr. K. Subramanian	Non-Executive; Independent	10	10

The Company attends to the Shareholders correspondence and investor grievances expeditiously. Complaints or queries relating to the shares and/ or debentures received during the Financial Year 2013-14 is as follows:

Type	Nos.
Complaints Received	Nil
Non-Receipt of Certificate after Transfer/Bad Delivery	1
Non-Receipt of Dividend Warrant/Cheque/Demand Draft	1
Revalidation of Dividend Warrant/Cheque/Demand Draft	6
Issue of Duplicate Share Certificate	1
Change of Address/Bank Mandate/ECS Mandate & Cancellation	10
Procedure for Transmission	3
Procedure for loss of Share Certificate	4
General Queries	13

There was no Shareholder/ Investor Complaint pending as on March 31, 2014.

6. General Body Meetings

a. Annual General Meetings:

The last three Annual General Meetings were held as under

Financial Year	Date	Time	Venue	Special Resolutions passed
2012-13	December 31, 2013	10.45 a.m.	Rani Seethai Hall No.603, Anna Salai, Chennai – 600 006	No Special Resolution was passed at this meeting
2011-12	September 28, 2012	10.30 a.m.	Sri. P. Obul Reddy Hall, Vani Mahal, #103, G.N. Chetty Road, T.Nagar, Chennai – 600 017	1. Re-appointment of Mr. Hidenori Aso as Managing Director of the Company for a period of 3 years with effect from August 01, 2012 2. Preferential Issue of 2,89,000 Zero Coupon Compulsorily Convertible Debentures of face value ₹ 125/- to Panasonic Corporation
2010-11	September 30, 2011	02.30 p.m.	Sri. P. Obul Reddy Hall, Vani Mahal, #103, G.N. Chetty Road, T. Nagar, Chennai – 600 017	Increase in the maximum limit of salary payable to Managing Director of the Company to ₹2.60 Lakhs per month with retrospective effect from 01.04.2011

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

7. Disclosures

a. 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.32 of the Notes on Accounts.

b. 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.

Certificate from the Company's Auditors, M/s. Brahmayya & Co., confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to the Directors' Report forming part of the Annual Report.

c. Whistle Blower Policy

The Company promotes ethical behavior in all business activities and has adopted a Whistle Blower Policy wherein it has established the necessary mechanism for employees to report concerns about unethical behavior, violations of laws, rules and regulations. The confidentiality of those reporting violations is maintained and they are not subject to any discriminatory practice. No person has been denied access to the Audit Committee.

d. The details of compliance with Mandatory/Non Mandatory requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement including Board Composition, Audit Committee, Share Transfer and Investor Grievances Committee, and disclosures to be made to the Board and Audit Committee including related party transactions, Accounting treatments, Risk Management etc.

With respect to Non-Mandatory requirements, the Company has constituted a Remuneration Committee and has no qualifications in the Auditors Report.

8. Means Of Communication

- (a) The quarterly, half yearly and annual financial results of the Company were published in “Business Standard”, “Trinity Mirror” newspaper editions and the Tamil version of the same was published in “Makkal Kural” newspaper. The periodic financial results, shareholding pattern and Annual Report are also displayed on the Stock Exchanges and also on the Company’s website “www.panasonicappliances.in”.
- (b) The Management Discussion and Analysis Report forms part of the Annual Report.

9. General Shareholder Information

a. Annual General Meeting

Date	September 29, 2014
Time	10.15 a.m
Venue	Mahaswamy Auditorium, Vani Mahal, #103, G.N. Chetty Road, T.Nagar, Chennai – 600 017
Book closure dates	Saturday, September 20, 2014 to Monday, September 29, 2014 (Both days inclusive)
Last date for receipt of Proxy Forms	Saturday, September 27, 2014 before 10.15 a.m. at the Registered Office of the Company

b. (i) Calendar of Financial year ended March 31, 2014

The meetings of Board of Directors for approval of quarterly financial results during the financial year ended March 31, 2014 were held on following dates

First Quarter Results (30 th June 2013)	30 th July, 2013
Second Quarter and Half Yearly Results (30 th September 2013)	12 th November, 2013
Third Quarter Results (31 st December 2013)	30 th January, 2014
Fourth Quarter Results (31 st March 2014)	30 th May, 2014

(ii) Tentative Financial Calendar for the year ending March 31, 2015

The tentative dates of meeting of Board of Directors for consideration and approval of quarterly financial results for the financial year ended March 31, 2015 are as follows

Adoption of Quarterly Results for the quarter ending

First Quarter Results (30 th June 2014)	21 st July, 2014
Second Quarter and Half Yearly Results (30 th September 2014)	3 rd /4 th week of November, 2014
Third Quarter Results (31 st December 2014)	3 rd /4 th week of January, 2015
Fourth Quarter Results (31 st March 2015)	3 rd /4 th week of May, 2015

c. Date of Book Closure

September 20, 2014 to September 29, 2014 (Both days inclusive)

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d. Listing on Stock Exchanges

The Equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE) besides being traded at National Stock Exchange (NSE) under the MOU signed between MSE and NSE. However, the Company is in the process of seeking voluntary delisting from the MSE, following its impending closure. The Company confirms that it has paid annual listing fees to above Exchanges for the year 2013-2014 and 2014- 2015 and there is no fee outstanding in relation to any of the previous financial years.

e. Stock Code

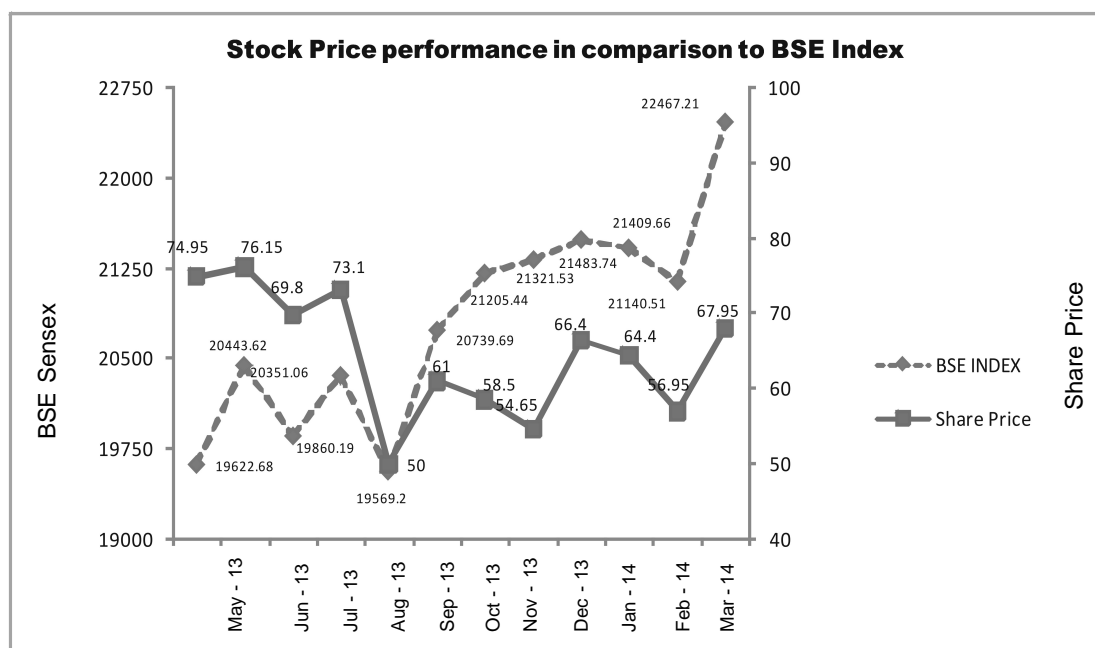
The Bombay Stock Exchange Ltd : 523307
 Madras Stock Exchange Ltd : INDOMATAPP
 National Stock Exchange of India Ltd : PANASONIC
 ISIN : INE841C01015

f. Market Price data for the Financial Year ended March 31, 2014

The reported high and low prices based on the daily closing prices of the equity shares of the Company traded during the financial year 2013– 14 on BSE and NSE are set out in the following table:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2013	74.95	62.05	79.50	65.00
May 2013	76.15	64.80	72.80	65.30
June 2013	69.80	51.15	72.45	54.00
July 2013	73.10	51.25	64.95	53.05
August 2013	50.00	45.25	76.00	48.00
September 2013	61.00	42.10	59.95	42.50
October 2013	58.50	48.95	53.00	42.20
November 2013	54.65	45.00	52.25	44.30
December 2013	66.40	50.85	63.80	50.00
January 2014	64.40	50.25	65.00	51.30
February 2014	56.95	47.05	51.90	44.20
March 2014	67.95	47.60	68.05	48.25

g. Performance in comparison to broad-based indices such as BSE Sensex



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h. Register and Share Transfer Agents:

