

Panasonic

SHAREHOLDERS' PRIVILEGE DISCOUNT COUPON

Dear Shareholders,

At the outset I would like to place on record my sincere gratitude to each one of you for the continued patronage and support extended to your Company during these difficult times. I am extremely sorry to state that in the view of accumulated losses, the Company is unable to pay any dividend to the shareholders. However, we are slowly reviving and I solicit whole hearted support from all of you.

Like in the previous years, I am presenting you this Shareholders' privilege discount coupon to avail attractive discounts on the products mentioned in the overleaf. We are sure that our quality products and special offers will help strengthening our relationship further.

I strongly recommend you to avail this special price available exclusively to you as a Shareholder of the Company and benefit from it. You could also gift this special privilege discount coupon to your near and dear after signing the form.

Looking forward to your kind co-operation and support in the future years

With Warm Regards



Hidenori Aso
Managing Director

I have read the details of the Scheme and I wish to avail this Special Privilege Discount Offer accordingly.

I am enclosing a Demand Draft No.....dated..... for ₹ only Drawn in favour of **PANASONIC APPLIANCES INDIA COMPANY LTD.** payable at Chennai.

NAME OF THE SHAREHOLDER

SIGNATURE OF THE SHAREHOLDER

Folio No. / D.P. Account No.

Please send the products as per details given over leaf.

Name and Address to which delivery has to be made

.....

..... PIN..... Tel No.....



PANASONIC APPLIANCES INDIA Co. LIMITED

Regd. Office: N.H. No.5, Sholavaram, Village, Ponneri Taluk, Chennai – 600 067
Telephone No. +91 44 2633 0397, 2633 0133 Email : msd.papin@panasonicindia.in

Shareholders' Coupon Price List cum Order Form

DESCRIPTION OF THE PRODUCT	Model	MRP (₹)	Spl Price (₹)	Qty. (Nos.)	Amount (₹)
Ultimate Cooker (2.2 L , Non Stick Pan With Pasta Maker / Idli Stand /Idiyappam Stand)	SR-W22FHS(UC)	4,995	3,766		
Automatic Cooker/Warmer, 2.2L, Non-Stick Pan, Steamer, Keep Warm Function	SR-Y22FHS	3,695	2,786		
Automatic Cooker/Warmer, 1.8L, Non-Stick Pan, Steamer, Keep Warm function	SR-Y18FHS(E)	3,495	2,635		
Automatic Cooker/Warmer, 2.2L, + Extra Cooking Pan + 2-Dish Separator Pan	SR - WA22H(YT)	3,495	2,635		
Automatic Cooker/Warmer, 1.8L, + Extra Cooking Pan + 2-Dish Separator Pan	SR - WA18H(YT)	3,295	2,484		
Automatic Cooker/Warmer, 2.2L, + Double Steaming Basket	SR - WA22H(SS)	2,995	2,258		
Automatic Cooker/Warmer, 1.8L, + Double Steaming Basket	SR - WA18H(SS)	2,795	2,107		
Gift Pack - (Automatic Cooker/Warmer 1.8 L With Steaming basket+ Idli Stand+2 Dish Separator Pan	SR -WA18GH(CMB)	3,495	2,635		
Automatic Cooker/Warmer, 2.2L, Keep Warm function	SR-WA22H(E)	2,895	2,183		
Automatic Cooker/Warmer, 1.8L, Keep Warm function	SR-WA18H(E)	2,695	2,032		
Automatic Cooker/Warmer, 1.0L, Keep Warm function	SR-WA10H(E)	2,495	1,881		
Automatic Cooker, 2.2L	SR-WA22(F)	2,599	1,960		
Automatic Cooker, 1.8L	SR-WA18(E)	2,299	1,733		
Automatic Cooker, 1.0L	SR-WA10	1,899	1,432		
Restaurant Cooker 4.2L	SR-942D(Silver)	5,545	4,181		
Restaurant Cooker 3.2L	SR-932D(Silver)	4,845	3,653		
Automatic Jar Cooker/Warmer, 2.2L, Non-Stick Pan, Steamer, Keep Warm function	SR-KA22FA	3,995	3,012		
Automatic Jar Cooker/Warmer, 1.8L, Non-Stick Pan, Steamer, Keep Warm function	SR-KA18FA	3,795	2,861		
Automatic Jar Cooker/Warmer, 2.2L, Keep Warm function + Extra Cooking Pan	SR-KA22A(R)	3,495	2,635		
Automatic Jar Cooker/Warmer, 1.8L, Keep Warm function + Extra Cooking Pan	SR-KA18A(R)	3,295	2,484		
Micom Jar Cooker, 1.8L, Non-Stick Pan, Menu function	SR-DF181	4,495	3,389		
Jumbo Cooker 7.2L	SR-972D	12,995	9,798		
Small Family Cooker 0.6L	SR-G06	2,995	2,258		
Personal Cooker 0.3L	SR-3NA	2,995	2,258		
Super Mixer Grinder (5 Jar with Juice Extractor & Multi Jar)	MX-AC555	6,895	5,199		
Super Mixer Grinder (4 Jar with Juice Extractor) - White	MX-AC400	6,195	4,671		
Super Mixer Grinder (4 Jar with Juice Extractor) - Black	MX-AC400	6,195	4,671		
Super Mixer Grinder (3 Jar with Juice Extractor)	MX-AC350	5,495	4,143		
Super Mixer Grinder (3 Jar)	MX-AC300S	5,295	3,992		
Super Mixer Grinder (3 Jar)	MX-AC300	5,195	3,917		
Super Mixer Grinder (3 Jar)Double Chutney Jar	MX-AC310	4,895	3,691		
Super Mixer Grinder (2 Jar)	MX-AC220	4,445	3,352		
Centrifugal Juicer	MJ-68M	5,495	4,143		
Juicer Mixer Grinder	MJ-M176P	8,990	6,778		
Food Processor	MK-5086	8,790	6,628		
Oven Toaster	NT-GT1	2,995	2,258		
Hand Mixer	MK-GH1	2,395	1,806		
Bowl Mixer	MK-GB1	3,095	2,334		
Coffee Maker	NC-GF1	2,295	1,730		
Sandwich Maker	NF-GW1	2,495	1,881		
Pop-up Toaster	NT-GP1	2,695	2,032		
Hand Blender With Chopper Attachment	MX-SS1	3,995	3,012		
Hand Blender With Jar	MX-GS1	2,995	2,258		
Kettle (Steel)	NC-SK1	3,995	3,012		
Kettle(Plastic)	NC-GK1	2,995	2,258		
Apple Juicer	MJ-DJ01	14,995	11,306		
Meat Grinder 1500 Watts	MK-MG1500	11,990	9,040		
Meat Grinder 1000 Watts	MK-MG1000	8,990	6,778		
Automatic Jar Cooker/Warmer, 1.8L, Non-Stick Pan, Steamer, Keep Warm function-Imported	CEZ18SSM	3,795	2,861		
Hand Blender with 3 attachments	MX-SS40	6,995	5,274		
Wet Grinder/2L	MK-GW200	7,790	5,874		
Wet Grinder/2L/Timer	MK-SW200	8,590	6,477		
Wet Grinder/2L/Timer	MK-SW200(Black)	8,740	6,590		
Solar Lantern	BG-BL05DCE-B	1,799	1,356		

Note:

- The Company offers shareholders Special Privilege Discount on the maximum retail price of the products.
- These models are also available without this offer at Dealer outlets
- Shareholders can avail this offer for a maximum of 2 numbers of each model
- To avail this special offer directly from the Company, complete this coupon by providing all details and send it to the Company along with the demand draft payable at Chennai drawn in favour of Panasonic Appliances India Co. Ltd.
- Xerox copy of this discount coupon can be used for subsequent orders.

<p>Board of Directors (as on August 24, 2015)</p> <p>Mr. Hidenori Aso Managing Director</p> <p>Mr. A. Raghavendra Rao Mr. K. Subramanian Mr. Ajit Gopal Nambiar Mr. Yosuke Matsunaga Ms. T.S. Sundarambal</p> <p>CFO & Head - Operations</p> <p>Company Secretary</p> <p>Auditors</p> <p>Registered Office and Factory</p> <p>CIN</p> <p>Bankers</p>	<p>Mr. Tom Antony</p> <p>Ms. Chitra S.</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. Citibank N.A. Sumitomo Mitsui Banking Corporation</p>	<p style="text-align: center;">TWENTY SEVENTH 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;">49</td> </tr> <tr> <td>Balance Sheet</td> <td style="text-align: right;">52</td> </tr> <tr> <td>Statement of Profit and Loss</td> <td style="text-align: right;">53</td> </tr> <tr> <td>Cash Flow Statement</td> <td style="text-align: right;">54</td> </tr> <tr> <td>Notes forming part of Financial Statements</td> <td style="text-align: right;">56</td> </tr> </tbody> </table> <p style="text-align: center;">Twenty Seventh Annual General Meeting</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Venue</td> <td style="width: 10%;">:</td> <td>Mahaswamy Auditorium, Vani Mahal, #103, G.N. Chetty Road, T.Nagar, Chennai – 600 017</td> </tr> <tr> <td>Date</td> <td>:</td> <td>September 29, 2015</td> </tr> <tr> <td>Time</td> <td>:</td> <td>10.30 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: corpserv@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	49	Balance Sheet	52	Statement of Profit and Loss	53	Cash Flow Statement	54	Notes forming part of Financial Statements	56	Venue	:	Mahaswamy Auditorium, Vani Mahal, #103, G.N. Chetty Road, T.Nagar, Chennai – 600 017	Date	:	September 29, 2015	Time	:	10.30 a.m.
	Page																										
Notice of Annual General Meeting	6																										
Directors' Report	15																										
Independent Auditors' Report	49																										
Balance Sheet	52																										
Statement of Profit and Loss	53																										
Cash Flow Statement	54																										
Notes forming part of Financial Statements	56																										
Venue	:	Mahaswamy Auditorium, Vani Mahal, #103, G.N. Chetty Road, T.Nagar, Chennai – 600 017																									
Date	:	September 29, 2015																									
Time	:	10.30 a.m.																									

Note :

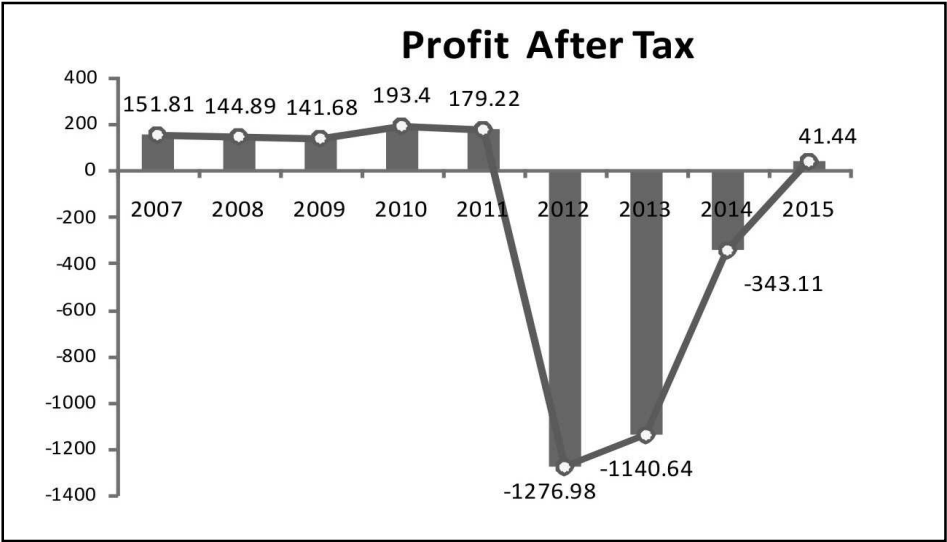
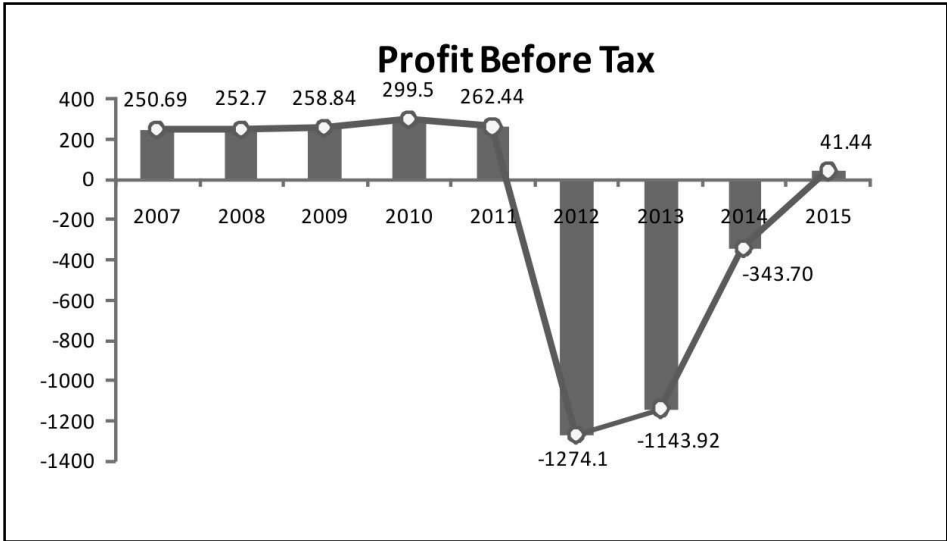
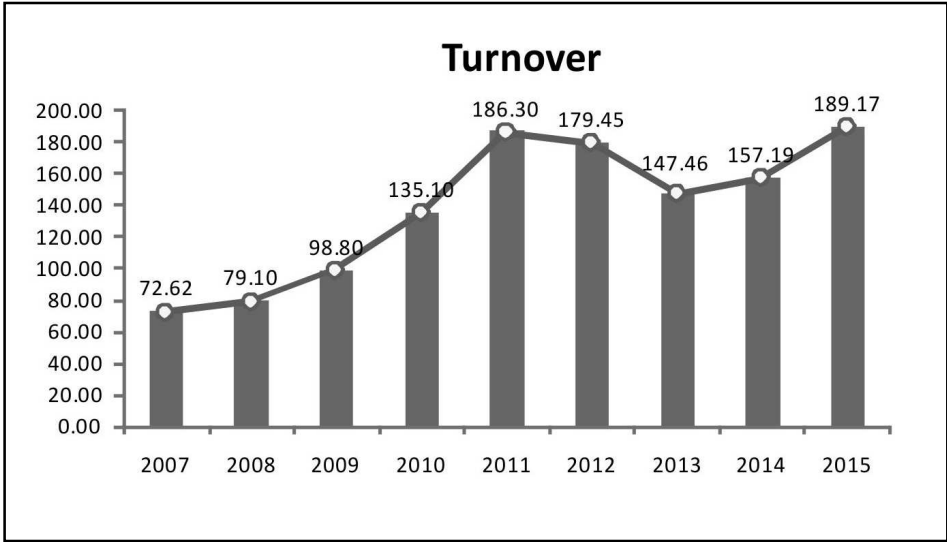
1. Kindly bring your copy of Annual report along with you for the Annual General Meeting.
2. Only Members and, in their absence, duly appointed proxies will be allowed for the Meeting. Please avoid bringing non-members and/or children for the Meeting.
3. Members are requested to fill in the respective columns provided in the Attendance Slip/Proxy Form fully and legibly so as to facilitate smooth entry into the Meeting Hall.
4. Shareholder's Privilege Discount Coupon is enclosed along with this Annual Report.

TEN-YEAR HIGHLIGHTS

₹ In Lakhs

Particulars	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014 -2015
Total Revenue	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	18,917.74
Profit Before Tax	176.88	250.69	252.70	258.84	299.50	262.44	(1,274.10)	(1,143.92)	(343.70)	27.15
Profit After Tax	112.18	151.81	144.89	141.68	193.40	179.22	(1,276.98)	(1,140.64)	(343.11)	41.44
Assets										
Fixed Assets	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	3,146.46
Other Non Current Assets	19.30	19.30	19.30	-	-	145.38	196.89	171.01	149.84	202.08
Total-Non current assets (1)	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	3,348.54
Total - Current Assets (2)	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	4,940.14
Total Assets(1+2)	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	8,288.68
Liabilities										
Share capital	857.00	857.00	857.00	857.00	857.00	857.00	857.00	954.30	983.20	983.20
Reserves and Surplus	836.18	887.73	905.46	926.82	1,020.29	1,099.91	(177.07)	(198.76)	(209.52)	(210.59)
Share Holders Funds (3)	1,693.18	1,744.73	1,762.46	1,783.82	1,877.29	1,956.91	679.93	755.54	773.68	772.61
Total Non-current liabilities (4)	278.12	171.35	303.72	216.19	726.79	1,145.25	1,302.54	780.09	319.90	986.20
Total - Current Liabilities (5)	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	6,529.86
Total Liabilities (3+4+5)	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	8,288.68
Earning Per Share (₹)	1.31	1.77	1.69	1.65	2.26	2.09	(14.90)	(12.12)	(3.58)	0.42
Dividend Per Share(₹)	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	9,543,000	9,832,000	9,832,000

4



Panasonic *APPLIANCES INDIA Co. LTD.*

NOTICE OF TWENTY SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty Seventh Annual General Meeting** of the Members of Panasonic Appliances India Co. Ltd (CIN:L30007TN1988PLC016184) will be held on Tuesday, September 29, 2015 at 10.30 a.m. at Mahaswamy Auditorium, Vani Mahal, #103, GN 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, 2015, 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 M/s. BSR & Co. LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company in place of M/s. Brahmayya & Co., Chartered Accountants the retiring Statutory Auditors.

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:
“**RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee of the Board M/s.BSR & Co., Chartered Accountants, (Firm Registration No. 101248W/W-100022) Chennai, be and is hereby appointed as the Statutory Auditors of the Company in place of the retiring auditors M/s Brahmayya & Co., Chartered Accountants to hold office for period of five years from the conclusion of 27th Annual General Meeting (AGM) till the conclusion of 32nd AGM of the Company (subject to ratification of their appointment at every AGM) and that the Board be and is hereby authorised to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out of pocket expenses as may be incurred in connection with the audit of the accounts of the Company.”

SPECIAL BUSINESS:

3. To appoint Mr. Yosuke Matsunaga (DIN: 07165780) as Director liable to retire by rotation.
To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** Mr. Yosuke Matsunaga (DIN: 07165780) who was appointed as a Director by the Board under Section 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules made there under and the relevant provisions of the Articles of Association of the Company to fill in the casual vacancy on the Board occasioned due to the resignation of Mr. Shigeru Dono, who ceases to hold office on the date of 27th Annual General Meeting of the Company under the provisions of the said Section and the Article, and is eligible for re-appointment and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
4. To approve re-appointment of Mr. Hidenori Aso (DIN 00158246) as Managing Director.
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 Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modifications or re-enactment(s) thereof for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Mr. Hidenori Aso (DIN 00158246) as Managing Director of the Company for a further period of three years effective from August 1, 2015 to July 31, 2018 on the following terms of Remuneration.
A. Salary:- Monthly Salary as may be recommended by the Nomination and Remuneration Committee of the Board and approved by the Board in the scale of ₹ 2,20,000/- to ₹ 3,20,000/-.
B. Perquisites:
 - a. Rent-free furnished residential accommodation together with Geysers, Refrigerators, Air-conditioners, Gas and Electricity, Fuel and Water, servants, Furnishings etc., monetary value of which may be evaluated as per Income Tax Rules, 1962.
 - b. Leave Passage benefits: Passage to Japan and back once a year or once a year to any place in India including to and fro air fare.

- c. Freight on excess unaccompanied baggage.
- d. Use of Company maintained car with driver.
- e. Mobile phones, telephone and internet connectivity facility at office and residence for official use.
- f. Company's contribution to provident fund and other statutory benefits.
- g. Medical benefits for self and family; Reimbursement of expenses actually incurred including surgical and hospitalization expenses
- h. Holiday passage for children studying abroad: To and fro holiday passage once in a year to children from place of study abroad to India and to the members of the family from the place of their stay abroad to India if they are not residing with the Managing Director.

“RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) be and is hereby authorized to decide the salary payable to Mr. Hidenori Aso during his tenure as Managing Director of the Company based on the recommendation of Nomination and Remuneration Committee of the Board within the range mentioned above and also to alter and vary the terms and conditions of appointment and / or remuneration subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 197 and other applicable provisions if any, read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, and other applicable rules, if any, the above remuneration be paid as minimum remuneration to Mr. Hidenori Aso as Managing Director in the event of absence or inadequacy of profits in any financial year during the term of his office.”

“RESOLVED FURTHER THAT during such time that Mr. Hidenori Aso holds and continues to hold the Office of Managing Director, he shall not be liable to retire by rotation.”

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

Date : August 24, 2015
Place : Chennai

Hidenori Aso
Managing Director

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

Panasonic *APPLIANCES INDIA Co. LTD.*

6. The Register of Members and Share Transfer Books will remain closed from Saturday, September 19, 2015 to Tuesday, September 29, 2015 (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 has transferred the unclaimed dividend pertaining to the financial years 2002 to 2006 to the Investor Education and Protection Fund 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.

Information in respect of unclaimed dividend and the last date(s) by which the same can be claimed before its transfer to Investor Education and Protection Fund are given below:

Financial Year	Rate of Dividend	Date of Declaration	Last date for claiming unpaid Dividend
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, 2015 on the website of the Company (www.panasonicappliances.in under the section Investor Relations), as also on the website of IE & PF 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 Agents 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 as required 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.
13. Electronic copy of the Notice of the 27th 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 27th Annual General Meeting and the Annual Report for 2014-15 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 the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants 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 Agents.
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 Agents of the Company to facilitate better servicing: -
- Any change in their address / mandate / bank details;
 - Particulars of the bank account, in case the same have not been furnished earlier;
 - 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;
 - 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 27th 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) Amendment Rules, 2015 provides that the facility for remote e-voting shall remain open for not less than three days and shall close at 5.00 p.m. on the date preceding the date of the general meeting. Accordingly the e-voting period commences on Saturday, September 26, 2015 at 9.00 a.m. and ends on Monday, September 28, 2015, at 5.00 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) i.e. September 23, 2015, 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)]
- 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 PDF is an ‘Initial Password’.
 - Log on to the e-voting website by typing the following URL: <https://www.evoting.nsdl.com/>
 - Click on Shareholder – Login
 - Type User ID and password as initial password/PIN noted in step (i) above. Click Login.
 - 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.
 - Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
 - Select “EVEN” of Panasonic Appliances India Company Limited
 - Cast vote page for e-voting opens
 - Cast your vote by selecting the appropriate option and click on “Submit” and also “Confirm” when prompted
 - Upon confirmation, the message “Vote cast successfully” will be displayed
 - Once you have voted on the resolution, you will not be allowed to modify your vote

Panasonic *APPLIANCES INDIA Co. LTD.*

- (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
------------------------------	---------	--------------

- (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) i.e. September 23, 2015. Members of the Company holding shares either in physical or in dematerialised form, as on the Cut-off date, may cast their vote electronically.
- (c) A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off-date i.e. September 23, 2015 only shall be entitled to avail the facility of e-voting. The facility for voting through Ballot paper shall be made available at the Meeting and the Members attending the Meeting who have not cast their vote by e-voting shall be able to vote at the Meeting through Ballot paper. The Members who have cast their vote by e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- (d) In case a person has become the Member of the Company after the dispatch of Notice but on or before the cut-off date may write to the Company or its Registrar and Share Transfer Agents requesting for the User ID and Password.
- (e) Mr. Rabi Narayanan Pal, Practicing Company Secretary (Membership No. FCS 4993) has been appointed as the Scrutinizer to scrutinize the e-voting process is conducted in a fair and transparent manner.
- (f) The Scrutinizer, after scrutinizing the votes cast at the meeting by Poll and e-voting will not later than two days of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman of the Meeting. 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>
- (g) Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. September 29, 2015
- (h) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user Manual 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 27th Annual General Meeting of the Company.

ANNEXURE TO THE NOTICE

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

Item No. 2

The Company has received a special notice under Section 140(4)(i) of the Companies Act, 2013 from Panasonic Corporation as a member proposing appointment of M/s. BSR & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company in place of retiring Auditors M/s. Brahmayya & Co., Chartered Accountants.

The audit committee has considered the qualifications and experience of the proposed auditors and has recommended their appointment. The Board of Directors has also considered the matter and recommends the passing of the Special

Panasonic *APPLIANCES INDIA Co. LTD.*

Resolution appointing M/s. BSR & Co. LLP, Chartered Accountants, as Statutory auditors in place of retiring Auditors M/s. Brahmaya & Co., Chartered Accountants. Written consent of the proposed auditors together with a certificate that the appointment if made, shall be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

Memorandum of Interest

None of the Directors or Key Managerial Personnel of the company / their relatives are in any way concerned or interested in this resolution.

Item No. 3

Mr. Yosuke Matsunaga was appointed as a Director by the Board at its meeting held on April 25, 2015 pursuant to the provisions under section 152 and 161 of the Companies Act, 2013 and applicable rules made thereunder and relevant provisions of Articles of Association of the Company, to fill in the casual vacancy on the Board occasioned due to the resignation of Mr. Shigeru Dono. Since the term of Mr. Shigeru Dono as Director would have come to an end on the date of ensuing AGM had he be continued and considering that Mr. Yosuke Matsunaga was appointed in the casual vacancy created due to resignation of Mr. Shigeru Dono, his term as a Director will end on the date of the ensuing AGM and need shareholder approval to continue as a Director. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member signifying his intention to propose the candidature of Mr. Yosuke Matsunaga as a Director of the Company liable to retire by rotation. Mr. Yosuke Matsunaga represents Panasonic Corporation on the Board of the Company.

The Board recommends this resolution for approval of Members.

Memorandum of Interest

Mr. Yosuke Matsunaga is interested in this resolution as the appointee Director. Further Mr. Hidenori Aso who also represents Panasonic Corporation on the Board, is deemed interested in this resolution as both Mr. Yosuke Matsunaga and Mr. Hidenori Aso are representatives of Panasonic Corporation. No other Director or Key Managerial Personnel of the company / their relatives are in any way concerned or interested in this resolution.

Item No. 4

In terms of the resolution passed by the members approving the re-appointment of Mr. Hidenori Aso as the Managing Director of the Company at the Annual General Meeting (AGM) held on 28th September 2012, the tenure of appointment which was for a period of Three years with effect from August 01, 2012 ended on July 31, 2015. Panasonic Corporation, by exercising its right conferred under the Articles of Association in respect of nomination of Managing Director, has recommended further extension of the tenure of Mr. Hidenori Aso as the Managing Director of the Company.

The Nomination and Remuneration Committee and the Board of Directors of the Company had re-appointed Mr. Hidenori Aso at their meeting held on July 25, 2015 subject to the approval of the members as the Managing Director of the Company for a further period of Three Years with effect from August 01, 2015 on the terms and conditions including remuneration as detailed in the resolution. Apart from the perquisites mentioned in the resolution the Company shall reimburse expenses incurred by Mr. Hidenori Aso for travelling, boarding and lodging during business trips which shall not be considered as perquisites.

Pursuant to paragraph (B) of Section II of Part II of Schedule V read with Section 197(3) of the Companies Act, 2013, payment of remuneration to managerial personnel in the case of a Company having no profit or inadequate profit is linked to the effective capital of the Company. The limit of yearly remuneration payable by a Company having an effective capital of ₹ 5 crores and above but less than ₹ 100 crores without Central Government approval is ₹ 42 lakhs which shall be doubled if the resolution passed by the shareholders is a Special Resolution. The aforesaid provision is applicable only if the following conditions are fulfilled.

- ii) Payment of said minimum remuneration is approved by the Nomination and Remuneration Committee and the Board of Directors
- ii) No default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of appointment of such managerial person.
- iii) A Special Resolution is passed at the General Meeting of the Company for payment of remuneration for a period not exceeding three years.
- iv) A statement containing the specified information along with the notice calling the General Meeting is furnished to the shareholders.

Panasonic *APPLIANCES INDIA Co. LTD.*

The Company has complied with the stipulated conditions.

Accordingly, Mr. Hidenori Aso can be paid a remuneration within the limit mentioned above. The Remuneration proposed to be paid to Mr. Hidenori Aso is less than and well within the limits of minimum remuneration that can be paid as per the provisions of Schedule V read with Section 197(3) of the Act.

The re-appointment of Mr.Hidenori Aso as Managing Director of the Company by the Board of Directors including the remuneration payable to him is subject to the approval of shareholders by way of a special resolution in terms of the provisions of the Companies Act, 2013.

Accordingly, the matter is placed before the Members for their approval at this Annual General Meeting.

Statement pursuant to sub-clause (iv) of Clause (1B) of Section II of Part II of Schedule V of the Companies Act, 2013 for payment of remuneration to Mr.Hidenori Aso, Managing Director

I. GENERAL INFORMATION		
1.	<i>Nature of Industry</i>	Consumer Durables
2.	Date of Commencement of Commercial Production	01 st October 1990
3.	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in prospectus	Existing Company
4.	Financial Performance	<p>As on 31st March 2015 (₹ In lakhs)</p> <p>Income from Operations 18,917.74</p> <p>Profit / (Loss) before Tax 41.44</p> <p>Profit / (Loss) after Tax 41.44</p> <p style="text-align: right;">(₹ In lakhs)</p> <p>Paid-up Share Capital 983.20</p> <p>Reserves & Surplus (210.59)</p> <p>Long Term Loans 700.00</p> <p>Total 1,472.61</p> <p>Investments Nil</p> <p>Preliminary Expenses (to the extent not written off) Nil</p> <p>Effective Capital as on March 31, 2015 1472.61</p>
5	Export performance and Net Foreign Exchange Collaborations.	Earnings in Foreign Exchange on account of Exports Sales and reimbursement of advertisement and sales promotion expenses received from the Collaborator/Associate Companies was ₹43.15 Crores for the year ended March 31, 2015.
6.	Foreign investments or Collaborations, if any	The Company has Technical Assistance Agreement and Trademark License Agreement with Panasonic Corporation, Japan (formerly Matsushita Electric Industrial Co. Ltd), its foreign collaborator. As on 31.03.2015, foreign investment in paid-up share capital of the Company is 90.64%
II. INFORMATION ABOUT APPOINTEE		
1.	Background details	Mr.Hidenori Aso joined Matsushita Electric Industrial Co. Ltd, Japan in April 1983. He is a Graduate from Tokyo University of Foreign Studies, Japan. He has wide experience of more than 29 years mainly in the area of Marketing and Exports.

Panasonic *APPLIANCES INDIA Co. LTD.*

2.	Past Remuneration	A total of ₹23,02,524/- was paid as salary and perquisites for the year ended March 31, 2015
3.	Recognition or awards	Not Applicable
4.	Job Profile and his suitability	Mr. Hidenori Aso is entrusted with substantial powers of management and is responsible for the general conduct and management of the business and affairs of the Company subject to the superintendence, control and supervision of the Board of Directors of the Company. He has wide experience in Marketing, Exports, Strategic Planning and Organization building.
5.	Remuneration proposed	Salary in the scale of ₹2,20,000 to ₹3,20,000/- per month plus perquisites as per the details given in the proposed resolution.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Mr.Hidenori Aso, had he continued his service with the Company's foreign collaborator would have been drawing significantly more salary than the remuneration proposed to be paid to him from the company.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial person, if any	NIL, except to the extent to remuneration proposed to be paid.
III. OTHER INFORMATION		
1.	Reasons for loss or inadequate profits	As on March 31, 2015 the Company recorded a profit of ₹41.44 Lakhs. The main reasons for the inadequacy of profit are mainly due to weak consumer market and intense competition from cheap Chinese made Cookers.
2.	Steps taken for improvement	Company is taking steps to streamline its business to increase productivity and make its products more competitive in the market. Steps are also taken to increase the export business
3.	Expected increase in productivity and profits in measurable terms	The Company expects that barring unforeseen circumstances, improvement in business environment coupled with the measures being taken to enhance revenue and reduce costs would enable the company to make its business more viable and bring it back to profitability.