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 **n. Address for Correspondence**

i. Share Transfer System

The Board has delegated the power to approve Share Transfer to the Share Transfer and Investor Grievance Committee. The Share Transfer and Investor Grievances Committee hold its meeting at least once in a 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 Circulars No's - D&CC/FITTC/CIR – 16/2002 dated December 31, 2002, SEBI/MRD/Policy/CIR-13/2004 dated March 3, 2004 and CIR/MRD/DP/30/2010 dated September 6, 2010, reconciliation of share capital audit is conducted on a quarterly basis by a Practicing Company Secretary, for the purpose of, inter alia, and 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.

j. Distribution of shareholding as on March 31, 2014

No. of Shares	Number of Shareholders		Number of Shares	
	Number	%	Number	%
UPTO 100	5309	77.18	412369	4.19
101-250	702	10.20	133988	1.36
251-500	484	7.03	189477	1.93
501-1000	206	2.99	164843	1.68
1001-5000	145	2.11	320430	3.26
5001-10000	12	0.17	83055	0.84
10001 AND ABOVE	21	0.31	8527838	86.74
Total	6879	100	9832000	100

Shareholding Pattern as on March 31, 2014

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Indian Promoters	10	1665106	16.94
Foreign Promoters	1	5632000	57.28
Corporate Bodies	137	1141401	11.61
Mutual Funds & UTI	2	1700	0.02
Banks & Financial Institutions	8	1800	0.02
Indian Public	6721	1389993	14.13
Total	6879	9832000	100

k. Dematerialization 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 March 31, 2014; 9,054,913 Equity Shares constituting 92.10% of the paid-up share capital of the Company have been dematerialized.

Panasonic *APPLIANCES INDIA Co. LTD.*

	No. of Shareholders		No. of Shares	
	Number	%	Number	%
No. of Shareholders in Physical Mode	3273	47.59	777087	7.90
No. of Shareholders in Electronic Mode	3606	52.41	9054913	92.10
Total	6879	100	9832000	100

I. Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and likely impact on equity

No GDR / ADR / Warrants or other convertible instruments is outstanding as on March 31, 2014 having an impact on equity.

m. Plant Location

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

n. 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 purpose of registering complaints by investors and other communications. The Shareholders may address their correspondence to:

Compliance Officer

Tom Antony

Chief Financial Officer /Company Secretary
Panasonic Appliances India Co. Ltd
21-C, South Phase, 5th Cross Street,
Guindy Industrial Estate, Guindy,
Chennai – 600 032
Phone Nos. : 044-22258701-05;
Fax No. : 044 – 22258730
Email : tom.antony@panasonicindia.in
Website : www.panasonicappliances.in
www.21timesbetter.com

Registrars and Transfer Agents

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

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.

The Managing Director and Chief Financial Officer have submitted the annual certificate on financial reporting and internal controls to the Board of Directors in terms of Clause 49 of the Listing Agreement for the year ended March 31, 2014 and same was taken on record by the Board.

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 March 31, 2014. The Code of Conduct is available on the website of the Company.

(For and on behalf of the Board of Directors)

Place : Chennai
Date : August 29, 2014

Hidenori Aso
Managing Director

A. Raghavendra Rao
Director

Declaration in respect of Compliance with the Code Conduct

I, Hidenori Aso, Managing Director of the Company hereby declare and confirm that all Directors and Management Personnel have affirmed compliance with Code of Conduct of the Company for year ended March 31, 2014.

Place : Chennai
Date : August 29, 2014

Hidenori Aso
Managing Director

AUDITORS' REPORT ON CORPORATE GOVERNANCE

TO

THE MEMBERS OF PANASONIC APPLIANCES INDIA COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by Panasonic Appliances India Company Ltd. (formerly Panasonic Home Appliances India Company Limited) for the year ended on 31st March, 2014, 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 Agreement.

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

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

Place : Chennai
Date : August 29, 2014

R.NAGENDRA PRASAD
Partner
Membership No.: 203377

Independent Auditor's Report

To

The Members of Panasonic Appliances India Company Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31 March 2014;
 - (ii) in the case of the Profit and Loss Statement, of the Loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
6. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, the Profit and Loss Statement and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
- e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Place : Chennai
Date : May 30, 2014

R.NAGENDRA PRASAD
Partner
Membership No.: 203377

Annexure referred to in paragraph 5 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 since no deposits accepted from public during the year;
 - b) Clause (xii) regarding loans granted against pledge of shares and securities etc., since no loans have been granted by the company during the year;
 - c) Clause (xiii) regarding special statute applicable to Chit Funds and Nidhis/Mutual Benefit Fund and Societies since the company has not carried on such business;
 - d) Clause (xiv) regarding dealing or trading in shares, securities etc. since the company did not carry on such activities during the year;
 - e) Clause (xix) regarding creation of securities in respect of debentures since no debentures issued during the year; and
 - f) Clause (xx) regarding money raised by public issue and its end use since no money was raised by public issue during the year
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.
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 Act.
 - (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 Act.
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 Act have been so entered.

Panasonic *APPLIANCES INDIA Co. LTD.*

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 Act and exceeding the value of ₹ 5,00,000/- 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. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records maintained by the company.
10. 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, excised-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, 2014 for a period of more than six months from the date they become payable.
11. 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, income tax, wealth tax and cess on account of any dispute. The details of disputed taxes 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 years 2001-2002 and 2002-03	2,20,582	Assistant Commissioner of Sales Tax (Appeals), Kolkata
Sales Tax demands for the financial years 2010-2011	44,03,673	Senior Joint Commissioner of Commercial Taxes, Kolkata
Sales Tax demands for the financial years 2008-2009	2,37,650	Maharashtra Sales Tax Appellate Tribunal, Mumbai
Sales Tax demands for the financial years 2008-2009	1,45,66,603	Additional Commissioner, Trade and Taxes, New Delhi
Service tax demands	66,05,651	Commissioner of Central Excise (Appeals), Chennai
Customs duty demand	30,13,811	Commissioner of Customs (Appeals), Chennai

12. *The accumulated losses of the company as at the end of the financial year are more than 50% of net worth of the company. The company has incurred cash losses during the financial year ended 31st March, 2014 and in the immediately preceding financial year.*
13. 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.
14. 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.
15. 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.
16. According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis *prima facie*, have not been used during the year for long term investment.
17. According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year. In our opinion, and according to the information and explanations given to us, the price at which such shares have been issued is not prejudicial to the interest of the company
18. Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year.