The Board of Directors recommends the resolution set out at the Item No. 4 of the accompanying Notice for the approval of the Members of the Company

Memorandum of Interest

Mr.Hidenori Aso, Managing Director is interested in this resolution. Mr.Yosuke Matsunga also deemed as interested in this resolution as both Mr.Hidenori Aso and Mr.Yosuke Matsunga are representatives of Panasonic Corporation. No other Director or Key Managerial Personnel of the company / their relatives are in any way concerned or interested in this resolution.

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

Date : August 24, 2015
Place : Chennai

Hidenori Aso
Managing Director

PROFILE OF DIRECTORS

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

Mr. Hidenori Aso aged 56 years, holds Bachelor's Degree in India-Pakistani Languages & International Studies from Tokyo University of Foreign Studies, Japan. He has to his credit more than 29 years of rich experience in the area of Marketing and Export.

Mr. Hidenori Aso joined as an Executive in Matsushita Electric Industrial Co. Ltd, Japan in April 1983 and become an Assistant Councilor (Manager), Overseas Operations Department, Rice Cooker Division. In recognition of his contribution as well as to derive benefit from his rich and varied experience, Mr. Hidenori Aso was appointed as the Managing Director of your company with effect from July 2001 and continue to hold this position.

Under his dynamic leadership, the Company expanded its product portfolio and upgraded technology for the manufacturing of electric cookers. Also he has derived unique Marketing & Sales Strategy and implemented the strategies successfully. Considering his contribution towards the Company, Panasonic Corporation extended his deputation to the company as its Managing Director for a further period for three years effective from August 01, 2015.

Mr. Hidenori Aso does not hold any other directorships or committee memberships in other companies. He does not hold any shares in the Company.

Mr. Yosuke Matsunaga aged 51 years, graduated from Osaka Prefecture University in 1988. He joined Matsushita Electric Industrial Co., Ltd (now Panasonic Corporation) in April 1988. He has worked in different roles in Panasonic Corporation which includes coordinator Matsushita Electric Europe (Headquarters) Ltd., Senior Coordinator Panasonic Marketing Europe GmbH, Councilor Panasonic Deutschland, Panasonic Marketing Europe GmbH etc., He was acting as Managing Director, Panasonic Malaysia Sdn. Bhd before taking over his current position as the Director Kitchen Appliances Business Division, Appliances Company, Panasonic Corporation. He has wide experience in sales and marketing especially in many overseas countries.

Mr. Yosuke Matsunaga does not hold any other directorships or committee memberships in other companies. He does not hold any shares in the Company.

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report together with the Company's audited financial statements for the financial year ended March 31, 2015:

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

₹ in Crores

Particulars	2014-2015	2013-2014
Net Sales	188.56	157.33
Other Income	0.62	0.67
Total Income	189.18	158.00
Profit before Interest and Depreciation	6.84	3.78
Less: Interest	2.87	3.83
Less: Depreciation	3.70	3.39
Profit/(Loss) before Tax	0.27	(3.44)
Add/(Less): Exceptional Items	0.14	-
Tax expense	-	0.01
Profit/(Loss) after Tax	0.41	(3.43)
Less: Current Income Tax	-	-
Profit/(Loss) after Tax	0.41	(3.43)
Balance carried forward to Balance Sheet	0.41	(3.43)

Review of Performance

Your Company was able to register a net profit of ₹0.41 Crores during the year 2014-15 after incurring losses for the past 3 years. The improvement in the performance of the Company under a sluggish economy and weak consumer demand is a testimony to the fact that various measures initiated by the Company to reduce cost and improve profitability have started yielding results. The increased focus on cost reduction measures at its manufacturing facility, office and branches with special emphasis on reducing input costs, overhead expenses and reduction in interest cost helped the Company to improve its financial performance. The increase in exports coupled with a favorable exchange rate also helped the Company to improve its performance in 2014 -15.

Considering that the overall consumer sentiment and business confidence which prevailed during the financial year 2014 -15 was not conducive to the business 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 is an encouraging fact. The management of the Company is of the opinion that the change in circumstances wherein the Company was successfully completed the delisting process and Panasonic buying out the stake held by the Indian Promoter will provide the Company with much needed capital back-up and operational flexibility.

During the year under review the gross sales of the Company stood at ₹ 208.33 Crores as against ₹ 176.48 Crores in the previous year. The Company recorded a profit of ₹ 0.41 Crores as against loss of ₹ 3.43 Crores incurred in the previous year.

There was no material change for commitment affecting the financial position of the Company between the end of the financial year of the Company and the date of the report other than disclosed in the financial statements. There was no change in the nature of business during the year.

Panasonic *APPLIANCES INDIA Co. LTD.*

Delisting of Shares from Stock Exchanges and Buyout of Shares held by Indian Promoters by Panasonic

Panasonic Corporation, foreign Promoter of the Company bought out the shares of the Indian Promoter Group viz., P.Obul Reddy Group in an off-market acquisition. Subsequent to the buyout of shares from the Indian promoters, Panasonic Corporation, conveyed its intention to the Company to voluntarily delist the Company's Equity shares from the Stock exchanges on which they were listed, viz., the BSE Limited (BSE) and Madras Stock Exchange Limited (MSE) in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. The objective of the delisting of shares by the promoters of the Company was to increase ownership of Panasonic Corporation in the Company which would help Panasonic Corporation exercise increased operational flexibility to support the Company's business and to provide an exit opportunity to the public shareholders of the Company, given the low liquidity in the Equity Shares of the Company.

The proposal to delist the equity shares of the Company from the Stock Exchange was approved by the shareholders through Postal Ballot. Thereafter the Reverse Book Building (RBB) process for discovery of the exit price and acquiring the required number of shares had been carried out in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. The discovered price arrived by RBB was ₹380/- per equity share which Panasonic decided to accept and the shares offered within the discovered price under RBB were accepted by Panasonic. The procedural formalities in respect of delisting had been completed during April 2015 and the trading in the equity shares of the Company had been discontinued w.e.f April 17, 2015.

The remaining public shareholders of the Company who did not or were not able to participate in the RBB process or who unsuccessfully tendered their Equity Shares in the RBB process, will be able to offer their Equity Shares to the Acquirer viz., Panasonic at the Exit Price of ₹ 380 for a period of twelve (12) months from April 24, 2015 upto April 23, 2016.

Amendment of Articles of Association

In order to align the provisions in the Articles of Association ("AoA") with the provisions of Companies Act, 2013 and to address the change in the Management Structure consequent to the exit of Indian Promoters, the Company has amended its AoA by replacing it with new set of AoA by obtaining shareholders approval through Postal Ballot effective from June 22, 2015.

Dividend

Considering that the Company does not have any retained profit and also carries accumulated losses in its books, no dividend is recommended in compliance with the Companies (Declaration and Payment of Dividend) Rules, 2014.

Board of Directors

The composition of the Board of Directors of the Company is furnished in the Corporate Governance Report annexed to this Report. Consequent to the transfer/sale of shares held by the Indian Promoter namely P. Obul Reddy Group to Panasonic Corporation, Mr. Harshad Reddy, representative of the Indian Promoter on the Board resigned from the directorship of the Company with effect from October 17, 2014.

In line with the provisions of revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges and proviso to Section 149 (1) (b) of the Companies Act 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, requiring appointment of a Woman Director on the Board of the Company, Ms. T.S. Sundarambal was appointed as an additional director (Independent) on the Board with effect from October 01, 2014. She holds office up to the date of the forthcoming Annual General Meeting and is required to seek appointment at the Annual General Meeting. Vide letter dated August 24, 2015, Ms. Sundarambal had informed the Board that she is not intending to seek appointment at the Annual General Meeting. The Rules relating to appointment and qualification of Directors, requiring appointment of Woman Director are not applicable to the Company with effect from April 24, 2015 due to the delisting of equity shares of the Company from the Stock Exchanges carried out in accordance with the SEBI Delisting Regulations.

Mr. Shigeru Dono, a non-executive director representing Panasonic Corporation on the Board of the Company resigned with effect from April 28, 2015 and Mr. Yosuke Matsunaga was appointed as Director in the casual vacancy created due to the resignation of Mr. Shigeru Dono on the same day. Since the term of Mr. Shigeru Dono as Director would have come to an end on the date of ensuing AGM had he be continued and considering that Mr. Yosuke Matsunaga was appointed in the casual vacancy created due to resignation of Mr. Shigeru Dono, the resolution seeking approval of the shareholders for the appointment of Mr. Yosuke Matsunaga as a Director of the Company liable to retire by rotation is included in the notice of Annual General

Meeting to enable him to continue as a Director on the Board.

The term of Mr. Hidenori Aso as Managing Director of the Company in terms of the approval granted by the shareholders of the Company came to end on July 31, 2015. The Board of Directors based on the recommendation of Nomination and Remuneration Committee of the Board approved re-appointment of Mr. Hidenori Aso for a further period of 3 years effective August 1, 2015. The resolutions seeking approval of the Shareholder for the re-appointment of Mr. Hidenori Aso is included in the Notice of the Annual General Meeting.

Declaration by Independent Directors

All the Independent Directors submitted the declaration of Independence as required under section 149(7) of the Companies Act, 2013 stating that they meet criteria of Independence as provided under section 149(6) and clause 49 of the Listing Agreement.

Number of Meetings of the Board

The Board of Directors of your company had 11 meetings during the financial year 2014-15. Details of the Board Meetings held for the year 2014-15 have been furnished in the Corporate Governance Report and forms part of this report.

Separate Meeting of Independent Directors

As required under schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors was held on February 13, 2015. The meeting reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson, taking into account the views of other directors and also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Audit Committee

The Audit Committee of the Board is constituted on the terms of reference as prescribed under Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board of Directors) Rules 2014 and Clause 49 of the Listing Agreement. The details of the Audit Committee composition, number of meetings held, etc. are disclosed in Corporate Governance Report which forms part of this Report.

Remuneration Policy and Appointment to the Board / Key Managerial Personnel

On the recommendation of the Nomination and Remuneration Committee (NRC), the Board has framed a remuneration policy for all employees of the Company including senior management and the Directors. The remuneration policy of the Company is designed to attract, motivate and retain suitable manpower in a competitive market. The remuneration package for each person is designed keeping a balance between fixed remuneration and profit and performance-linked incentives in order to achieve corporate performance targets. The Board affirms that the remuneration is as per the Remuneration Policy of the Company. The Governance policies laid down by the Board of directors of your company include:

- i. Policy on appointment and removal of Directors, Key Managerial Personnel and Senior Management
 - ii. Policy on remuneration to the Directors, Key Management Personnel and Senior Management and other Employees
- The Policy for appointment and removal of Directors, KMPs and Senior Management and their Remuneration is provided in **Annexure 1** to the Board's report.

Key Managerial Personnel (KMPs)

During the year under review, Mr. Tom Antony who was holding the position of both Chief Financial Officer and Company Secretary had relinquished his position as company secretary in order to align with the provisions of Companies Act, 2013. Subsequent to this Ms. Tessa J K was appointed as the Company Secretary of the Company on August 29, 2014.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr. Hidenori Aso, Managing Director, Mr. Tom Antony Chief Financial Officer and Head-Operations and Ms. Tessa J K Company Secretary served as the Key Managerial Personnel of the Company for the financial year 2014 - 2015. Ms. Tessa J.K had resigned from the service of the Company effective July 13, 2015.

Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

Panasonic *APPLIANCES INDIA Co. LTD.*

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had 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 and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of adequacy of Internal Financial Controls with reference to the financial statements

The Company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly and efficient conduct of the business, including adherence to the company's policies, the safe guarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information.

Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed as "**Annexure 2**".

Related Party Transactions (RPT)

All transactions entered into with Related Parties as defined under Section 2(76) of the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties in the financial year which were in conflict with the interest of the Company.

All RPTs are placed before the Audit Committee for its approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature. The Board of Directors of the Company, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement. None of the Directors has any pecuniary relationships or transactions via-a-vis the Company.

Suitable disclosures as required by the Accounting Standards (AS18) have been made in the notes forming part of the Financial Statements. The details of transactions entered into with the Related Parties are enclosed as "**Annexure 3**".

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Sandeep & Associates Practicing Company Secretaries, Chennai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is provided as "**Annexure 4**".

There are no qualifications, reservation or adverse remark or disclaimer made in the Secretarial Audit Report.

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Companies (Accounts) Rules, 2014

The particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided in "**Annexure 5**" which forms part of this report.

Statutory Auditors

The term of office of M/s. Brahmayya & Co, Chartered Accountants, [ICAI Registration No.000511S], as Statutory Auditors of the Company will expire with the conclusion of forthcoming Annual General Meeting of the Company. M/s. Brahmayya & Co., Chartered Accountants, has been acting as the Statutory Auditors of your Company since 1991.

A special notice has been received from Panasonic Corporation, Japan in its capacity as Member of the Company, proposing a resolution at the forthcoming Annual General Meeting for appointment of M/s. BSR & Co. LLP, Chartered Accountants as Statutory Auditors of the Company in place of M/s. Brahmayya & Co, Chartered Accountants being the retiring Auditor. The Board of Directors of the Company on the recommendation of Audit Committee, subject to approval of the Members, has recommended M/s. BSR & Co. LLP Chartered Accountants as the Statutory Auditors of the Company. A resolution proposing appointment of M/s. BSR & Co. LLP Chartered Accountants as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 forms part of the Notice.

M/s. Brahmayya & Co, over many years, supported the Company and have maintained the highest level of governance, rigour and quality in their audit. The Board places on record its appreciation for the services rendered by M/s. Brahmayya & Co, Chartered Accountants as the Statutory Auditors of the Company

Your Company has received a written confirmation from M/s. BSR & Co. LLP Chartered Accountants that their appointment, if made, would satisfy the criteria provided in Section 141 of the Companies Act, 2013 for their appointment.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

Internal Auditors

The Company engaged M/s. Venkatesh & Co., Chartered Accountants, as internal Auditors of the Company. The scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes and assessing the internal control strengths in all areas.

Anti- Sexual Harassment Policy

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 became effective from December 2013 and is applicable to the Company. In line with the requirement of this Act, the Company had constituted an Internal Compliance Committee and also framed an Anti Sexual Harassment policy for prevention of sexual harassment at workplace. During the year under review there was no complaint reported under this.

Deposits / Loans & Advances, Guarantees or Investments

Your Company has not accepted any deposits from the public during the year under review. There were no loans/advances, guarantees and investments made during the year under review coming under the purview of Section 186 of the Companies Act, 2013.

Statement under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

There are no employees drawing remuneration of more than ₹ 60 lakhs or drawing remuneration of Rs. 5 lakhs per month, if employed part of the year as required under Rule 3(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

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.

There was no mandatory requirement for the Company to spend any amount towards CSR activities as it was a loss making company in the past 3 years. However as a good corporate citizen, it has continued its green belt activities by planting tree

sampleings 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 sponsors healthcare Programs and also extends financial assistance to improve the infrastructure requirement of schools functioning in its neighborhood. .

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. In spite of the fact that the requirements under Clause 49 is not mandatory for the Company as per the revised Clause 49, your Company endeavors to follow the corporate governance requirements under Clause 49 of the Listing Agreement.