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

Place : Chennai
Date : May 30, 2014

R.NAGENDRA PRASAD
Partner
Membership No.: 203377

Panasonic *APPLIANCES INDIA Co. LTD.*

Balance Sheet as at March 31, 2014

Particulars	Note No.	Amount in ₹	
		As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	2	98,320,000	95,430,000
Reserves and Surplus	3	(20,952,116)	(19,875,749)
		<u>77,367,884</u>	<u>75,554,251</u>
(2) Non-Current Liabilities			
Long-term borrowings	4	6,249,994	54,041,670
Deferred tax liabilities Net	5	14,946,578	14,946,578
Long term provisions	6	10,793,301	9,021,221
		<u>31,989,873</u>	<u>78,009,469</u>
(3) Current Liabilities			
Short-term borrowings	7	340,000,000	225,000,000
Trade payables	8	167,264,571	242,416,947
Other current liabilities	9	70,929,939	94,628,660
Short-term provisions	10	7,827,810	3,316,386
		<u>586,022,320</u>	<u>565,361,993</u>
Total		<u>695,380,077</u>	<u>718,925,713</u>
II. Assets			
(1) Non-current assets			
<i>Fixed assets</i>			
i Tangible assets	11	297,126,719	315,943,491
ii Intangible assets		1,069,441	914,282
iii Capital work-in-progress		1,143,437	-
Long term loans and advances	12	14,984,296	17,101,137
Other non-current assets		-	-
		<u>314,323,893</u>	<u>333,958,910</u>
(2) Current assets			
Inventories	13	155,322,197	145,025,807
Trade receivables	14	193,657,277	216,016,263
Cash and Bank balances	15	2,211,396	2,191,434
Short-term loans and advances	16	14,807,997	13,264,234
Other current assets	17	15,057,317	8,469,065
		<u>381,056,184</u>	<u>384,966,803</u>
Total		<u>695,380,077</u>	<u>718,925,713</u>

See accompanying notes forming part of the financial statements.

As per our report of even date attached

For and on behalf of the Board

For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No: 000511S

Hidenori Aso
Managing Director

R.Nagendra Prasad
Partner
Membership No: 203377
Place : Chennai
Date : May 30 2014

A.Raghavendra Rao
Director

K.Subramanian
Director

Shigeru Dono
Director

Tom Antony
CFO & Company Secretary

Panasonic *APPLIANCES INDIA Co. LTD.*

Statement of Profit and Loss for the year ended March 31, 2014

Particulars	Note No.	Year ended March 31, 2014	Amount in ₹ Year ended March 31, 2013
Revenue from operations (Gross)	18	1,764,801,772	1,670,991,337
Less: Excise Duty		<u>191,440,912</u>	<u>195,442,832</u>
Revenue from operations (Net)		1,573,360,860	1,475,548,505
Other Income	19	<u>6,658,340</u>	<u>6,522,271</u>
Total Revenue		<u>1,580,019,200</u>	<u>1,482,070,776</u>
Expenses:-			
Cost of materials and components consumed	20	912,429,374	904,698,019
Purchase of Stock-in-Trade	21	94,433,663	31,775,853
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(14,200,981)	13,807,517
Employee benefits expense	23	171,590,858	170,392,175
Financial costs	24	38,314,585	34,083,176
Depreciation and amortization		33,857,627	34,817,692
Other expenses	25	<u>377,963,967</u>	<u>406,888,760</u>
Total Expenses		<u>1,614,389,093</u>	<u>1,596,463,192</u>
Profit / (Loss) before tax		(34,369,893)	(114,392,416)
Tax expense:			
Current tax		-	-
Deferred tax (Refer Note 5.1) Relating to earlier years		<u>58,526</u>	<u>328,425</u>
Profit / (Loss) after tax for the year		<u>(34,311,367)</u>	<u>(114,063,991)</u>
Earning per equity share: (Refer Note 40)			
Basic		(3.58)	(12.12)
Diluted		(3.49)	(11.93)
Face Value per Equity Share		10.00	10.00

See accompanying notes forming part of the financial statements.

As per our report of even date attached

For and on behalf of the Board

For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No: 000511S

Hidenori Aso
Managing Director

A.Raghavendra Rao
Director

K.Subramanian
Director

R.Nagendra Prasad
Partner
Membership No: 203377
Place : Chennai
Date : May 30 2014

Shigeru Dono
Director

Tom Antony
CFO & Company Secretary

Panasonic *APPLIANCES INDIA Co. LTD.*

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

Particulars	April 01, 2013 to March 31, 2014		April 01, 2012 to March 31, 2013	
	₹	₹	₹	₹
A. Cash Flows from Operating Activities				
Profit before tax		(34,369,893)		(114,392,416)
Add: Depreciation	33,857,627		34,817,692	
Interest	38,314,585		34,083,176	
Provision for warranty claims	4,128,295		2,322,572	
Provision for Gratuity and Leave encashment	239,169		(328,830)	
Unserviceable/Obsolete Stocks written off	2,515,225		2,645,430	
Provision for doubtful debts	488,367		3,130,592	
Loss on sale of fixed assets	287,443		2,562	
Fixed assets written off	-		38,770	
		79,830,711		76,711,964
		45,460,818		(37,680,452)
Less:				
Interest on deposits with banks	269,937		95,309	
Excess provisions/ credit balances written back	1,285,613		1,763,531	
		1,555,550		1,858,840
Operating Profit before working capital changes		43,905,268		(39,539,292)
Adjustments for:				
(Increase) / Decrease in trade and other receivables	18,382,755		105,125,807	
(Increase) / Decrease in inventories	(12,811,616)		10,864,925	
Increase / (Decrease) in trade payables	(72,504,817)	(66,933,678)	(79,572,077)	36,418,655
Cash generated from operations		(23,028,410)		(3,120,637)
Tax (paid) / Refund (Net)	(16,065)	(16,065)	727,438	727,438
Net Cash Generated from Operating Activities Total A		(23,044,475)		(2,393,199)
B. Cash Flows from Investing Activities				
Payment for purchase of fixed assets	(31,256,570)		(4,797,103)	
		(31,256,570)		(4,797,103)
Less: Proceeds from sale of fixed assets	445,888		234,253	
Interest received	160,646	606,534	101,817	336,070
Net Cash Used in Investing Activities Total B		(30,650,036)		(4,461,033)

Panasonic *APPLIANCES INDIA Co. LTD.*

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

Particulars	April 01, 2013 to March 31, 2014	April 01, 2012 to March 31, 2013
	₹	₹
C. Cash Flows from Financing Activities		
Proceeds from Issue of Share Capital	-	121,625,000
Proceeds from Issue of Compulsory Convertible debentures	-	36,125,000
Proceeds /(Repayment) from Term Loans	90,291,670	(115,858,336)
Interest paid	(36,573,227)	(34,356,856)
Net Cash from Financing Activities Total C	53,718,443	7,534,808
Net Increase / (Decrease) in cash and cash equivalents	23,932	680,576
Opening cash and cash equivalents	1,248,955	568,379
Closing cash and cash equivalents	1,272,887	1,248,955
Net Increase /(Decrease) in cash and cash equivalents	23,932	680,576

Note: For the purpose of this statement, Bank balances of ₹9,38,509 (previous year ₹ 9,42,479) 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.

As per our report of even date attached

For and on behalf of the Board

For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No: 000511S

Hidenori Aso
Managing Director

A.Raghavendra Rao
Director

K.Subramanian
Director

R.Nagendra Prasad
Partner
Membership No: 203377
Place : Chennai
Date : May 30 2014

Shigeru Dono
Director

Tom Antony
CFO & Company Secretary

Notes forming part of Financial Statements for the year ended March 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

- 1.1 The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with the Companies Act, 1956 and comply with the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956.
- 1.2 The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts. Estimates include allowance for uncollectable accounts receivables, future obligations under employees benefit plans, useful life of fixed assets, accounting for employee cost pending execution of agreements with workmen unions etc. The actual amounts (crystallized after preparation of financial statements) may differ from these estimates.

1.3 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.

1.4 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 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 ₹7,19,255/- 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 ₹ 1,03,64,232/- paid after commencement of operations included in Plant and Machinery is amortized over a period of 6 years.

1.5 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.

1.6 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.

1.7 Foreign Currency 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.

1.8 **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.

1.9 **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.

Deferred tax, being tax on timing difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years, has been recognized.

Deferred tax assets, excluding assets arising from loss/depreciation carried forward, are not recognized unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In case of carried forward loss/depreciation, it is recognized only if virtual certainty exists.

1.10 **Insurance Claims**

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

1.11 **Warranty Claims**

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

1.12 **Employee Benefits**

- (i) 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.
- (ii) 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.
- (iii) 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.