As required under Clause 49 of the Listing Agreement, Management Discussion and Analysis Report (**Annexure '6'**) and Corporate Governance Report (**Annexure '7'**) along with Auditors' certificate regarding compliance of the conditions of Corporate Governance are given as part of this Annual Report. In view of the delisting of the equity shares of the Company from the Stock Exchanges with effect from April 24, 2015, the Corporate Governance requirements prescribed under clause 49 of the Listing Agreement as well as the provisions in respect of Corporate Governance under Companies Act, 2013 applicable to listed companies are not applicable to the Company. However the Company continues to comply with most of the Corporate Governance requirements applicable to listed companies in its efforts to maintain highest degree of Corporate Governance.

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 workmen and employees of the Company have continued to remain cordial.

Code of Conduct

The Company has already in place a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts.

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

Place : Chennai
Date : August 24, 2015

Hidenori Aso
Managing Director

A.Raghavendra Rao
Director

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT AND THEIR REMUNERATION

Directors

The Nomination Remuneration Committee (NRC) determines the criteria for appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of individual Board member, the NRC will take into account multiple factors, including general understanding of the business, education, professional background, personal achievements, professional ethics and integrity.

Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman / MD / CFO will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made there under.

Key Managerial Persons (KMPs)

The authority to identify right candidates for the appointment of Chief Financial Officer and Company Secretary is vested with the Managing Director. The HR will facilitate in identifying the candidates internally or externally.

Senior Management Personnel

The Senior Management personnel are appointed and removed/relieved with the authority of MD & CFO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed/relieved during a quarter shall be presented to the Board as part of the update on Corporate Governance.

Removal of Board of Directors and KMPs

If a Director or a KMP is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations hereunder or due to non adherence to the applicable policies of the company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director or a KMP subject to the compliance of the applicable statutory provisions.

Remuneration to Non Executive Directors:

The Non-executive Directors are paid sitting fee within the limits prescribed under the Companies Act 2013 for attending Board/Committee Meetings. Apart from Sitting fee, the Company does not pay any other remuneration to the Non-executive Directors.

Executive Directors:

The remuneration to MD who is the only executive Director in the Company shall be recommended by NRC to the Board. The remuneration consists of fixed compensation and other perquisites as approved by the Board and within the overall limits specified in the Shareholders resolution.

Remuneration to Senior Management personnel and Other Employees

The Company follows an extensive performance management system to review the performance of the Employees / Senior Management and provide rewards on the basis of meritocracy. The overall remuneration to the employees includes a fixed component (Guaranteed Pay) and a variable component (Performance pay). The percentage of the variable component increases with increasing hierarchy levels, as the Company believes employees at higher positions have far greater impact and influence on the overall business result. The CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality
- Longevity in grade

Panasonic *APPLIANCES INDIA Co. LTD.*

The remuneration for KMPs - CFO and CS will be proposed by the MD to the NRC consistent with the strategy of the Company and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of Section 203 of the Companies Act, 2013 the Board shall approve the remuneration at the time of their appointment. Remuneration for the new employees other than KMPs and Senior Management Personnel will be decided by the HR, in consultation with the concerned business unit head at the time of hiring, depending upon the relevant job experience, last compensation and the skill-set of the selected candidate. The CFO shall make a presentation to the NRC on the proposed annual increments based on the performance of the company, general trends in the Industry etc. Eligible employees will be rewarded with the annual increment.

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L30007TN1988PLC016184
ii)	Registration Date:	09/09/1988
iii)	Name of the Company:	Panasonic Appliances India Company Limited
iv)	Category / Sub – Category of the Company:	Public Limited Company/Limited by Shares
v)	Address of the Registered Office and Contact details:	National Highway, No.5, Sholavaram Village, Chennai - 600 067. Tel: + 044 22258715 Email: secretary@panasonicindia.in Website: www.panasonicappliances.in
vi)	Whether listed Company:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	M/s. Integrated Enterprises (India) Limited "Kences Towers", 2 nd Floor, #1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017 Phone: 044 2814 0812

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

S.No	Name and Description	NIC Code of the Product / Service	% to total turnover of the Company
1	Household Appliances	99611440	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name of the Company	Address	CIN, if any	Holding/Subsidiary/ Associate	(%) shares held	Applicable Section
1	Panasonic Corporation	No. 1006, Oaza Kadoma, Kadoma-shi, Osaka – 571-8501, Japan Phone: +81-6-6908-1121	NA	Holding Company	92.49	Section 2(46)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	%	Demat	Physical	Total	%	
Promoter and Promoter Group									
Indian									
Individuals / HUF	582420	251920	834340	8.49	-	-	-	-	8.49
Central Govt/State Govt	-	-	-	-	-	-	-	-	-
Bodies Corporate	830766	-	830766	8.45	-	-	-	-	8.45
Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
Sub Total	1413186	251920	1665106	16.94	-	-	-	-	16.94
Foreign									
Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	5632000	-	5632000	57.28	8866370	45300	8911670	90.64	33.36
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total	5632000	-	5632000	57.28	8866370	45300	8911670	90.64	33.36
Total Shareholding of Promoter	7045186	251920	7297106	74.22	8866370	45300	8911670	90.64	16.42
Public shareholding									
Institutions	-	-	-	-	-	-	-	-	-
Mutual Funds/UTI-	-	1700	1700	0.02	1700	58100	59800	0.61	0.59
Financial Institutions/ Banks	-	1800	1800	0.02	-	1800	1800	0.02	-
Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (specify)									
Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
Sub Total	-	3500	3500	0.04	1700	59900	61600	0.63	0.59

Panasonic *APPLIANCES INDIA CO. LTD.*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	%	Demat	Physical	Total	%	
-Non-institutions									
Bodies Corporate	1129501	11900	1141401	11.61	28322	11800	40122	0.41	11.2
Individuals -									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	706326	489767	1196093	12.17	338935	422887	761822	7.75	4.42
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	173786	-	173786	1.77	53500	-	53500	0.54	1.23
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (specify)									
i. Non Resident Indians	-	-	-	-	-	-	-	-	-
ii. Foreign Nationals	-	-	-	-	-	-	-	-	-
iii. Trusts	-	-	-	-	-	-	-	-	-
iv. Clearing members	20114	-	20114	0.20	3286	-	3286	0.03	0.17
v. Overseas Bodies Corporate	-	-	-	-					
Sub-Total	2029727	501667	2531394	25.75	424043	434687	858730	8.73	17.02
Total Public Shareholding	2029727	505167	2534894	25.78	425743	494587	920330	9.36	16.42
Total	9074913	757087	9832000	100.00	9292113	539887	9832000	100.00	-
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
Grand Total	9074913	757087	9832000	100.00	9292113	539887	9832000	100.00	-

(ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year			% No. of Shares held at the end of the year %			% change during the year
	Demat	Physical	Total %	Demat	Physical	Total %	
P Obul Reddy	271910	-	2.77	-	-	-	-2.77
P Obul Reddy Investments p ltd	271880	-	2.77	-	-	-	-2.77
M/s. Preetha Investments P Ltd	271890	-	2.77	-	-	-	-2.77
M/s. PDR Investments P Ltd	272390	-	2.77	-	-	-	-2.77
Rohini Reddy	288300	-	2.93	-	-	-	-2.93
E. Vijayalakshmi	274100	-	2.79	-	-	-	-2.79
P Gnanamba	10	-	0.00	-	-	-	0.00
P Vijayakumar Reddy	10	-	0.00	-	-	-	0.00
Dwaraknath Reddy	10	-	0.00	-	-	-	0.00
PPN Holdings P Ltd	14606	-	0.15	-	-	-	-0.15
Foreign Promoters							
Panasonic Corporation	5632000	-	57.28	8911670		90.64	33.36

Panasonic *APPLIANCES INDIA Co. LTD.*

(iii) Changes in Promoters Shareholding (please specify, if there is no change)

Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Obul Reddy				
At the Beginning of the year	271910	2.77	271910	2.77
12.09.2014	-271910	-2.77	0	0.00
At the end of the year			0	0.00
Gnanmba				
At the Beginning of the year	10	0.00	10	0.00
12.09.2014	-10	0.00	0	0.00
At the end of the year			0	0.00
Meenakshi Reddy				
At the Beginning of the year	0	0.00	0	0.00
12.09.2014	271920	2.77	271920	2.77
07.10.2014	-271920	-2.77	-271920	-2.77
At the end of the year			0	0.00
Rohini Reddy				
At the Beginning of the year	288300	2.93	0	0.00
07.10.2014	-288300	-2.93	-288300	-2.93
At the end of the year			0	0.00
E Vijayalaskhmi				
At the Beginning of the year	274100	2.79	0	0.00
07.10.2014	-274100	-2.79	-274100	-2.79
At the end of the year			0	0.00
Dwaraknath Reddy				
At the Beginning of the year	10	0.00	0	0.00
07.10.2014	-10	0.00	-10	0.00
At the end of the year			0	0.00
P Vijayakumar Reddy				
At the Beginning of the year	10	0	10	0
07.10.2014	834330	8.49	834340	8.49
17.10.2014	-834340	-8.49	0	0.00
At the end of the year			0	0.00
Preetha Investments Pvt Ltd				
At the Beginning of the year	271890	2.77	271890	2.77
07.10.2014	544270	5.54	816160	8.30
17.10.2014	-816160	-8.30	0	0.00
At the end of the year		0.00	0	0.00
PPN holdings				
At the Beginning of the year	14606	0.15	14606	0.15
17.10.2014	-14606	-0.15	0	0.00
At the end of the year			0	0.00
Panasonic Corporation				
At the Beginning of the year	5632000	57.28	5632000	57.28
17.10.2014	1665106	16.94	7297106	74.22
20.03.2015	1131671	11.51	8428777	85.73
23.03.2015	482893	4.91	8911670	90.64
At the end of the year			8911670	90.64

Note : During the year Panasonic Corporation acquired shares held by Indian promoters and also the shares tendered by public under Reverse Book Building (RBB) process carried out as per SEBI Delisting Regulations

Panasonic *APPLIANCES INDIA Co. LTD.*

(iv) Shareholding of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Shareholder's Name	No. of Shares held at the beginning of the year %		No. of Shares held at the end of the year %		% change during the year
	No. of Shares	%	No. of Shares	%	
Mentor Capital Limited	979053	9.96	-	-	-9.96
Anil Gupta	36000	0.37	-	-	-0.37
Bakshu Securities and Broker Private Limited	33000	0.34	6000	0.06	-0.28
Surendra Chhajer	29800	0.30	-	-	-0.30
Sanjay Fincom Limited	28038	0.29	-	-	-0.29
Lincoln P Coelho	25000	0.25	-	-	-0.25
Sanchay Finvest Limited	22547	0.23	-	-	-0.23
Vasudeo Shantaram Samant	17500	0.18	-	-	-0.18
Snehalatha Singhi	16537	0.17	-	-	-0.17
Patel Parul Madhukant	16075	0.16	-	-	-0.16

(v) Shareholding of Directors and Key Managerial Personnel:

Shareholder's Name	No. of Shares held at the beginning of the year %		No. of Shares held at the end of the year %		% change during the year
	No. of Shares	%	No. of Shares	%	
Mr. Hidenori Aso	-	-	-	-	-
Mr. A. Raghavendra Rao	-	-	-	-	-
Mr. K. Subramanian	-	-	-	-	-
Mr. Ajit Gopal Nambiar	-	-	-	-	-
Ms. T.S. Sundarambal	-	-	-	-	-
Mr. Yosuke Matsunaga	-	-	-	-	-
Mr. Tom Antony	-	-	-	-	-
Ms. Tessa J. K.	-	-	-	-	-

VI) Indebtedness

Amount in ₹

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	360,158,582	-	360,158,582
Change in indebtedness during the financial year				
Addition	-	70,000,000	-	70,000,000
Reduction	-	27,190,568	-	27,190,568
Net Change	-	42,809,432	-	42,809,432
Indebtedness at the end of the financial year	-	402,968,014	-	402,968,014

Panasonic *APPLIANCES INDIA Co. LTD.*

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Amount in ₹

Sl.No.	Particulars of Remuneration	Name of MD/ WTD	
		Mr. Hidenori Aso Managing Director	
1	Gross Salary* a) Salary as per provisions contained in section 17 (1) of the Income tax Act b) Value of perquisites u/s 17 (2) of Income tax Act c) Profits in lieu of salary under section 17 (3) of Income tax Act	2,100,000	202,524
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission-	-	-
	As % of profit- As others, specify		
5	Others, specify	-	-
	TOTAL (A)	2,302,524	
	Ceiling as per the Act (Limit of yearly remuneration as per Sch V)	4,200,000	

* Excludes salary received by Mr. Hidenori Aso from Panasonic Corporation.

B. Remuneration to other directors: Amount in ₹

Sl.No.	Particulars of remuneration	Name of directors				Total amount
		A. Raghavendra Rao	K. Subramanian	Ajit G Nambiar	T. S. Sundarambal	
1	Independent Directors ● Fee for attending board/ committee meetings	390,000	393,000	40,000	100,000	923,000
	● Commission	-	-	-	-	
	● Others, please specify	-	-	-	-	
	Total (1)	390,000	393,000	40,000	100,000	923,000
2	Other Non Executive Directors ● Fee for attending board/ committee meetings	Shigeru Dono				
	● Commission	-	-	-	-	
	● Others, please specify					
	Total (2)	-	-	-	-	
	Total (B) = (1 +2)	390,000	393,000	40,000	100,000	923,000
	Total Managerial Remuneration (A+B)					3,225,524

Panasonic *APPLIANCES INDIA Co. LTD.*

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER/WTD

Amount in ₹

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		Total amount
		Tom Antony CFO & Head - Operations	Tessa J.K.* Company Secretary	
1	Gross Salary	2,582,980	432,800	3,015,780
	a) Salary as per provisions contained in section 17 (1) of the Income tax Act			
	b) Value of perquisites u/s 17 (2) of Income tax Act	-	-	
	c) Profits in lieu of salary under section 17 (3) of Income tax Act			
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission	-	-	
	-As % of profit			
	-As others, specify			
5	Others, specify	-	-	
	TOTAL (A)	2,582,980	432,800	3,015,780

*appointed as Company Secretary with effect from August 29, 2014

Penalties /Punishment/Compounding Of Offences:

There are no penalties/punishment/compounding of offences against the Company and its Directors and Officers for the year ended on 31st March, 2015.