1.13 **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.

1.14 **Revenue Recognition**

Sales are net of sales returns and trade discounts and exclude all taxes and levies.

Export Incentive Benefits are accounted on the following basis:(a) Duty drawback entitlement is accounted on accrual basis.(b) Focus Market Incentive Script is accounted on receipt of script.

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial statements

2 Share Capital Amount in ₹

Particulars	As at March 31, 2014	As at March 31, 2013
2.1 Equity Share Capital		
a Authorised Share Capital:		
1,30,00,000 Equity shares of ₹ 10 each	<u>130,000,000</u>	<u>130,000,000</u>
b Issued, Subscribed and Fully Paid Up:		
98,32,000 Equity shares of ₹ 10 each	<u>98,320,000</u>	<u>95,430,000</u>
2.2 Reconciliation of number of shares outstanding		
Number of equity shares outstanding at the beginning of the year	9,543,000	8,570,000
Add: Shares issued during the year	289,000	973,000
Number of equity shares outstanding at the end of the year	9,832,000	9,543,000
Change in the number of Equity Shares Outstanding	<u>289,000</u>	<u>973,000</u>
2.3 Number of Shares held by Holding company		
- Panasonic Corporation, Japan	<u>5,632,000</u>	<u>5,343,000</u>

2.4 Number of shares held by each shareholder holding more than 5% shares

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	% of holding	Number of Shares	% of holding
Panasonic corporation, Japan	5,632,000	57.28%	5,343,000	55.99%
Mentor capital Limited	979,053	9.96%	-	-
J M Financial Services Pvt. Ltd	-	-	979,053	10.26%

2.5 The Company has only one class of shares i.e. equity shares having a par value of ₹10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to shareholding.

2.6 During the year, the company has issued 2,89,000 Equity shares of ₹ 10/- each at a premium of ₹ 115/- per share to Panasonic Corporation, Japan on conversion of 2,89,000 Zero Coupon Compulsory Convertible Debentures on January 30, 2014

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial statements

3 Reserves and Surplus	Amount in ₹			
Particulars	As at March 31, 2014		As at March 31, 2013	
Reserves				
Capital Reserve				
As per last Balance Sheet				
(i) Subsidy received from State Industries Promotion Corporation of Tamil Nadu Ltd	2,609,000		2,609,000	
(ii) Profit on Re-issue of forfeited Shares	4,500	2,613,500	4,500	2,613,500
Security Premium Account				
As per last Balance Sheet	38,721,600		61,826,600	
Add : Premium on shares issued during the year	33,235,000		111,895,000	
Less : Adjustment against debit balance in Profit & Loss Account as per Scheme of Arrangement	-	71,956,600	(135,000,000)	38,721,600
General Reserve				
As per last Balance Sheet		354,194		354,194
Surplus				
As per last Balance Sheet	(61,565,043)		(82,501,052)	
Less: Adjustment of Loss against securities premium account as per scheme of arrangement	-		135,000,000	
Add: Net (Loss) after tax for the year transferred from Profit and Loss Statement	(34,311,367)	(95,876,410)	(114,063,991)	(61,565,043)
		<u>(20,952,116)</u>		<u>(19,875,749)</u>
Non Current Liabilities				
4 Long Term Borrowings				
Secured				
Term Loans from a Bank	-		17,916,670	
		-	17,916,670	
Unsecured				
Term Loan from a Bank	6,249,994		-	
Compulsory Convertible Debentures (Note No. 4.4)	-		36,125,000	
	<u>6,249,994</u>		<u>36,125,000</u>	
	<u>6,249,994</u>		<u>54,041,670</u>	

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial statements

4.1 Notes on Secured Long Term Borrowings

Fixed Loans availed from a Bank for funding Jar Cooker Project and Capacity Expansion were initially secured by hypothecation of all present and future Plant and Machinery of the company. However these charges were revoked during 2013 -14.

4.2 The details of the long term borrowings are as follows:

Particulars	Repayment Start Date	Outstanding Amount as on 31.03.2014	Current Maturities	Instalment Amount	Interest Rate	Amount in ₹
						No. of Quarterly Instalments as per agreement
4.2.1 Unsecured Rupee Term Loans						
Term Loan	Jul/2011	3,333,340	3,333,340	833,335	8.75%	12
Term Loan	Oct/2012	14,583,330	8,333,336	2,083,334	10.50%	12
		17,916,670	11,666,676			
Less: Current Maturities of borrowings reclassified		11,666,676				
		6,249,994				

4.3 None of the above loans have been guaranteed by any Directors or others.

4.4 During the Previous year, the company had issued 2,89,000 Zero Coupon Compulsory Convertible Debentures (CCD's) of ₹ 125/- each to Panasonic Corporation, Japan on preferential basis. Each CCD was compulsorily convertible into one equity share of ₹ 10/- each at a premium of ₹ 115/- per share within a period of 18 months from the date of Allotment, i.e., September 28, 2012. These CCD's have been converted into equity shares on January 30, 2014

4.5 There has been no default as on Balance Sheet date in repayment of loans and payment of interest.

Non Current Liabilities

Particulars	Amount in ₹	
	As at March 31, 2014	As at March 31, 2013
5 Deferred Tax Liabilities (Net)		
Liability		
Related to Fixed Assets	35,399,185	35,862,999
	(A) 35,399,185	35,862,999
Assets		
Timing difference on account of Royalty	8,133,855	9,196,039
Provision for retirement benefits	1,430,470	1,352,871
Provision for doubtful debts	-	-
Unabsorbed depreciation	10,174,725	9,636,277
Bonus, taxes and other expenses	713,557	731,234
	(B) 20,452,607	20,916,421
	(A-B) 14,946,578	14,946,578

5.1 Deferred Tax asset on carried forward business loss and business depreciation amounting to ₹ 8,39,68,374 has not been recognised in the books of account as a matter of prudence as no virtual certainty exist on realisation of asset as on the balance sheet date. This will be reviewed on at the end of the balance sheet date every year and adjustments required, if any, would be carried out accordingly.

Panasonic *APPLIANCES INDIA Co. Ltd.*

Notes forming part of financial statements

	Amount in ₹	
Particulars	As at March 31, 2014	As at March 31, 2013
6	<u>Long Term Provisions</u>	
	Provision for employee benefits	
Leave Encashment (Unfunded)	4,089,867	4,002,948
Other provisions		
Provision for Warranty (Refer Note No. 40)	<u>6,703,434</u>	<u>5,018,273</u>
	<u>10,793,301</u>	<u>9,021,221</u>
	<u>Current Liabilities</u>	
7	<u>Short Term Borrowings</u>	
	<u>Secured</u>	
Short Term Loan from Bank	-	-
Loans repayable on demand from Bank	-	-
	<u>Unsecured</u>	
Loans repayable on demand from Bank	340,000,000	225,000,000
	<u>340,000,000</u>	<u>225,000,000</u>
7.1	None of the above loans have been guaranteed by any Directors or others.	
	<u>Current Liabilities</u>	
8	Trade Payables	
Related Party	46,083,804	50,758,108
Others	<u>121,180,767</u>	<u>191,658,839</u>
	<u>167,264,571</u>	<u>242,416,947</u>
9	<u>Other Current Liabilities</u>	
Current Maturities of Long Term Borrowings	11,666,676	24,708,330
Interest accrued but not due on borrowings	2,241,912	500,554
Unclaimed Dividends	938,509	942,479
Advance from customers	-	-
Other Payables		
Trade Deposits	234,000	134,000
Employee Related dues	2,008,885	1,940,393
Provision for Expenses		
Payable on Purchase of Fixed Assets	3,244,663	16,370,637
Contractual	16,918,873	19,584,262
Statutory Dues	17,962,327	16,617,988
Other Payables	<u>15,714,094</u>	<u>13,830,017</u>
	<u>70,929,939</u>	<u>94,628,660</u>

11. FIXED ASSETS

Amount in ₹

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 1/04/2013	Additions during the year	Deletions during the year	Cost at 31/03/2014	As at 01/04/2014	For the year	On Deletions	Upto 31/03/2014	As at 31/03/2014	As at 31/03/2013
Tangible Assets										
Land	2,116,840	-	-	2,116,840	-	-	-	-	2,116,840	2,116,840
Building	73,976,512	-	-	73,976,512	17,651,579	2,011,388	-	19,662,967	54,313,545	56,324,933
Plant&Machinery	468,635,621	13,784,117	1,421,481	480,998,257	226,515,426	27,818,110	770,205	253,563,331	227,434,926	242,120,195
Furniture, Fixtures & Fittings	18,835,616	-	-	18,835,616	11,250,278	1,373,040	-	12,623,318	6,212,298	7,585,338
Office Equipments(computers etc)	19,543,813	1,538,699	343,156	20,739,356	14,261,511	1,557,343	287,465	15,531,389	5,207,967	5,282,303
Vehicles	7,847,077	-	233,879	7,613,198	5,333,195	646,375	207,515	5,772,055	1,841,143	2,513,882
	590,955,479	15,322,816	1,998,516	604,279,779	275,011,989	33,406,256	1,265,185	307,153,060	297,126,719	315,943,491
Intangible Assets										
Software	7,181,073	606,529	-	7,787,602	6,302,754	451,371	-	6,754,124	1,033,478	878,319
Technical Knowhow	11,083,487	-	-	11,083,487	11,047,524	-	-	11,047,524	35,963	35,963
	18,264,560	606,529	-	18,871,089	17,350,278	451,371	-	17,801,648	1,069,441	914,282
Sub total	609,220,039	15,929,345	1,998,516	623,150,868	292,362,266	33,857,627	1,265,185	324,954,709	298,196,160	316,857,773
Capital Work in progress	-	1,143,437	-	1,143,437	-	-	-	-	1,143,437	-
Total	609,220,039	15,929,345	1,998,516	623,150,868	292,362,266	33,857,627	1,265,185	324,954,709	299,339,597	316,857,773
Previous Year	585,528,488	25,579,249	1,887,698	609,220,039	259,156,687	34,817,692	1,612,113	292,362,266	316,857,773	327,703,571

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial Statements

	Amount in ₹	
Particulars	As at March 31, 2014	As at March 31, 2013
10 Short Term Provisions		
Provision for employee benefits		
Gratuity (Funded)	2,149,864	233,824
Leave Encashment (un funded)	319,039	166,789
Other provisions		
Provision for Warranties (Refer Note No. 10.1 and 40)	5,358,907	2,915,773
	7,827,810	3,316,386

10.1 Warranty Claims to be settled within a period of one year is estimated based on the provision made and claims expected to be serviced during the period.

	Amount in ₹	
Particulars	As at March 31, 2014	As at March 31, 2013
12 Long Term Loans and Advances		
<u>Unsecured, considered good, unless otherwise stated</u>		
Capital Advances	1,057,814	-
Security Deposits	3,761,817	7,085,905
Rent Deposits	3,629,226	3,554,384
Other loans and advances		
Advance Income Tax	15,456,040	22,563,449
Less : Provision for Income Tax	(13,722,569)	(20,904,569)
	1,733,471	1,658,880
MAT Credit entitlement	4,801,968	4,801,968
	14,984,296	17,101,137
13 Inventories		
Valued at Lower of Cost or Realisable value		
Raw Materials	45,004,387	47,093,159
Raw Material-Goods in Transit	8,543,574	10,163,045
Work in Progress	26,003,886	24,633,604
Finished Goods	44,657,881	44,725,999
Stock in Trade	22,299,906	9,452,978
Stock in Trade -Goods in Transit	3,961,467	4,186,375
Stores and Spares	4,851,097	4,770,647
	155,322,198	145,025,807

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial statements

		Amount in ₹	
Particulars	As at March 31, 2014	As at March 31, 2013	
14	<u>Trade Receivables</u>		
	<u>Unsecured</u>		
	Over six months		
	Considered good	-	5,203,663
	Considered doubtful	2,333,346	3,130,592
	Others		
	Considered good	193,657,277	210,812,600
	Considered doubtful	-	-
		<u>195,990,623</u>	<u>219,146,855</u>
	Less:- Provison for Doubtful receivables	<u>2,333,346</u>	<u>3,130,592</u>
		<u>193,657,277</u>	<u>216,016,263</u>
14.1	Amount due from related parties	30,217,378	29,755,180
15	<u>Cash and Bank balances</u>		
	Cash and cash equivalents		
	Cash on hand	157,155	42,794
	Balance with Banks		
	In Current Accounts	1,115,732	1,206,161
	Other Bank Balances		
	Earmarked balances with Banks		
	Unpaid Dividend accounts	938,509	942,479
		<u>2,211,396</u>	<u>2,191,434</u>
16	<u>Short Term Loans and Advances</u>		
	<u>Unsecured, considered good, unless otherwise stated</u>		
	Loans and Advances to Employees	761,603	901,636
	Prepaid expenses	3,808,625	2,919,884
	Balance with Government Authorities		
	Customs and Excise	5,927,142	6,764,180
	Value added tax	810,974	1,456,978
		<u>6,738,116</u>	<u>8,221,158</u>
	Advance for supplies- Related parties	-	-
	Advance for supplies and services	2,133,559	91,556
	Other Advances	1,366,094	1,130,000
		<u>14,807,997</u>	<u>13,264,234</u>

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial Statements

	Amount in ₹	
Particulars	As at March 31, 2014	As at March 31, 2013
17 Other Current Assets		
Interest accrued on Deposits	214,063	104,772
Duty Drawback Receivable	213,092	-
Duty Refund Receivable	14,630,162	8,364,293
	<u>15,057,317</u>	<u>8,469,065</u>
		Amount in ₹
Particulars	Year ended March 31, 2014	Year ended March 31, 2013
18 Revenue from Operations		
Sale of products (Refer Note No. 18.1 and 18.2)	1,763,426,863	1,670,055,364
Less : Excise duty	<u>191,440,913</u>	<u>195,442,832</u>
	1,571,985,950	1,474,612,532
Other operating revenues		
Sale of Scrap	925,723	935,973
Export Incentive Receipts	449,186	-
	<u>1,573,360,860</u>	<u>1,475,548,505</u>
Sale of Products Comprises :		
18.1 Manufactured Goods		
Electric Rice cookers	758,297,690	794,288,489
Mixer-Grinder	644,062,606	572,231,906
Service Parts & Accessories	<u>72,568,343</u>	<u>61,453,624</u>
Total	<u>1,474,928,639</u>	<u>1,427,974,019</u>
18.2 Traded Goods		
Electric Rice Cooker	26,426,343	14,162,601
Juicer Mixer Grinder	8,555,689	5,133,521
Accessories - Idly Stand	13,185,079	7,859,263
Oven Toaster	8,388,088	2,575,124
Coffee Maker	5,224,372	4,074,026
Hand Mixer	19,342,271	-
Sandwich Maker	5,423,189	-
Other Domestic Appliances and accessories	<u>10,512,280</u>	<u>19,483,128</u>
	<u>97,057,311</u>	<u>46,638,513</u>
	<u>1,571,985,950</u>	<u>1,474,612,532</u>
19 Other Income		
Interest Income	269,937	95,309
Insurance Claims received	77,625	91,436
Gain on Foreign currency fluctuations	5,025,165	4,571,315
Provision for Bad & doubtful debts Written back	1,285,613	-
Provisions / Credit balances written back	-	1,763,531
Miscellaneous Income	-	680
	<u>6,658,340</u>	<u>6,522,271</u>