For and on behalf of the Board

Place: Chennai
Date: August 24, 2015

Hidenori Aso
Managing Director

A.Raghavendra Rao
Director

(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1 Details of contracts or arrangements or transactions not at arm's length basis:

Sr.No	Name of the Related Party	Nature of relationship	Nature of Transaction	Duration of the Transactions	Salient features of the Transactions	Transactions value	Justification for Transaction	Date(s) of Approval by the Board	Amount paid as advances	Date of Special Resolution
-	-	-	-	-	-	-	-	-	-	-

2 Details of material contracts or arrangement or transactions at arm's length basis

Amount in ₹

Sr.No	Name(s) of the related party	Nature of relationship	Nature of Transaction	Duration of the Transaction	Transactions value	% to consol revenue	Date(s) of approval by the Board, if any	Amount paid as advances
1.	Panasonic Logistics Asia Pacific Singapore (PLAP)	Fellow Subsidiary	Sale of Products	2014-15	356,503,734	18.85%	---	NIL

For and on behalf of the Board

Place: Chennai
Date: August 24, 2015

Hidenori Aso
Managing Director

A.Raghavendra Rao
Director

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,
Panasonic Appliances India Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of M/s. Panasonic Appliances India Company Limited (hereinafter called "the Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder as applicable.
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Delisting of equity shares regulations), 2009;and
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws applicable specifically to the Company in the manufacturing and consumer goods sectors as identified by the Company including:
 - (a) The Factories Act, 1948
 - (b) Industrial Dispute Act, 1947

- (c) The Industrial Employment (Standing Orders) Act 1946
- (d) The Payment of Wages Act, 1936
- (e) The Payment of Bonus Act, 1965
- (f) The Payment of Gratuity Act, 1972
- (g) Minimum Wages act 1948
- (h) Contract Labour (Regulation and Abolition) Act 1979
- (i) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (j) The Employees State Insurance Act, 1948
- (k) Employees Compensation Act, 1923
- (l) Maternity Benefit Act, 1961
- (m) The Air [Prevention and Control of Pollution] Act, 1981
- (n) The Water [Prevention and Control of Pollution] Act, 1974
- (o) The Environment Protection Act, 1986
- (p) Hazardous Wastes (Management & Handling) Rules, 1989
- (q) R&D Cess Act, 1986
- (r) The Legal Metrology Act, 2009
- (s) Tamilnadu Fire Service Act, 1985
- (t) The Tamilnadu Labour Welfare Fund Rules ,1973

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not applicable to the Company as on the date of report)**
- b. The Listing Agreements entered into by the Company with Madras Stock Exchange and Bombay Stock Exchange.
During the period under review the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that, there were no actions / events in pursuance of:

- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- (ii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive and Non-Executive Directors and Independent Directors. The Company has complied with requirements of Equity Listing Agreement entered into with the Bombay Stock Exchange Ltd and the Madras Stock Exchange. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective departments / company secretary taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were taken unanimously and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, except for the commencement of the process of voluntary delisting, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

For S Sandeep & Associates

S Sandeep
Managing Partner
FCS No. 5853
C P No.: 5987

Place: Chennai
Date: May 26, 2015

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Companies (Accounts) Rules, 2014

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	1)Introduction of Rotary type table for doing gravity die casting for cast heater resulted productivity up by 45% and saving of electricity by 7615 units /month 2) By segregation of Production lines resulted saving of Electricity by 1556 units/ months in cooling Tower usage at Spot Welding area 3)Reduction of Motor capacity from 7.5 HP to 5 HP at bore well usage resulted in electricity saving of 11232 units/month								
(ii)	the steps taken by the company for utilizing alternate sources of energy	There is no utilization of alternate source of energy.								
(iii)	the capital investment on energy conservation equipments	₹ 2,905,573/- has been invested for the aforesaid measures.								
(b) Technology absorption										
(i)	the efforts made towards technology absorption	By availing technical assistance and knowhow from Panasonic Corporation Japan, development has been made towards manufacturing of new products such as: - Automatic rice cooker with the capacity of 7.2 and 3.2 litres. - Automatic rice cookers with four different metallic colors such as Burgundy, Metallic Blue, White and Silver. Also these metallic cookers have been exported to Israel, Panama, Peru, USA, Malaysia and Hong Kong. - Steaming basket for the following Big Capacity Cookers model: a) SR 932D b) SR 942D; - Mixer Grinder Models such as AC 555, AC 310 and AC 210 - Wet Grinder with unique safety lock feature								
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Cost reduction of ₹ 18,614,000/- has resulted in manufacturing due to value Engineering and change of suppliers.								
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import; (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Products imported during the last three years. <table border="1"> <thead> <tr> <th>Year</th> <th>Products</th> </tr> </thead> <tbody> <tr> <td>2012-13</td> <td>Cooker with 4.2 Litres Capacity</td> </tr> <tr> <td>2013-14</td> <td>Cooker with 4.2 and 3.2 Litres Capacity</td> </tr> <tr> <td>2014-15</td> <td>Cooker with 7.2 Litres Capacity, Wet Grinder and Mixie Model AC 555</td> </tr> </tbody> </table> - - Yes -	Year	Products	2012-13	Cooker with 4.2 Litres Capacity	2013-14	Cooker with 4.2 and 3.2 Litres Capacity	2014-15	Cooker with 7.2 Litres Capacity, Wet Grinder and Mixie Model AC 555
Year	Products									
2012-13	Cooker with 4.2 Litres Capacity									
2013-14	Cooker with 4.2 and 3.2 Litres Capacity									
2014-15	Cooker with 7.2 Litres Capacity, Wet Grinder and Mixie Model AC 555									
(iv)	the expenditure incurred on Research and Development	₹ 4,644,987/-								

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange spent (outgo) was ₹ 33.35 Crores and the total foreign exchange earned was ₹ 43.15 Crores.

Management Discussion and Analysis Report

OVERVIEW OF ECONOMY

The Indian economic landscape reflected signs of slow recovery as an offshoot of proactive measures taken by the Government in addition to correction in commodity prices. Increased inflows from FIIs together with decreasing crude prices helped in stabilizing foreign exchange reserves, containing inflation and narrowing the current account deficit. The Reserve Bank of India which had tightened the monetary policy to create a buffer against external shocks, contain demand pressures, and manage volatility in the rupee also undertook a reversal with reduction of rates during the year to encourage growth. During the year, India's GDP growth forecast was revised upwards to 5.6% from 5.4% in contrast to the contracting global forecast. Economic growth rose to 5.2% as against 4.7% last year as a result of the improving macro-economic situation. However, meeting the fiscal deficit target continued to remain a challenge.

During the year under review, the Indian Rupee saw a range bound stabilization against the dollar. A range of investor friendly measures reflected the new government's pro-reform agenda and has stimulated a burgeoning investor confidence. However, the slow pace of reforms, high interest rates, lack of impetus for infrastructure projects, and tightening of fiscal policies adversely impacted the capital goods sector. Industrial production and output was also sluggish. Investments in the manufacturing industry continued to be affected by growing rates of interests and slow project implementation which resulted in lower capacity utilization.

Your Company's performance for the year 2014-15 has to be viewed in the context of the aforesaid economic and market environment.

Business Review

The operating environment for the manufacturing industry was no different from that of the macro economy. During the year under review Your Company was able to record a profit of ₹ 41.44 lakhs making it the first profit to be recorded for a financial year ending since 2011-2012. Your Company was able to marginally increase its gross sales which stood at ₹ 208.33 Crores as against ₹176.48 Crores in the previous year. The Company recorded a profit of ₹ 41.44 lakhs as against a loss of ₹ 343.11 lakhs incurred in the previous year as a result of continuous efforts by the Management to reduce finance costs and operating cost coupled with increase in sales.

The Company through various cost reduction measures as well as strategic initiatives was able to significantly reduce the amount of losses. A more unified approach to sourcing and a combined effort from the Management enabled the Company to achieve significant material cost reduction. 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 2014-15. Your Company adopted various financial strategies and several marketing schemes during the year.

Your Company was able to increase the export sales considerably during 2014-15. The Company leveraged its expertise and experience to expand presence in its existing markets. Exports witnessed a healthy growth through enhanced focus on subcontinent markets. The Company reported an all-time high growth in export orders and initiated export to several countries including Philippines, USA, Mexico etc. Focused market development activities resulted in opening up untapped export potential. In an effort to expand its product range and add value to the customers' business, your Company introduced the 'Ultimate super wet grinder' in November 2014.

In addition to strengthening its international presence, your Company also strengthened and stabilized the domestic market in addition to expanding 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. Recent introductions of the 'Ultimate super wet grinder', big capacity cookers and Spectra range of rice cookers in addition to the range of imported small kitchen appliances are some of the major measures undertaken to increase market penetration.

Outlook on Opportunities, Threats, Risks and Concern

In 2014-15, the Indian economy regained its position as one among the fastest growing economies due to measures taken to control inflation, decline in price of oil, reversal of monetary policy, and other commodities as well as initial set of reforms by the newly elected government. The Indian kitchen appliance industry is steadily moving upwards. Your Company had initiated several steps for improving sale of its products. This together with the several cost reduction measures adopted by the Company should help in augmenting performance results for the current year.

The low economic growth appears to have bottomed out and the market foresees a steady increase in economic activity in the year 2015. Against the backdrop of the Government's determination to bring in reforms, the medium term to long term growth prospects look positive. The economy is expected to grow at a higher rate in 2015 than in 2014. The long term prospects for the economy are optimistic.

For kitchen appliances sector, the overall consumer sentiment continues to remain muted influenced by factors such as weaker consumer confidence, lesser growth in rural markets and decreasing disposable incomes.

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 network of after sales service centers across the country, with reduced competition from Chinese players and with the kitchen appliances market in India growing at a steady pace, 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 and capacities. Your Company also showed a steady growth in Mixie sales especially in the International Market.

Products' Quality 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 280 permanent employees as on March 31, 2015. Attrition rate stood at 4.3%.

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 '7' TO BOARD'S REPORT REPORT ON CORPORATE GOVERNANCE (Pursuant to Clause 49 of the Listing Agreement)

"Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources".

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. Your Company is committed to good Corporate Governance, based on an effective independent board, separation of supervisory role from the executive management and the constitution of Committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plan to performance measurement and consumer satisfaction.

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. Our Corporate Governance framework is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity.

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, 2015, the Board comprised 6 directors including one Executive Director and five Non-Executive Directors, four of whom were also Independent Directors. Accordingly, the composition of the Board is in conformity with clause 49 of 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. 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, 2015 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

Panasonic *APPLIANCES INDIA Co. LTD.*

the Company Secretary in consultation with the Managing Director of the Company and circulated to the Directors well 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. The company adheres to the requirements prescribed under Secretarial Standard issued by the Institute of Company Secretaries of India in respect of Board Meetings which has been made mandatory with effect from July 1, 2015.

Eleven Board Meetings were held during the financial year ended March 31, 2015, as against the minimum requirement of four meetings and the gap between two meetings did not exceed 120 days. The dates on which the said meetings were held on April 30, 2014, May 30, 2014, June 24, 2014, July 21, 2014, August 29, 2014, September 20, 2014, October 18, 2014, October 28, 2014, November 12, 2014, December 05, 2014, February 13, 2015. The last Annual General Meeting of the Company was held on September 29, 2014.

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	11	Yes	Nil	Nil	Nil	Nil
Mr. A. Raghavendra Rao	00171736	Director; Non-Executive, Independent	11	Yes	1	Nil	3	Nil
Mr. K. Subramanian	00019088	Director; Non-Executive; Independent	11	Yes	3	1	5	Nil
Mr. Ajit Gopal Nambiar	00228857	Director; Non-Executive; Independent	2	Yes	19	Nil	16	Nil
Mr. Shigeru Dono**	06734015	Director; Non-Executive; Promoter	8	Yes	Nil	Nil	Nil	Nil
Ms. T.S. Sundarambal***	06974713	Director; Non-Executive; Independent	6	NA	Nil	Nil	Nil	Nil
Mr. Youske Matsunaga****	07165780	Director; Non-Executive; Promoter	NA	NA	Nil	Nil	Nil	Nil

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

**Resigned as Non-Executive Promoter Director on April 28, 2015

***Appointed as Women Director (Independent) effective from October 01, 2014

****Appointed as Non-Executive Promoter Director on April 28, 2015

Discussion with Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the Independent Directors of the Company shall hold atleast one meeting in a year, without the attendance of non-independent directors and members of the Management. All the Independent directors of the Company shall strive to present at such meetings. The meeting shall review the performance of non-independent directors and the Board as a whole; review the performance and chairman of the Board, taking into account the views of executive and non-executive directors; assess the quality, quantity and timeliness of flow of information between the Management and the board that is necessary for it to effectively and reasonably perform its duties. Accordingly, the meeting of independent directors was held on February 13, 2015 and all independent directors were present at that meeting.

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, 2013 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) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- 12) Reviewing the functioning of the whistle blower mechanism.
- 13) 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 internal auditor.
- 14) 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 2014-15 comprised of three 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.

During the year the Audit Committee was reconstituted due to the demise of Mr. Justice S Natarajan who was acting as the Chairman of the Audit Committee. The Board inducted Mr. Hidenori Aso Managing Director as one of the members and appointed Mr. A. Raghavendra Rao as Chairman of the Audit Committee.

Meetings and Attendance

During the financial year ended March 31, 2015, Six Audit Committee Meetings were held on May 26, 2014; July 19, 2014; November 11, 2014; February 12, 2015; March 27, 2015 and May 26, 2015 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. A. Raghavendra Rao	Chairman; Non-Executive; Independent	6	6
2.	Mr. K. Subramanian	Member; Non-Executive; Independent	6	6
3.	Mr. Hidenori Aso,	Member: Executive; Managing Director	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 September 29, 2014 to answer shareholder queries.

4. Stakeholders Relationship Committee

In line with the Companies Act, 2013 / Clause 49 of the Listing Agreement requirements, the Board has renamed the Share Transfer and Investor Grievance Committee as Stakeholders Relationship Committee. The Board has also formed a separate Committee comprising of officials of the Company for expediting approval of share transfer/Share transmission request which was hitherto carried out by Share transfer and Investor Grievance Committee of the Board.

Panasonic *APPLIANCES INDIA Co. LTD.*

Due to the demise of Mr. Justice S Natarajan, who was acting as the Chairman of the Share Transfer and Investor Grievance Committee, the Board inducted Mr.A.Raghavendra Rao as a Member and Chairman of the Stakeholders Relationship Committee. Mr. Hidenori Aso and Mr. K Subramanian are the other members in the Stakeholders Relationship Committee.

Meetings and Attendance

During the financial year ended March 31, 2015, Seven Stakeholder Relationship Committee Meetings were held on April 3, 2014; April 30, 2014; January 06, 2015; January 23, 2015; February 04, 2015; February 19, 2015; March 9, 2015; March 27, 2015 to approve share transfers, address investor grievances and other related matters.

The Committee considers and resolves the grievances of the security holders.

Details of Complaints / other Correspondence

Type	Nos.
Complaints Received	Nil
Non-Receipt of Certificate after Transfer/Bad Delivered	Nil
Non-Receipt of Dividend Warrant/Cheque/Demand Draft	4
Revalidation of Dividend Warrant/Cheque/Demand Draft	6
Issue of Duplicate Share Certificate	16
Change of Address/Bank Mandate/ECS Mandate & Cancel	Nil
Procedure for Transmission	4
Procedure for loss of Share Certificate	46
General Queries	20

The Committee reviews the performance of the Company's Registrar and Share Transfer Agents (R &TA) of dealing with and responding to correspondence from shareholders. The Committee also reviews the manner and time-lines of dealing with complaint letters received from Stock Exchanges/SEBI/Ministry of Corporate Affairs etc., and the responses thereto.

Company Secretary acts as the Secretary to the Committee.

There was no Shareholder/ Investor Complaint pending as on March 31, 2015.

5. Nomination and Remuneration Committee

During the year the Company has reconstituted and renamed the Remuneration Committee as Nomination and Remuneration Committee in accordance with the provisions of Companies Act 2013. Due to the demise of Mr. Justice S Natarajan the Board inducted Mr. Ajit G Nambiar as one of the members and appointed Mr.A.Raghavendra Rao as the Chairman of the Nomination and Remuneration Committee.

Terms of Reference

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

- To recommend appointments to the Board and Key Managerial Personnel
- 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 2014-15 comprised of three Independent Directors. The Chairman of the Committee is an Independent Director.

Meetings and Attendance:

During the financial year ended March 31, 2015, Two Nomination and Remuneration Committee Meetings were held on June 24, 2014; August 29, 2014; and the gap between two meetings did not exceed four months. The necessary quorum was present for all the meetings.

Table 3: 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. A. Raghavendra Rao	Chairman; Non-Executive; Independent	2	2
2.	Mr. K. Subramanian	Member; Non-Executive; Independent	2	2
3.	Mr. Ajit G Nambiar	Member; Non-Executive; Independent	2	0

Attendance at previous Annual General Meeting

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on September 29, 2014 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 2014-15, the Company paid sitting fees of ₹ 20,000/- to the Non-Executive Directors other than Promoter Directors for attending meetings of the Board and Audit Committee. Non-Executive Directors are paid sitting fees at the rate of ₹ 10,000/- for attending each Nomination and Remuneration Committee Meeting and Stakeholders Relationship Committee Meeting.