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial statements

Particulars	Amount in ₹	
	Year ended March 31, 2014	Year ended March 31, 2013
20 Cost of Materials and Components Consumed		
(Refer Note.No.20.1 and 29.1)		
Opening Stock	47,093,159	55,362,109
Add : Purchases	862,864,698	853,560,097
Machining charges	72,628,705	72,697,834
VAT Credit	(12,950,945)	(17,709,242)
Freight Inward	11,518,599	10,395,598
Less : Closing Stock	(45,004,387)	(47,093,159)
	<u>936,149,829</u>	<u>927,213,237</u>
Less: Process Scrap	(23,720,456)	(22,515,218)
Cost of Materials Consumed	<u>912,429,374</u>	<u>904,698,019</u>
20.1 Materials consumed comprises:		
CRCA Steel	43,905,922	49,765,506
Aluminium Sheets	98,293,983	104,586,147
Aluminium Ingots	47,696,801	49,497,211
Stainless Steel for Cooker	14,705,399	19,683,324
ABS Materials	21,941,821	19,231,875
Stainless Steel for Mixer Grinder	41,414,514	36,286,283
Motors	131,322,755	119,460,588
Others (which do not individually contribute 10% of consumption)	536,868,635	528,702,303
Less: Process Scrap Sales	(23,720,456)	(22,515,218)
	<u>912,429,374</u>	<u>904,698,019</u>
21 Purchase of Stock-in-Trade		
Trade Goods purchase	94,433,663	31,775,853
	<u>94,433,663</u>	<u>31,775,853</u>
21.1 Purchase of Stock-in-Trade comprises:		
Electric Rice Cooker	24,396,565	7,551,457
Hand Mixer	18,677,714	5,037,625
Juicer Mixer Grinder	7,487,962	5,504,627
Accessories - Idly Stand	11,191,772	6,621,042
Oven Toaster	7,516,772	1,304,908
Sandwich Maker	4,234,848	2,133,568
Coffee Maker	5,762,505	1,480,652
Pop-up Toaster	4,009,658	1,101,643
Meat Grinder	6,757,312	-
Other domestic appliances and accessories	4,398,555	1,040,331
	<u>94,433,663</u>	<u>31,775,853</u>
22 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
Inventories at the end of the year:		
Finished goods	44,657,881	44,725,999
Work-in-progress	26,003,886	24,633,604
Stock-in-Trade	22,299,906	9,452,977
	<u>92,961,672</u>	<u>78,812,580</u>
Add / (Less) : Adjustment for excise duty on finished goods	(51,889)	1,349,272
Inventories at the beginning of the year:		
Finished goods	44,725,999	43,047,395
Work-in-progress	24,633,604	28,388,422
Stock-in-Trade	9,452,977	19,835,008
	<u>78,812,580</u>	<u>91,270,825</u>
Changes in inventories	<u>(14,200,981)</u>	<u>13,807,517</u>

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial Statements

	Amount in ₹	
Particulars	Year ended March 31, 2014	Year ended March 31, 2013
23 Employee Benefits Expense		
Salaries, Wages and Bonus	144,327,501	143,574,269
Contributions to -		
Provident and other Funds	8,045,418	8,400,777
Gratuity fund	2,149,864	1,639,639
Staff welfare expenses	17,068,075	16,777,490
	171,590,858	170,392,175
24 Finance Costs		
Interest expense	38,314,585	34,083,176
	38,314,585	34,083,176
25 OTHER EXPENSES		
Stores and spares Consumed	23,273,862	27,454,902
Power and Fuel	41,725,124	51,706,230
Rent	7,711,552	8,948,261
Royalty	15,445,162	14,948,390
Brand Licence Fee	9,588,725	9,336,186
Product Development Expenses	3,237,265	4,107,692
Travelling and conveyance	30,551,940	27,361,084
Insurance	3,757,162	3,620,661
Communications	5,311,778	5,185,431
Printing & Stationery	3,428,575	2,351,004
Rates and taxes	2,766,530	2,020,700
Repairs and Maintenance :		
Machinery	3,932,203	1,866,737
Buildings	2,083,703	1,643,948
Vehicles	720,813	819,505
Others	5,860,030	5,448,245
	12,596,749	9,778,435
Directors' Sitting Fees	519,000	569,000
Audit Fee (Refer Note No. 25.1)	865,360	965,045
Professional Charges	3,841,680	4,420,502
Bank charges & Guarantee Commission	1,803,729	1,931,828
Advertisement and sales promotion (Refer Note No. 25.2)	137,365,156	155,779,485
Incentives on Sales	2,483,820	2,725,775
Freight and Forwarding	48,199,884	49,147,762
Warranty Claims	10,151,621	6,616,368
Provision for Bad and Doubtful Debts	488,367	3,130,592
Loss on sale of Fixed Assets (net)	287,443	2,562
Fixed Assets written off	-	38,770
Unserviceable/Obsolete Stocks written off	2,515,225	2,645,430
Miscellaneous Expenses	10,048,258	12,096,665
Total	377,963,967	406,888,760

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial Statements

	Particulars	Amount in ₹	
		Year ended March 31, 2014	Year ended March 31, 2013
25.1	<u>Auditors' Remuneration</u>		
	Statutory Audit	325,000	325,000
	Tax Audit	150,000	150,000
	Taxation Matters	100,000	100,000
	Certification, Special Reports and other matters	290,360	390,045
	(Includes fee paid for compliance with clause 41 and 49 of the listing agreement)	<u>865,360</u>	<u>965,045</u>
25.2	Advertisement and Sales Promotion Expenses is net of amount reimbursed by collaborator/ associate companies amounting to ₹ 4,50,54,693 (₹ 3,60,11,609)		
26	<u>Contingent Liabilities and Commitments</u>		
	<u>(i) Contingent Liabilities</u>		
	Claims against the Company not acknowledged as debt		
	Disputed Sales Tax	19,428,508	220,582
	Disputed Service Tax	7,605,651	7,605,651
	Disputed Customs Duty	3,013,811	3,013,811
	Guarantees issued by the Banks	9,121,500	8,621,500
	<u>(ii) Capital and Other Commitments</u>		
	<u>(a) Capital Commitments</u>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	1,584,165	2,554,502
	<u>(b) Other commitments</u>	Nil	Nil
27	<u>CIF Value of Imports- Electric Rice Cooker</u>		
	Raw materials	121,801,903	128,292,253
	Components and Spare parts	32,894,096	49,978,174
	Capital goods	-	55,793
	<u>CIF Value of Imports- Mixie</u>		
	Raw materials	36,173,371	Nil
	Components and Spare parts	6,597,339	13,319,121
	Capital goods	Nil	Nil
	<u>CIF Value of Traded Goods</u>		
	CIF Value (Including in-transit)	59,369,525	22,206,526
	Spare parts	1,365,710	332,320
28	<u>Expenditure in foreign currency</u>		
	Royalty	15,445,162	14,948,390
	Brand Licence Fee	9,588,725	9,336,186
	Travelling	737,678	901,444
	Design and consultancy charges	1,948,280	6,094,756
	Other Payments	217,077	1,020,709

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial Statements

	Year ended March 31, 2014	Year ended March 31, 2013		
Amount in ₹				
29				
29.1 <u>Raw Materials Consumed</u>				
Imported	261,813,667	263,536,870		
Imported % to total	28%	28%		
Indigenous	674,336,162	663,676,367		
Indigenous % to total	72%	72%		
Total	936,149,829	927,213,237		
Total %	100%	100%		
29.2 <u>Stores and Spare Parts Consumed</u>				
Imported	-	-		
Imported % to total	0%	0%		
Indigenous	2,706,009	2,277,514		
Indigenous % to total	100%	100%		
Total	2,706,009	2,277,514		
Total %	100%	100%		
30 <u>Earnings in Foreign Currency</u>				
I. Export of goods calculated on F.O.B. basis;	279,414,607	228,245,544		
31 Details of finished goods and work-in-progress	Closing inventory	Opening inventory		
(i) Details of Finished Goods				
<i>Manufactured Goods</i>				
<i>Electric Rice Cooker</i>	29,565,225	31,864,717		
	(31,864,717)	(31,816,787)		
<i>Mixer Grinder</i>	11,516,083	10,271,445		
	(10,271,445)	(7,421,847)		
<i>Trading Goods</i>	2013-2014	2012-2013		
	closing	opening	closing	opening
Electric Rice Cooker	2,960,642	809,741	809,741	2,807,364
Hand Mixer	2,936,438	597,741	597,741	110,726
Juicer Mixer Grinder	1,817,573	1,245,347	1,245,347	332,275
Accessories - Idly Stand	152,903	32,404	32,404	1,350,733
Oven Toaster	1,187,891	996,869	996,869	1,944,713
Sandwich Maker	596,192	963,474	963,474	780,080
Coffee Maker	3,490,149	1,219,075	1,219,075	3,309,618
Pop-up Toaster	3,447,517	1,077,544	1,077,544	2,105,713
Meat Grinder	3,328,897	-	-	-
Other domestic appliances and accessories	2,381,704	2,510,782	2,510,782	7,093,786
	22,299,906	9,452,977	9,452,977	19,835,008
Details of Work-in-progress				
<i>Electric Rice Cooker</i>	15,303,757		16,051,797	
	(16,051,797)		(18,959,157)	
<i>Mixer Grinder</i>	10,700,129		8,581,807	
	(8,581,807)		(9,429,265)	