Table 4: Details of remuneration paid to the Directors for the financial year ended March 31, 2015

i) Non-Executive Directors – Sitting Fees:-

Sl. No	Name of Director	Sitting Fees (In ₹)
1.	Mr. A. Raghavendra Rao	390,000.00
2.	Mr. K. Subramanian	393,000.00
3.	Mr. Ajit G Nambiar	40,000.00
4.	Ms. T.S. Sundarambal	100,000.00
5.	Mr. Hidenori Aso	Nil
6.	Mr. Shigeru Dono	Nil
	TOTAL	923,000.00

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

Sl. No	Name of the Director and Designation	Salary	Perquisites	Total
1	Mr. Hidenori Aso, Managing Director	2,100,000	202,524	2,302,524

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.

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
2013-14	September 29, 2014	10.15 a.m.	Mahaswamy Auditorium, Vani Mahal, No. 103, G.N. Chetty Road, T.Nagar, Chennai – 600 017	1. Enhancement of borrowing power upto ₹ 75 Crores 2. Keeping the Register of members of the Company and Register of Debenture holders and other security holders at the office of the Company's Registrar and Transfer Agents viz., M/s Integrated Enterprises (India) Limited, situated at, "Kences Towers", 2 nd Floor, #1, Ramakrishna St, North Usman Road, T.Nagar, Chennai – 600 017
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	10.15 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

Postal Ballot

During the year 2014-15, the Company had obtained approval of the members for voluntary delisting of equity shares from the Stock Exchanges the details of which are given below:-

Number of valid postal ballot forms (including e-voting) received	136
Number of invalid postal ballot forms received	04
Number of Postal Ballots with assent for the resolution	67
Number of Votes in favour of the Resolution (Postal Ballot Forms)	1,047,692
Number of Votes in favour of the Resolution (E-Voting)	7,297,578
Total Number of Votes in favour of the Resolution	8,345,270
Number of Postal Ballots with dissent for the resolution	69
Number of Votes against the Resolution (Postal Ballot Forms)	12,943
Number of Votes against the Resolution (E-Voting)	1,481
Total Number of Votes against the Resolution	14,424
Percentage of Postal Ballot cast in favour of the Resolution	99.83
Percentage of Postal Ballot cast against the Resolution	0.17

Mr. Rabi Narayan Pal, of M/s. Rabi Narayan & Associates, Company Secretaries, (FCS No. 4993, CP No. 3480) was the Scrutinizer for conducting the postal ballot / e-voting process.

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 except for those disclosed in the financial statements for the year ended March 31, 2015. 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. Vigil Mechanism / 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, Stakeholders Relationship Committee, Nomination and Remuneration Committee and disclosures to be made to the Board and Audit Committee including related party transactions, Accounting treatments, Risk Management etc.

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, 2015
Time	10.30 a.m
Venue	Mahaswamy Auditorium, Vani Mahal, T.Nagar, Chennai - 600017
Book closure dates	September 19, 2015 to September 29, 2015 (both days inclusive)
Last date for receipt of Proxy Forms	September 27, 2015

b. (i) Calendar of Financial year ended 31st March, 2015

The meetings of Board of Directors for approval of quarterly financial results during the financial year ended March 31, 2015 were held on following dates

First Quarter Results (30 th June 2014)	21 st July, 2014
Second Quarter and Half Yearly Results (30 th September 2014)	12 th November, 2014
Third Quarter Results (31 st December 2014)	13 th February, 2015
Fourth Quarter Results (31 st March 2015)	05 th June, 2015

(ii) Tentative Financial Calendar for the year ending March 31, 2016

The tentative dates of meeting of Board of Directors for consideration and approval of quarterly financial results for the financial year ended March 31, 2016 are as follows

Adoption of Quarterly Results for the quarter ending

First Quarter Results (30th June 2015)	11th August, 2015
Second Quarter and Half Yearly Results (30th September 2015)	3rd/4th week of November, 2015
Third Quarter Results (31st December 2015)	3rd/4th week of January, 2016
Fourth Quarter Results (31st March 2016)	3rd/4th week of May, 2016

c. Date of Book Closure

September 19, 2015 to September 29, 2015 (Both days inclusive)

d. Listing on Stock Exchanges

The Equity shares of the Company were listed on the Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE) besides traded at National Stock Exchange (NSE) under the MOU signed between MSE and NSE. However, the Company has successfully completed the process of voluntary delisting from the Stock exchanges effective April 24, 2015 in accordance with SEBI delisting regulations. The Company confirms that it has paid annual listing fees to the 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 BSE Ltd : 523307
 Madras Stock Exchange Ltd : INDOMATAPP
 National Stock Exchange of India Ltd : PANASONIC
 ISIN : INE841C01015

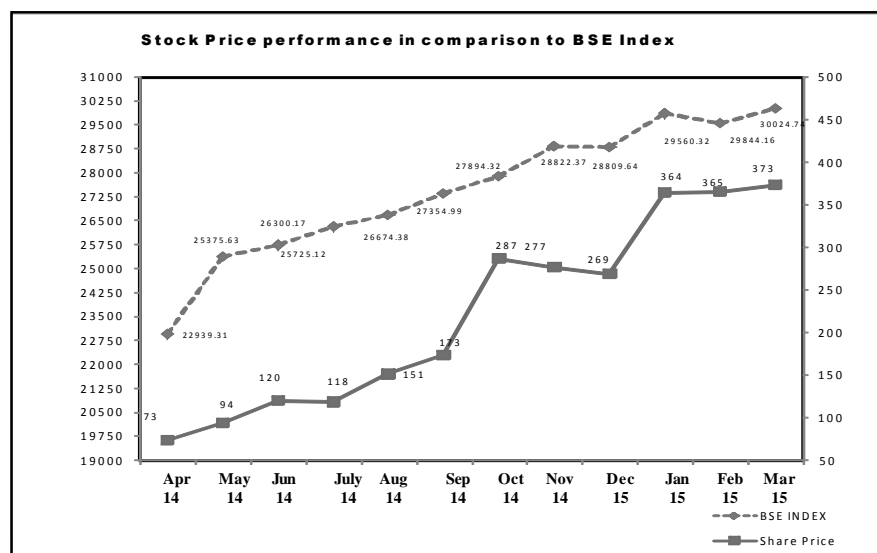
f. Market Price data for the Financial Year ended March 2015

The reported high and low prices based on the daily closing prices of the equity shares of the Company traded during the financial year 2014 – 15 on BSE and NSE are set out in the following table:

Month	BSE		NSE *	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2014	73.00	61.25	74.00	60.45
May 2014	93.50	66.00	93.55	64.05
June 2014	119.90	94.15	122.05	95.20
July 2014	117.85	95.95	117.95	96.50
August 2014	150.55	122.20	150.30	123.80
September 2014	173.00	142.05	171.55	141.00
October 2014	286.90	158.30	286.00	155.25
November 2014	276.90	216.05	278.85	215.50
December 2014	268.90	220.00	265.90	223.05
January 2015	364.00	241.25	359.45	242.50
February 2015	365.00	297.05	-	-
March 2015	373.00	355.60	-	-

* Trading of Company's shares was stopped consequent to the derecognition of MSE by SEBI

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



h. Registrar 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 related 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, 2015

No. of Shares	Number of Shareholders		Number of Shares	
	Number	%	Number	%
Upto 100	4844	83.41	355,624	3.62
101 - 250	490	8.44	93,422	0.95
251 - 500	309	5.32	120,213	1.22
501 - 1000	107	1.84	88,192	0.90
1001 - 5000	43	0.74	83,458	0.85
5001 - 10000	9	0.15	67,821	0.69
10001 & Above	6	0.10	9,023,270	91.77
TOTAL	5808	100.00	9,832,000	100.00

Panasonic *APPLIANCES INDIA Co. LTD.*

Shareholding Pattern as on March 31, 2015

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Indian Promoters	0	0	0.00
Foreign Promoters	1	8911670	90.64
Corporate Bodies	117	40122	0.41
Mutual Funds & UTI	3	59800	0.61
Banks & Financial Institutions	8	1800	0.02
Indian Public	5679	818608	8.32
Total	5808	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, 2015; 9,348,513 Equity Shares constituting 95.08% of the paid-up share capital of the Company have been dematerialized.

	No. of Shareholders		No. of Shares	
	Number	%	Number	%
No. of Shareholders in Physical Mode	3047	52.47	483487	4.92
No. of Shareholders in Electronic Mode	2761	47.53	9348513	95.08
Total	5808	100	9832000	100

l. 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, 2015 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:

Tom Antony

Chief Financial Officer & Head Operations
Panasonic Appliances India Co. Ltd
No. 135, 1st floor, Nagi Reddy Thottam,
Thiru.Vi.Ka Industrial Estate, Ekkattuthangal,
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 : corpserv@integratedindia.in
Website : www.iepindia.com

10. PREVENTION OF INSIDER TRADING

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, Company has framed and implemented code of conduct for prevention of insider trading. However after the delisting of equity shares from the Stock Exchanges, the code of conduct for prevention of Insider Trading has lost its relevance.

11. CEO/CFO CERTIFICATION

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, 2015 and same was taken on record by the Board.

12. CODE OF CONDUCT

The Board of Directors and the Senior Management Staff have submitted the annual declaration of compliance, confirming the compliance with the provisions of Code of Conduct for the financial year ended March 31, 2015. The Code of Conduct is available on the website of the Company.

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

Place : Chennai
Date : August 24, 2015

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, 2015.

Place : Chennai
Date : August 24, 2015

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, 2015, 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 24, 2015

R.NAGENDRA PRASAD
Partner
Membership No.: 203377

Independent Auditor's Report

To

The Members of Panasonic Appliances India Company Limited
(formerly Panasonic Home Appliances India Company Limited)

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Panasonic Appliances India Company Limited** (formerly Panasonic Home Appliances India Company Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the State of Affairs of the Company as at 31st March, 2015, and its Profit and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

9. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26(i) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

R.Nagendra Prasad
Partner

Membership No: 203377

Place: Chennai

Date: June 05, 2015

Annexure referred to in paragraph 5 of our report of even date

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The company has a programme of verification of fixed assets whereby all the fixed assets are physically verified by the management over a period of three years in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification in respect of assets verified during the year.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) 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.
 - c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3. 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 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. There is no continuing failure to correct major weaknesses in internal control system.

Panasonic *APPLIANCES INDIA Co. LTD.*

5. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, wherever applicable and the directives issued by the Reserve Bank of India, wherever applicable, with regard to deposits accepted from the public. According to the explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
7. According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Value Added Tax, Service Tax, Custom Duty, Excise-Duty, Cess applicable to it. There are no outstanding statutory dues as at 31st March 2015 for a period of more than six months from the date they became payable.
8. 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 customs duty, service tax and sales tax that have not been deposited with the appropriate authorities are as follows:

Name of Statute	Nature of Dues	Amount in ₹	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales Tax demands for the financial years 2001-02 and 2002-03	2,20,582	Assistant Commissioner of Sales Tax (Appeals), Kolkata
West Bengal Value Added tax (VAT), 2003	Sales Tax demands for the financial years 2010-11	37,77,892	Senior Joint Commissioner of Commercial Taxes, Kolkata
The Central Sales Tax Act, 1956	Sales Tax demands for the financial years 2011-12	4,95,456	Joint Commissioner of Sales Tax, Kolkata
The Finance Act, 1994	Service Tax demands	64,01,833	Commissioner of Central Excise (Appeals), Chennai
The Finance Act, 1994	Service Tax demands	1,68,818	Customs Excise Service Tax Appellate Tribunal, (CESTAT) Chennai
The Customs Act, 1962	Customs duty demand	28,63,811	Commissioner of Customs (Appeals), Chennai

9. According to the information and explanations given to us, the amounts which were required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder have been transferred to such fund within time.
10. The accumulated losses of the company as at the end of the financial year are more than 50% of networth of the company. The company has not incurred cash losses during the financial year ended 31st March, 2015 and has incurred cash losses in the immediately preceding financial year.
11. 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.
12. The company has not given any guarantee for loans taken by others from banks or financial institutions.
13. On the basis of review of utilisation of funds on overall basis the term loans taken by the company were applied for the purposes for which the loans were obtained.
14. Based upon the audit procedures performed and information and explanations given by the management, we report that no material fraud on or by the company has been noticed or reported during the year.

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

R. Nagendra Prasad
 Partner

Membership No: 203377

Place: Chennai
 Date: June 05, 2015

Panasonic *APPLIANCES INDIA Co. LTD.*

Balance Sheet as at March 31, 2015

Particulars	Note No.	As at March 31, 2015	Amount in ₹ As at March 31, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	2	98,320,000	98,320,000
Reserves and Surplus	3	<u>(21,058,603)</u>	<u>(20,952,116)</u>
		77,261,397	77,367,884
(2) Non-Current Liabilities			
Long-term borrowings	4	70,000,000	6,249,994
Deferred tax liabilities Net	5	14,946,578	14,946,578
Long term provisions	6	<u>13,673,638</u>	<u>10,793,301</u>
		98,620,216	31,989,873
(3) Current Liabilities			
Short-term borrowings	7	326,086,440	340,000,000
Trade payables	8	245,926,353	167,264,571
Other current liabilities	9	69,570,969	70,929,939
Short-term provisions	10	<u>11,402,312</u>	<u>7,827,810</u>
		652,986,074	586,022,320
Total		<u>828,867,687</u>	<u>695,380,077</u>
II. Assets			
(1) Non-current assets			
<i>Fixed assets</i>			
i Tangible assets	11	311,496,937	297,126,719
ii Intangible assets		797,108	1,069,441
iii Capital work-in-progress		2,351,867	1,143,437
Long term loans and advances	12	<u>20,207,726</u>	<u>14,984,296</u>
		334,853,638	314,323,893
(2) Current assets			
Inventories	13	205,028,099	155,322,197
Trade receivables	14	255,688,131	193,657,277
Cash and Bank balances	15	1,864,337	2,211,396
Short-term loans and advances	16	22,773,025	14,807,997
Other current assets	17	<u>8,660,457</u>	<u>15,057,317</u>
		494,014,049	381,056,184
Total		<u>828,867,687</u>	<u>695,380,077</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

A.Raghavendra Rao
Director

K.Subramanian
Director

R.Nagendra Prasad
Partner
Membership No: 203377

Ajit G. Nambiar
Director

Yosuke Matsunaga
Director

Place : Chennai
Date : June 05, 2015

Tom Antony
CFO & Head Operations

Tessa J.K.
Company Secretary

Panasonic *APPLIANCES INDIA Co. LTD.*

Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Note No.	Amount in ₹	
		Year ended March 31, 2015	Year ended March 31, 2014
Revenue from operations	18	2,083,346,698	1,764,801,772
Less: Excise Duty		197,801,136	191,440,912
		<u>1,885,545,562</u>	<u>1,573,360,860</u>
Other Income	19	6,228,301	6,658,340
Total Revenue		<u>1,891,773,863</u>	<u>1,580,019,200</u>
Expenses:-			
Cost of materials and components consumed	20	1,111,380,654	912,429,374
Purchase of Traded goods	21	81,680,255	94,433,663
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(19,410,265)	(14,200,981)
Employee benefits expense	23	205,283,712	171,590,858
Financial costs	24	28,671,003	38,314,585
Depreciation and amortization		37,047,580	33,857,627
Other expenses	25	444,405,786	377,963,967
Total Expenses		<u>1,889,058,725</u>	<u>1,614,389,093</u>
Profit / (Loss) before exceptional and extraordinary items and tax		2,715,138	(34,369,893)
Add / (Less) : Exceptional Items		1,428,693	-
Profit / (Loss) before extraordinary items and tax		4,143,831	(34,369,893)
Less: Extraordinary Items		-	-
Profit / (Loss) before tax		4,143,831	(34,369,893)
Tax expense:			
Relating to earlier years		-	58,526
Profit / (Loss) after tax for the year		<u>4,143,831</u>	<u>(34,311,367)</u>
Earning per equity share: (Refer Note 40)			
Basic		0.42	(3.58)
Diluted		0.42	(3.49)

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

Ajit G. Nambiar
Director

Yosuke Matsunaga
Director

Place : Chennai
Date : June 05, 2015

Tom Antony
CFO & Head Operations

Tessa J.K.
Company Secretary

Panasonic *APPLIANCES INDIA Co. LTD.*

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	April 01, 2014 to March 31, 2015		April 01, 2013 to March 31, 2014	
	₹	₹	₹	₹
A. Cash Flows from Operating Activities				
Net Profit before tax		4,143,830		(34,369,893)
Add: Depreciation *	35,618,887		33,857,627	
Interest	28,671,003		38,314,585	
Provision for warranty claims	6,456,386		4,128,295	
Provision for Gratuity and Leave encashment	1,260,167		239,169	
Unservicable/Obsolete Stocks written off	1,199,866		2,515,225	
Provision for doubtful debts	-		488,367	
Loss on sale of fixed assets	-		287,443	
Fixed assets written off	4,293,163		-	
* Inclusive of depreciation written back reported under 'exceptional item'		<u>77,499,472</u>		<u>79,830,711</u>
		81,643,302		45,460,818
Less:				
Interest on deposits with banks	296,340		269,937	
Excess provisions/ credit balances writtenback	4,688,601		1,285,613	
Profit on sale of fixed assets	32,958		-	
		<u>5,017,899</u>		<u>1,555,550</u>
Operating Profit before working capital changes		<u>76,625,403</u>		<u>43,905,268</u>
Adjustments for:				
(Increase) / Decrease in trade and other receivables	(64,500,579)		18,382,755	
(Increase) / Decrease in inventories	(50,905,768)		(12,811,616)	
Increase / (Decrease) in trade payables	87,577,824	(27,828,523)	(72,504,817)	(66,933,678)
Cash generated from operations		48,796,880		(23,028,410)
Tax (paid) / Refund (Net)	(21,424)	(21,424)	(16,065)	(16,065)
Net Cash Generated from Operating Activities	Total A	<u>48,775,456</u>		<u>(23,044,475)</u>
B. Cash Flows from Investing Activities				
Payment for purchase of fixed assets	(63,343,455)		(31,256,570)	
		(63,343,455)		(31,256,570)
Less: Proceeds from sale of fixed assets	43,668		445,888	
Interest received	214,240	257,908	160,646	606,534
Net Cash Used in Investing Activities	Total B	<u>(63,085,547)</u>		<u>(30,650,036)</u>

Panasonic APPLIANCES INDIA Co. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	April 01, 2014 to March 31, 2015		April 01, 2013 to March 31, 2014	
	₹	₹	₹	₹
C. Cash Flows from Financing Activities				
Proceeds /(Repayment) from Term Loans - Net		44,419,765		90,291,670
Interest paid		(30,281,335)		(36,573,227)
Net Cash from Financing Activities	Total C	14,138,430		53,718,443
Net Increase / (Decrease) in cash and cash equivalents	Total A+B+C	(171,661)		23,932
Opening cash and cash equivalents		1,272,887		1,248,955
Closing cash and cash equivalents		1,101,226		1,272,887
Net Increase /(Decrease) in cash and cash equivalents		(171,661)		23,932

Note: For the purpose of this statement, Bank balances of ₹7,63,111 (previous year ₹ 9,38,509) 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 **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No: 000511S

R.Nagendra Prasad
Partner
Membership No: 203377

Place : Chennai
Date : June 05, 2015

For and on behalf of the Board

Hidenori Aso
Managing Director

A.Raghavendra Rao
Director

Ajit G. Nambiar
Director

Tom Antony
CFO & Head Operations

K.Subramanian
Director

Yosuke Matsunaga
Director

Tessa J.K.
Company Secretary

Notes forming part of Financial Statements for the year ended March 31, 2015

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, 2013 and comply with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.
- 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 uncollectible 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. Depreciation on fixed assets is provided using the straight-line method based on the useful life and in the manner prescribed in Schedule II to the Companies Act, 2013 except in respect of certain assets, where the useful life of the assets have been estimated by the Management based on the technical evaluation, history of usage and replacement of those assets.
- ii. Assets costing less than ₹5,000/- individually are fully depreciated. Intangible assets including computer software including licenced software is being amortised over a period of 6 years.
- 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 II to the Companies Act, 2013.
- 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) Traded 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, 2015	As at March 31, 2014
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>98,320,000</u>
2.2 Reconciliation of number of shares outstanding		
Number of equity shares outstanding at the beginning of the year	9,832,000	9,543,000
Add: Shares issued during the year	-	289,000
Number of equity shares outstanding at the end of the year	<u>9,832,000</u>	<u>9,832,000</u>
Change in the number of Equity Shares Outstanding	<u>-</u>	<u>289,000</u>
2.3 Number of Shares held by Holding company		
- Panasonic Corporation, Japan	<u>8,911,560</u>	<u>5,632,000</u>

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

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	% of holding	Number of Shares	% of holding
Panasonic corporation, Japan	8,911,560	90.64%	5,632,000	57.28%
Mentor capital Limited	-	0.00%	979,053	9.96%

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.

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial statements

3 Reserves and Surplus

Amount in ₹

Particulars	As at March 31, 2015	As at March 31, 2014
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	<u>4,500</u>	<u>4,500</u>
	2,613,500	2,613,500
Security Premium Account		
As per last Balance Sheet	71,956,600	38,721,600
Add: Premium on shares issued during the year	<u>-</u>	<u>33,235,000</u>
	71,956,600	71,956,600
General Reserve		
As per last Balance Sheet	354,194	354,194
Surplus		
As per last Balance Sheet	(95,876,410)	(61,565,043)
Less: Additional depreciation of assets of which life is nil as per the transitional provisions of Schedule II of the Companies Act, 2013	(4,250,318)	-
Add: Net Profit / (Loss) after tax for the year transferred from Profit and Loss Statement	<u>4,143,831</u>	<u>(34,311,367)</u>
	(95,982,897)	(95,876,410)
	(21,058,603)	(20,952,116)
Non Current Liabilities		
4 Long Term Borrowings		
Unsecured		
Term Loan from Banks	70,000,000	6,249,994
	<u>70,000,000</u>	<u>6,249,994</u>

4.1 Notes on Long Term Borrowings

Fixed Long term loans availed from Banks are unsecured and utilised for funding the capital expenditure inclusive of Machinery related to New Products.

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial statements

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

Particulars	Repayment Start Date	Outstanding Amount as on 31.03.2015	Amount in ₹		Interest Rate	No. of Quarterly Instalments as per agreement
			Current Maturities	Instalment Amount		
4.2.1 Rupee Term Loans						
Term Loan	Mar/2017	30,000,000	-	15,000,000	10.08%	2
Term Loan	Jan/2018	40,000,000	-	40,000,000	9.75%	1
Term Loan	Oct/2012	6,249,994	6,249,994	2,083,334	10.50%	12
			76,249,994	6,249,994		
Less: Current Maturities of borrowings reclassified			6,249,994			
			70,000,000			

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

4.4 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, 2015	As at March 31, 2014
5 <u>Deferred Tax Liabilities (Net) Liability</u>		
Related to Fixed Assets	33,363,186	35,399,185
	(A) 33,363,186	35,399,185
Assets		
Timing difference on account of		
Royalty	10,457,307	8,133,855
Provision for retirement benefits	1,839,331	1,430,470
Provision for doubtful debts	-	-
Unabsorbed depreciation	5,749,102	10,174,725
Bonus, taxes and other expenses	370,868	713,557
	(B) 18,416,608	20,452,607
	(A-B) 14,946,578	14,946,578

5.1 Deferred Tax asset on carried forward business loss and business depreciation amounting to ₹8,87,95,466/- has not been recognised in the books of account as a matter of prudence and 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

Particulars	Amount in ₹	
	As at March 31, 2015	As at March 31, 2014
6 Long Term Provisions		
Provision for employee benefits		
Leave Encashment (Unfunded)	5,170,836	4,089,867
Provision for Warranty	8,502,802	6,703,434
	<u>13,673,638</u>	<u>10,793,301</u>
Current Liabilities		
7 Short Term Borrowings		
Secured	-	-
Unsecured		
Loans repayable on demand from banks	97,499,999	340,000,000
Buyers Credit facilities	119,732,041	-
Packing Credit facilities	108,854,400	-
	<u>326,086,440</u>	<u>340,000,000</u>
7.2 None of the above loans have been guaranteed by any Directors or others.		
8 Trade Payables		
Related Party	32,768,042	46,083,804
Others (Refer Note No.36)	213,158,311	121,180,767
	<u>245,926,353</u>	<u>167,264,571</u>
9 Other Current Liabilities		
Current Maturities of Long Term Borrowings	6,249,994	11,666,676
Interest accrued but not due on borrowings	631,580	2,241,912
Unclaimed Dividends	763,111	938,509
Other Payables		
Trade Deposits	409,000	234,000
Employee Related dues	3,680,389	2,008,885
Provision for Expenses		
Payable on Purchase of Fixed Assets	2,285,145	3,244,663
Contractual	26,866,548	16,918,873
Statutory Dues	12,774,766	17,962,327
Other Payables	15,910,436	15,714,094
	<u>69,570,969</u>	<u>70,929,939</u>

11. FIXED ASSETS

Amount in ₹

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Cost as at 1/04/2014	Additions during the year	Deletions during the year	Cost at 31/03/2015	As on 01/04/2014	Depreciation Adjustment	For the year	On Deletions	Upto 31/03/2015	As at 31/03/2015	As at 31/03/2014
Tangible Assets											
Land	2,116,840	-	-	2,116,840	-	-	-	-	-	2,116,840	2,116,840
Building	73,976,512	1,512,328	626,898	74,861,942	19,662,967	147,953	3,229,327	282,336	22,757,911	52,104,031	54,313,545
Plant&Machinery	480,998,257	50,753,069	24,944,901	506,806,425	253,563,331	4,102,365	28,305,176	21,796,726	264,174,146	242,632,279	227,434,926
Furniture,Fixtures & Fittings	18,835,616	1,678,594	6,358,789	14,155,421	12,623,318	(2,131,072)	2,308,401	5,613,651	7,186,996	6,968,425	6,212,298
Office Equipments (computers etc)	20,739,356	3,948,134	8,051,775	16,635,715	15,531,389	1,674,723	1,974,751	7,996,655	11,184,208	5,451,507	5,207,967
Vehicles	7,613,198	-	224,466	7,388,732	5,772,055	(1,133,156)	739,583	213,605	5,164,877	2,223,855	1,841,143
	604,279,779	57,892,125	40,206,829	621,965,075	307,153,060	2,660,813	36,557,238	35,902,973	310,468,138	311,496,937	297,126,719
Intangible Assets											
Software	7,787,602	378,838	1,101,279	7,065,161	6,754,124	160,812	490,342	1,101,262	6,304,016	761,145	1,033,478
Technical Knowhow	11,083,487	-	-	11,083,487	11,047,524	-	-	-	11,047,524	35,963	35,963
	18,871,089	378,838	1,101,279	18,148,648	17,801,648	160,812	490,342	1,101,262	17,351,540	797,108	1,069,441
Sub total	623,150,868	58,270,963	41,308,108	640,113,723	324,954,708	2,821,625	37,047,580	37,004,235	327,819,678	312,294,045	298,196,160
Capital Work in progress										2,351,867	1,143,437
Total	623,150,868	58,270,963	41,308,108	640,113,723	324,954,708	2,821,625	37,047,580	37,004,235	327,819,678	314,645,912	299,339,597
Previous Year	609,220,039	15,929,345	1,998,516	623,150,868	292,362,267	-	33,857,627	1,265,185	324,954,709	299,339,597	316,857,773

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial Statements

Particulars	Amount in ₹	
	As at March 31, 2015	As at March 31, 2014
10 Short Term Provisions		
Provision for employee benefits		
Gratuity (Funded)	4,262,946	2,149,864
Leave Encashment (un funded)	498,237	319,039
Other provisions		
Provision for Warranties	6,641,129	5,358,907
	<u>11,402,312</u>	<u>7,827,810</u>

- 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.

Particulars	Amount in ₹	
	As at March 31, 2015	As at March 31, 2014
12 Long Term Loans and Advances		
<u>Unsecured, considered good, unless otherwise stated</u>		
Capital Advances	3,962,358	1,057,814
Security Deposits	4,642,477	3,761,817
Rent Deposits	5,046,028	3,629,226
Other loans and advances		
Advance Income Tax	15,477,464	15,456,040
Less : Provision for Income Tax	(13,722,569)	(13,722,569)
	<u>1,754,895</u>	<u>1,733,471</u>
MAT Credit entitlement	4,801,968	4,801,968
	<u>20,207,726</u>	<u>14,984,296</u>
13 Inventories		
Valued at Lower of Cost or Realisable value		
Raw Materials	74,184,486	45,004,387
Raw Material-Goods in Transit	11,900,277	8,543,574
Work in Progress	36,237,308	26,003,886
Finished Goods	53,101,970	44,657,881
Stock in Trade	24,662,414	22,299,906
Stock in Trade -Goods in Transit	-	3,961,467
Stores and Spares	4,941,644	4,851,096
	<u>205,028,099</u>	<u>155,322,197</u>

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial statements

	Amount in ₹	
Particulars	As at March 31, 2015	As at March 31, 2014
14 Trade Receivables		
<u>Unsecured</u>		
Over six months		
Considered good	6,831,268	7,537,009
Considered doubtful	-	2,333,346
Others		
Considered good	248,856,863	186,120,268
Considered doubtful	-	-
	255,688,131	195,990,623
Less:- Provison for Doubtful receivables	-	2,333,346
	255,688,131	193,657,277
14.1 Amount due from related parties	43,221,775	30,217,378
15 Cash and Bank balances		
Cash and cash equivalents		
Cash on hand	63,504	157,155
Balance with banks		
In Current Accounts	1,037,722	1,115,732
Other bank balances		
Earmarked balances with banks		
Unpaid Dividend accounts	763,111	938,509
	1,864,337	2,211,396
16 Short Term Loans and Advances		
<u>Unsecured, considered good, unless otherwise stated</u>		
Loans and Advances to Employees	187,594	761,603
Prepaid expenses	6,382,767	3,808,625
Balance with government authorities		
Customs and Excise	8,068,827	5,927,142
Value added tax	1,476,277	810,974
	9,545,104	6,738,116
Advance for supplies and services	5,527,560	2,133,559
Other Advances	1,130,000	1,366,094
	22,773,025	14,807,997

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial Statements

		Amount in ₹	
Particulars	As at March 31, 2015	As at March 31, 2014	
17	<u>Other Current Assets</u>		
	Interest accrued on Deposits	296,163	214,063
	Duty Drawback Receivable	-	213,092
	Duty Refund Receivable	<u>8,364,294</u>	14,630,162
		<u>8,660,457</u>	<u>15,057,317</u>
			Amount in ₹
Particulars	Year ended March 31, 2015	Year ended March 31, 2014	
18	<u>Revenue from Operations</u>		
	Sale of products	2,082,995,032	1,763,426,863
	Less : Excise duty	<u>197,801,137</u>	<u>191,440,912</u>
		1,885,193,895	1,571,985,951
	Other operating revenues		
	Sale of Scrap	351,667	925,723
	Export Incentive Receipts	-	449,186
		<u>1,885,545,562</u>	<u>1,573,360,860</u>
	Sale of Products Comprises :		
18.1	<u>Manufactured Goods</u>		
	Electric Rice cookers	951,122,256	758,297,690
	Mixer-Grinder	774,973,824	644,062,606
	Service Parts & Accessories	60,555,423	72,568,343
	Total	<u>1,786,651,503</u>	<u>1,474,928,639</u>
18.2	<u>Traded Goods</u>		
	Electric Rice Cooker	25,689,264	26,426,343
	Hand Mixer	29,489,779	19,342,271
	Juicer Mixer Grinder	6,833,848	8,555,689
	Kettle	6,790,869	-
	Oven Toaster	5,644,739	8,388,088
	Sandwich Maker	4,941,289	5,423,189
	Accessories - Idly Stand	3,301,500	13,185,079
	Coffee Maker	3,792,661	5,224,372
	Other Domestic Appliances and accessories	<u>12,058,443</u>	<u>10,512,281</u>
		<u>98,542,392</u>	<u>97,057,312</u>
		1,885,193,895	1,571,985,951
19	<u>Other Income</u>		
	Interest Income	296,340	269,937
	Insurance Claims received	719,988	77,625
	Gain on Foreign currency fluctuations	-	5,025,165
	Profit on Sale of Assets (Net)	32,958	-
	Provision for Bad & doubtful debts Written back	1,313,805	1,285,613
	Provisions Written Back	3,374,796	-
	Miscellaneous Income	490,414	-
		<u>6,228,301</u>	<u>6,658,340</u>