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial Statements

32 Related Party Disclosures:

Related parties and their relationship

Holding Company : Panasonic Corporation – Japan (PC)

Fellow Subsidiaries :

Panasonic India Pvt Ltd (PI)	Panasonic Home Appliances Thailand Co.,Ltd (PHAT)
Panasonic Latin America (PLA)	Panasonic Electric Works (Asia Pacific) Pte.Ltd.,- Singapore (PEW)
Panasonic Mktg-Middle East (PMME)	Panasonic (Export Division)- Singapore (PED)
Panasonic Singapore (RSG)	Panasonic Asia Pacific PTE Ltd (PAP)
Panasonic Logistics Asia Pacific Singapore (PLAP)	Panasonic Manufacturing Malaysia Berhad (PMM)
Panasonic Corporation Appliances Company (PCA)	Panasonic Trading Malaysia SDN BHD (PTM)
Panasonic Taiwan Co.Ltd. (PTC)	Panasonic Greater Mekong Marketing and Sales (PGM)
Panasonic Trading Asia (PTA)	Panasonic Industrial Devices Automation Controls Sales Asia (PID)
Panasonic Vietnam Co.Ltd (PVC)	Panasonic Procurement Asia Pacific (PPAP)
Panasonic A.P.Sales(Thailand) Co LTD (PAP)	

Key Management personnel

Mr. Hidenori Aso

Disclosure in respect of material transactions with associated parties for the period 01.04.2013 to 31.03.2014

Particulars	Holding Company		Fellow Subsidiary		Key Management Personnel	
	2013 - 2014	2012 - 2013	2013 - 2014	2012 - 2013	2013 - 2014	2012 - 2013
Remuneration paid	-	-	-	-	2,308,166	2,626,141
Royalty	15,445,162	14,948,390	-	-	-	-
Brand Licence Fee	9,588,725	9,336,186	-	-	-	-
Reimbursement of Expenses Received	45,054,693	36,011,609	-	-	-	-
Reimbursement of Expenses Paid	1,349,341	5,302,808	965,260	3,959,201	-	-
Sales						
PLAP	-	-	273,900,246	218,404,609	-	-
PI	-	-	4,155,220	55,672,930	-	-
Other's	-	-	2,614,662	3,072,021	-	-
Purchase of Material						
PID	-	-	10,865,673	7,410,494	-	-
PAP	-	-	-	3,100,678	-	-
PPAP	-	-	4,067,608	6,364,991	-	-
PTA	-	-	-	3,944,263	-	-
Other's	-	-	397,936	2,933,116	-	-
Purchase of Traded Goods						
PC	99,061	9,279,396	-	-	-	-
PGM	-	-	62,004,251	12,277,061	-	-
Other's	-	-	1,067,560	253,882	-	-
Purchase of Assets						
PC	-	55,793	-	-	-	-
Amount payable						
PC	39,533,570	42,858,348	-	-	-	-
PID	-	-	1,525,104	1,035,342	-	-
PGM	-	-	4,633,738	6,627,315	-	-
Other's	-	-	274,782	314,719	-	-
Amount receivable						
PLAP	-	-	26,195,455	25,313,210	-	-
PI	-	-	2,755,990	3,750,608	-	-
Other's	-	-	727,995	691,362	-	-

Panasonic *APPLIANCES INDIA Co. Ltd.*

Notes forming part of financial Statements

33 Segment Reporting

The company is principally engaged in the business of Household Appliances. There are no separate reportable Segments as per Accounting Standard - 17 - "Segment Reporting".

34 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on March 31, 2014.

35 In the opinion of the Board, none of the assets have a value lower on realization in the ordinary course of business than the amount at which they are stated in the Balance Sheet.

36 Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are given as follows:

	31.03.2014	31.03.2013
a) Principal amount due	-	7,424,169
Interest accrued and due to suppliers under MSME Act	986,303	911,581
b) Interest paid during the period beyond the appointed day	NIL	NIL
c) Amount of payment made to the supplier beyond the appointed day during the accounting year	33,275,168	56,852,484
d) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	986,303	883,707
e) Amount of interest accrued and remaining unpaid at the end of the period	986,303	911,581
f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as deductible expenditure under section 23 of the Act.	-	-

The above information regarding micro enterprise and small enterprises has been determined on the basis of information available with the Company. This has been relied upon by the auditors.

37 Derivative Instrument and Unhedged Foreign Currency Exposure

S.No	Purpose	Currency	31.03.2014	31.03.2013	31.03.2014	31.03.2013
			In Foreign currency		In ₹	In ₹
1	Forward Currency Swap Outstanding		Nil	Nil	Nil	Nil
2	Unhedged Foreign Currency Exposure					
	(i) Outstanding Debtors	USD	453,409	483,896	26,923,450	26,004,572
		JPY	Nil	Nil	Nil	Nil
	(ii) Outstanding Creditors - Goods	USD	62,970	202,346	3,810,944	11,084,535
		JPY	6,000	Nil	3,569	Nil
	(iii) Outstanding Creditors - Expenses	USD	342	13,958	20,687	764,645
		JPY	238,926	130,302	142,113	75,966
		SGD	Nil	Nil	Nil	Nil

Notes forming part of financial Statements

38 Employee Benefits

The disclosure as per Revised AS-15 produced below :- The following tables set out the details of amount recognised in the financial statements in respect of employee defined benefit scheme: **Amount in ₹**

	Particulars	Gratuity	
		31.03.2014	31.03.2013
A	Net Asset / (liability) recognised in the Balance Sheet as at March 31 2014		
	Present value of the Defined Benefit Obligation	18,919,521	16,109,620
	Fair Value of plan assets	16,769,657	15,875,796
	Net Liability recognised in the Balance Sheet	2,149,864	233,824
B	Expenses recognised in the statement of Profit and Loss Account for the year ended March 31, 2014		
	Current service cost	1,288,770	1,682,282
	Interest cost	1,479,125	1,390,112
	Expected return on plan assets	(1,401,238)	(1,371,339)
	Net actuarial (gain)/loss recognised during the year	783,207	(61,416)
	Expense / (Income) recognised in Profit and Loss Account	2,149,864	1,639,639
C	Change in Defined Benefit obligation during the year ended March 31, 2014		
	Present value of Defined Benefit obligation as at April 01, 2013	16,109,620	17,376,401
	Current service cost	1,479,125	1,682,282
	Interest cost	1,288,770	1,390,112
	Benefits paid	(741,201)	(4,277,759)
	Actuarial (gain) / loss on obligation	783,207	(61,416)
	Present value of obligation as at March 31, 2014	18,919,521	16,109,620
D	Changes in Fair value of Asset during the year ended March 31, 2014		
	Fair value of plan assets as at April 01, 2013	15,875,796	13,701,618
	Expected return on plan assets	1,370,861	1,371,339
	Contributions made	264,201	5,080,598
	Benefits paid	(741,201)	(4,277,759)
	Actuarial gain / (loss) on plan assets		
	Fair value of plan assets as at March 31, 2014	16,769,657	15,875,796
E	Actuarial Assumptions		
	Discount rate	8%	8%
	Expected rate of return on plan assets	8.75%	9.25%
	Rate of increase in compensation levels	5%	5%

The company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

39	Earning Per Share (EPS)	2013-2014	2012-2013
	Earning per share is computed based on the following :		
	Loss after Tax (in ₹)	(34,311,367)	(114,063,991)
	Nominal Value of share (₹)	10.00	10.00
	Weighted Average Number of Equity Shares used for Basic EPS	9,591,299	9,412,378
	Weighted Average Number of Equity Shares used for diluted EPS	9,832,000	9,559,649
	Earning Per Share ₹ (Basic)	(3.58)	(12.12)
	Earning Per Share ₹ (Diluted)	(3.49)	(11.93)

Notes forming part of financial Statements

40 Provision for Warranty Claims

The following is the reconciliation of the changes in the warranty liability for the financial year 2013-2014

Particulars	2013-2014	2012-2013
Opening balance as on April 01, 2013	7,934,046	5,611,474
Add: Provision made during the year	10,151,621	6,616,368
	18,085,667	12,227,842
Less: Claims settled during the year	6,023,326	4,293,796
Closing balance as on March 31, 2014	12,062,341	7,934,046

- 41 The Company's refund claim of Special Additional Duty amounting to ₹ 56,56,601 which was rejected earlier has been upheld by the appellate authorities and the same has been remanded back to the Assessing Officer for processing the necessary refund. The company expects to recover the full value of refund claim and no provision is considered necessary as on March 31, 2014.
- 42 The disputed customs duty of ₹ 3,013,811 pertains to the concessional customs duty availed under EPCG scheme during the year 1995. The company has fulfilled export obligation and obtained export obligation discharge certificate (EODC) from Director General of Foreign Trade (DGFT). The claim has arisen due to non-receipt of EODC by Customs Department. Since the appeal filed by the Company before Commissioner of Customs (Appeals) was rejected, the Company has preferred an appeal before Customs, Excise and Service Tax Appellate Tribunal (CESTAT) which is pending for disposal.
- 43 The previous year's figures have been re-grouped, reclassified wherever necessary so as to make them comparable with the current year's figures.

As per our report of even date attached

For and on behalf of the Board

For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No: 000511S

Hidenori Aso
Managing Director

A.Raghavendra Rao
Director

K.Subramanian
Director

R.Nagendra Prasad
Partner
Membership No: 203377
Place : Chennai
Date : May 30 2014

Shigeru Dono
Director

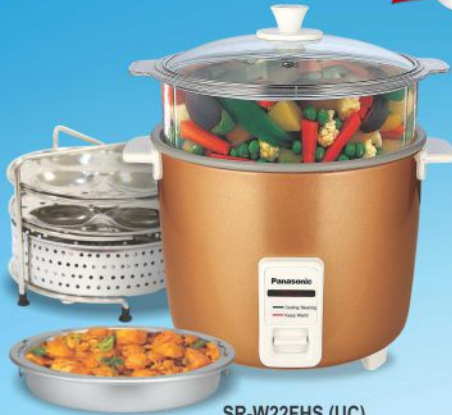
Tom Antony
CFO & Company Secretary

Panasonic Cooking

NEW ARRIVAL

ULTIMATE COOKER

- Comes with Anchor Coat Non-Stick Cooking Pan, 2-Dish Separator Pan, Steaming Basket, Idli Stand, Idiyappam Stand & Pasta Stand
- Automatic cooking
- 5 Hrs Keep Warm function
- Size 2.2 L



SR-W22FHS (UC)



Automatic Cookers

Anchor Coat



SR-Y22FHS

SR-Y18FHS (E)

FHS SERIES

- Comes with Anchor Coat Non-Stick Cooking Pan & Steaming Basket
- Automatic cooking
- 5 Hrs Keep Warm function
- Size 1.8 L & 2.2 L



SR-WA22H (YT)

YT SERIES

- Comes with Additional Cooking Pan & 2-Dish Separator Pan
- Automatic cooking
- 5 Hrs Keep Warm function
- Anodized Aluminium Pan
- Size 1.8 L & 2.2 L



MOMO COOKING



SR-WA22H (SS)

SR-WA18H (SS)

SS SERIES

- Comes with Anodized Aluminium Pan & Double Deck Steamer
- Automatic cooking
- 5 Hrs Keep Warm function
- Size 1.8 L & 2.2 L

JUMBO COOKER

Cooks upto **4.5 kgs** of Rice

Biryani Cooker

Cooks upto **2 kgs** of Rice

BIG FAMILY COOKER

Cooks upto **1.6 kgs** of Rice



SR-972

SR-942D

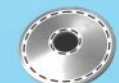
SR-932D

Keep Warm
Once food warm for 5 hours

ONCE COOKED, SWITCHES TO KEEP WARM MODE



AUTOMATIC COOKING
NO NEED TO MONITOR



DOUBLE HEATING COIL SAFETY

* 1 Year Warranty for SR-972

HAND BLENDER

- Ergonomic shape; fits your hand conveniently
- Step-less variable speed control
- Deluxe stainless steel blender bar
- Powerful 600W motor



MX-GS1

MX-SS1

BOWL MIXER (MK-GB1)

- 5-speed Selection
- Detachable Hand Mixer
- Egg Beater and Dough Hook
- 3L Rotating Bowl
- 200W Motor



MEAT GRINDER (MK-MG1000)

- High Grinding Performance
- Easy-to-Use On-Off Switch (Tumbler Switch)
- 2 Types of Blades (Mid/Fine)
- New Design (Slant Front Panel)
- No Motor burnout by circuit breaker
- 1000 Watts



SANDWICH MAKER (NF-GW1)

- Non-Stick Heating Plate
- 4 Sandwich Making
- Full Covered Body for Safety
- 700W



MEAT GRINDER (MK-MG1500)

- High Grinding Performance
- Rotary Switch w/ Reverse Function
- 3 Types of Blades (Rough/Mid/Fine)
- New Design (SUS Front Panel)
- No Motor burnout by circuit breaker
- 1500 Watts



KETTLE

- Easy to see dual water window
- One push open lid (NC-SK1 only)
- Easy spout filling (NC-GK1 only)
- Removable lime scale filter
- 1850 W



NC-GK1

NC-SK1

POP-UP TOASTER (NT-GP1)

- 2 Slice Toaster
- Defrost / Reheat / Cancel Settings
- 5 Level Browning Control
- 680W



COFFEE MAKER (NC-GF1)

- 10 Cup Capacity
- Swing Basket / Mesh Filter
- Drip Stopper
- 800W



CENTRIFUGAL JUICER (MJ-68M)

- 600ml Plastic Container
- 12500 rpm
- Built in circuit breaker
- Safety Lock Clamp
- Stainless steel spinner
- 200W



FOOD PROCESSOR (MK-5086M)

- Built-in circuit breaker
- Safety lid locking switch
- 6 Attachments
- Compact Design
- On/Off + Pulse button
- 800 ml Bowl Capacity
- 6 functions in 1
- 230W



HAND MIXER (MK-GH1)

- 5-speed Selection
- Egg Beater and Dough Hook
- 200W Motor



OVEN TOASTER (NT-GT1)

- 2-Slice Bread Capacity
- 15 minutes Timer
- Removable Crumb Tray
- Adjustable Thermostat for Optimal Food result
- Power control (Low, Mid, High)
- High power 1200 W



JUICER MIXER GRINDER (MJ-M176P)

- 2 Speed + Pulse button switches
- Super efficient Stainless Steel spinner
- Long Life Stainless Steel blades
- Clear Glass 1L container
- Continuous flow mechanism
- Speedy Cleaning Brush
- Patented Self Ventilating Cap
- Pit In Glass Holder
- Safety Lock Holder