Panasonic *APPLIANCES INDIA Co. Ltd.*

Notes forming part of financial statements

		Amount in ₹	
	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
20	<u>Cost of Materials and Components Consumed</u> (Refer Note.No.20.1 and 29.1)		
	Opening Stock	45,004,387	47,093,159
	Add : Purchases	1,092,827,321	862,864,698
	Machining charges	82,494,152	72,628,705
	VAT Credit	(11,280,412)	(12,950,945)
	Freight Inward	14,508,743	11,518,599
	Less : Closing Stock	<u>(74,184,486)</u>	<u>(45,004,387)</u>
		1,149,369,705	936,149,829
	Less: Process Scrap	<u>(37,989,051)</u>	<u>(23,720,455)</u>
	Cost of Materials Consumed	<u>1,111,380,654</u>	<u>912,429,374</u>
20.1	Materials consumed comprises:		
	CRCA Steel	59,084,241	47,529,066
	Aluminium Sheets	127,199,471	159,392,923
	Aluminium Ingots	65,576,817	47,696,801
	Stainless Steel for Cooker	23,006,613	14,705,399
	ABS Materials	61,703,347	51,479,897
	Stainless Steel for Mixer Grinder	47,789,225	42,874,703
	Motors	149,282,931	131,322,755
	Others (which do not individually contribute 10% of consumption)	615,727,060	441,148,286
	Less: Process Scrap Sales	<u>(37,989,051)</u>	<u>(23,720,456)</u>
		<u>1,111,380,654</u>	<u>912,429,374</u>
21	<u>Purchase of Traded goods</u>		
	Trading purchase	81,680,255	94,433,663
		<u>81,680,255</u>	<u>94,433,663</u>
21.1	Purchase of Traded Goods comprises:		
	Steam Iron	-	-
	Electric Rice Cooker	19,533,775	24,396,565
	Hand Mixer	24,060,184	18,677,714
	Juicer Mixer Grinder	5,301,104	7,487,962
	Accessories - Idly Stand	3,314,612	11,191,772
	Oven Toaster	4,188,680	7,516,772
	Sandwich Maker	3,639,731	4,234,848
	Kettle	9,956,194	-
	Coffee Maker	-	5,762,505
	Pop-up Toaster	-	4,009,658
	Meat Grinder	621,930	6,757,312
	Other domestic appliances and accessories	<u>11,064,045</u>	<u>4,398,555</u>
		<u>81,680,255</u>	<u>94,433,663</u>

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial Statements

Amount in ₹

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
22	<u>Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</u>	
Inventories at the end of the year:		
Finished goods	53,101,970	44,657,881
Work-in-progress	36,237,308	26,003,886
Stock-in-Trade	<u>24,662,414</u>	<u>22,299,906</u>
	114,001,692	92,961,673
Add / (Less) : Adjustment for excise duty on finished goods	1,629,754	(51,889)
Inventories at the beginning of the year:		
Finished goods	44,657,881	44,725,999
Work-in-progress	26,003,886	24,633,605
Stock-in-Trade	<u>22,299,906</u>	<u>9,452,977</u>
	92,961,673	78,812,581
Changes in inventories	<u>(19,410,265)</u>	<u>(14,200,981)</u>
23	<u>Employee Benefits Expense</u>	
Salaries, Wages and Bonus	170,921,102	144,327,501
Contributions to -		
Provident and other Funds	9,392,648	8,045,418
Gratuity fund	4,479,796	2,149,864
Staff welfare expenses	<u>20,490,166</u>	<u>17,068,075</u>
	<u>205,283,712</u>	<u>171,590,858</u>
24	<u>Finance Costs</u>	
Interest expense	<u>28,671,003</u>	<u>38,314,585</u>
	<u>28,671,003</u>	<u>38,314,585</u>
25	<u>OTHER EXPENSES</u>	
Stores and spares Consumed	26,544,890	23,273,862
Power and Fuel	45,241,799	41,725,124
Rent	9,859,149	7,711,552
Royalty	19,520,380	15,445,162
Brand Licence Fee	12,710,495	9,588,725
Product Development Expenses	4,644,987	3,237,265
Travelling and conveyance	33,706,443	30,551,940
Insurance	4,098,172	3,757,162
Communications	7,410,773	5,311,778
Printing & Stationery	4,263,162	3,428,575
Rates and taxes	3,589,124	2,766,530
Repairs and Maintenance :		
Machinery	6,105,284	3,932,203
Buildings	3,072,370	2,083,703
Vehicles	924,050	720,813
Others	<u>9,950,264</u>	<u>5,860,030</u>
	20,051,968	12,596,749

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial Statements

Amount in ₹

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Directors' Sitting Fees	923,000	519,000
Audit Fee	993,846	865,360
Professional Charges	3,940,999	3,841,680
Bank charges & Guarantee Commission	1,553,987	1,803,729
Advertisement and sales promotion	154,611,642	137,365,156
Incentives on Sales	5,681,527	2,483,820
Freight and Forwarding	55,650,453	48,199,884
Warranty Claims	10,762,696	10,151,621
Provision for Bad and Doubtful Debts	-	488,367
Loss on sale of Fixed Assets (net)	-	287,443
Fixed Assets written off	4,293,163	-
Loss on Foreign exchange (Net)	458,928	-
Unserviceable/Obsolete Stocks written off	1,199,866	2,515,225
Miscellaneous Expenses	<u>12,694,337</u>	<u>10,048,258</u>
Total	<u>444,405,786</u>	<u>377,963,967</u>

25.1 **Auditors' Remuneration**

Statutory Audit	400,000	325,000
Tax Audit	150,000	150,000
Taxation Matters	100,000	100,000
Certification, Special Reports and other matters	<u>343,846</u>	<u>290,360</u>
(Includes fee paid for compliance with clause 41 and 49 of the listing agreement)	<u>993,846</u>	<u>865,360</u>

25.2 Advertisement and sales promotion expenses is net of amount reimbursed by collaborator/ associate companies amounting to ₹ 30,430,722 (₹ 45,054,693)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
26 <u>Contingent Liabilities and Commitments</u>		
(i) <u>Contingent Liabilities</u>		
Claims against the company not acknowledged as debt		
Disputed Income Tax	-	-
Disputed Sales tax	449,390	19,428,508
Disputed Service Tax	7,605,651	7,605,651
Disputed Customs Duty	3,013,811	3,013,811
Guarantees issued by the Banks	6,990,000	9,121,500
Claims against the company not acknowledged as debts	-	-
(ii) <u>Capital and Other Commitments</u>		
(a) <u>Capital Commitments</u>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	727,646	1,584,165
(b) <u>Other commitments</u>		
	Nil	Nil

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial Statements

Amount in ₹

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
27 <u>CIF Value of Imports-ERC</u>		
Raw materials	156,834,084	121,801,903
Components and Spare parts	46,512,898	32,894,096
Capital goods	-	-
<u>CIF Value of Imports-Mixie</u>		
Raw materials	39,448,625	36,173,371
Components and Spare parts	4,077,791	6,597,339
Capital goods	241,661	Nil
<u>CIF Value of Traded Goods</u>		
CIF Value (Including in-transit)	48,534,099	59,369,525
Spare parts	140,893	1,365,710
28 <u>Expenditure in foreign currency</u>		
Royalty	19,520,380	15,445,162
Brand Licence Fee	12,710,495	9,588,725
Travelling	1,139,760	737,678
Design and consultancy charges	7,987,507	1,948,280
Other Payments	1,683,784	217,077
29.1 <u>Raw Materials Consumed</u>		
Imported	253,998,424	261,813,667
Imported % to total	22%	28%
Indigenous	895,371,283	674,336,162
Indigenous % to total	78%	72%
Total	1,149,369,707	936,149,829
Total %	100%	100%
29.2 <u>Stores and Sprare Parts Consumed</u>		
Imported	-	-
Imported % to total	0%	0%
Indigenous	2,267,626	2,706,009
Indigenous % to total	100%	100%
Total	2,267,626	2,706,009
Total %	100%	100%
30 <u>Earnings in Foreign Currency</u>		
I. Export of goods calculated on F.O.B. basis;	401,092,404	279,414,607

Panasonic *APPLIANCES INDIA Co. LTD.*

Amount in ₹

31	Details of finished goods and work-in-progress	Closing inventory	Opening inventory
-----------	---	--------------------------	--------------------------

(i) **Details of Finished Goods**

Manufactured Goods

Electric Rice Cooker	30,022,571	29,565,225
Previous year	(29,565,225)	(31,864,717)
Mixer Grinder	18,877,946	11,516,083
Previous year	(11,516,083)	(10,271,445)

Trading Goods	2014-2015		2013-2014	
	Closing	Opening	Closing	Opening
Electric Rice Cooker	3,156,408	2,960,642	2,960,642	809,741
Hand Mixer	3,997,199	2,936,438	2,936,438	597,741
Juicer Mixer Grinder	1,344,552	1,817,573	1,817,573	1,245,347
Accessories - Idly Stand	586,826	152,903	152,903	32,404
Kettle	5,059,320	-	-	-
Oven Toaster	609,078	1,187,891	1,187,891	996,869
Sandwich Maker	572,547	596,192	596,192	963,474
Coffee Maker	74,269	3,490,149	3,490,149	1,219,075
Pop-up Toaster	832,704	3,447,517	3,447,517	1,077,544
Meat Grinder	1,042,294	3,328,897	3,328,897	-
Other domestic appliances and accessories	7,387,216	2,381,704	2,381,704	2,510,782
	24,662,413	22,299,906	22,299,906	9,452,977

(ii) **Details of Work-in-progress**

Electric Rice Cooker	23,121,515	15,303,757
Previous year	(15,303,757)	(16,051,797)
Mixer Grinder	13,115,793	10,700,129
Previous year	(10,700,129)	(8,581,807)

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 (PAPS)	Panasonic Manufacturing (XIAMEN)CO Ltd (PMX)
Panasonic Corporation of North America (PCNA)	Panasonic Marketing (CIS) OY (PMCIS)
Panasonic Appliances R and D centre(Thailand)Co Ltd(PARD)	Panasonic Systems Network Co Ltd (PSN)
Panasonic Appliances (Thailand)Co Ltd (PAPTH)	Panasonic Singapore (PS)

Key Management personnel

Mr. Hidenori Aso

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes forming part of financial Statements

Disclosure in respect of material transactions with associated parties for the period 01.04.2014 to 31.03.2015

Particulars	Holding Company		Fellow Subsidiary		Key Management Personnel	
	2014 - 2015	2013 - 2014	2014 - 2015	2013 - 2014	2014 - 2015	2013 - 2014
Remuneration paid	-	-	-	-	2,302,524	2,308,166
Royalty	19,520,380	15,445,162	-	-	-	-
Brand Licence Fee	12,710,495	9,588,725	-	-	-	-
Reimbursement of Expenses Received	30,430,722	45,054,693	-	-	-	-
Reimbursement of Expenses Paid	7,323,428	1,349,341	2,634,908	965,260	-	-
Sales						
PLAP	-	-	356,503,734	273,900,246	-	-
PI	-	-	6,375,437	4,155,220	-	-
Other's	-	-	3,491,075	2,614,662	-	-
Purchase of Material						
PID	-	-	9,536,114	10,865,673	-	-
PPAP	-	-	2,652,642	4,067,608	-	-
Other's	-	-	57,568	397,936	-	-
Purchase of Traded Goods						
PC	15,749	99,061	-	-	-	-
PGM	-	-	46,765,147	62,004,251	-	-
PI	-	-	5,180,895	-	-	-
Other's	-	-	99,680	1,067,560	-	-
Purchase of Assets						
PC	21,730,100	-	-	-	-	-
Amount payable						
PC	32,582,587	39,533,570	-	-	-	-
PID	-	-	-	1,525,104	-	-
PI	-	-	5,180,895	-	-	-
PGM	-	-	-	4,633,738	-	-
Other's	-	-	188,482	274,782	-	-
Amount receivable						
PLAP	-	-	37,738,546	26,195,455	-	-
PI	-	-	4,458,270	2,755,990	-	-
Other's	-	-	1,024,959	727,995	-	-

- 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 the Investor Education and Protection Fund as on March 31, 2015.
- 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.

Panasonic *APPLIANCES INDIA Co. Ltd.*

Notes forming part of financial Statements

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

	31.03.2015	31.03.2014
a) Principal amount due	760,769	-
Interest accrued and due to suppliers under MSME Act	54,110	986,303
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	7,263,273	33,275,168
d) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	54,110	986,303
e) Amount of interest accrued and remaining unpaid at the end of the period	54,110	986,303
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	31.03.2015	31.03.2014	31.03.2015	31.03.2014
			In Foreign currency		In ₹	In ₹
1	Forward Currency Swap Outstanding		Nil	Nil	Nil	Nil
2	Unhedged Foreign Currency Exposure					
	(i) Outstanding Debtors	USD	690,019	453,409	43,098,629	26,923,450
		JPY	Nil	Nil	Nil	Nil
	(ii) Outstanding Creditors - Goods	USD	399,114	62,970	24,974,806	3,810,944
		JPY	30,188	6,000	15,749	3,569
	(iii) Outstanding Creditors - Expenses	USD	5,394	342	314,021	20,687
		JPY	357,405	238,926	186,542	142,113
		SGD	Nil	Nil	Nil	Nil
	(iv) Buyers Credit	USD	1,913,307	Nil	119,732,041	Nil
	Packaging credit foreign currency	USD	1,740,000	Nil	108,854,400	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	
		31.03.2015	31.03.2014
A	Net Asset / (liability) recognised in the Balance Sheet as at March 31 2015		
	Present value of the Defined Benefit Obligation	22,123,958	18,919,521
	Fair Value of plan assets	19,808,942	16,769,657
	Net Liability recognised in the Balance Sheet	2,315,016	2,149,864
B	Expenses recognised in the statement of Profit and Loss Account for the year ended March 31, 2015		
	Current service cost	1,827,517	1,288,770
	Interest cost	1,513,562	1,479,125
	Expected return on plan assets	(1,603,016)	(1,401,238)
	Net actuarial (gain)/loss recognised during the year	796,774	783,207
	Expense / (Income) recognised in Profit and Loss Account	2,534,837	2,149,864
C	Change in Defined Benefit obligation during the year ended March 31, 2015		
	Present value of Defined Benefit obligation as at April 01, 2014	18,919,521	16,109,620
	Current service cost	1,827,517	1,479,125
	Interest cost	1,513,562	1,288,770
	Benefits paid	(933,416)	(741,201)
	Actuarial (gain) / loss on obligation	796,774	783,207
	Present value of obligation as at March 31, 2015	22,123,958	18,919,521
D	Changes in Fair value of Asset during the year ended March 31, 2015		
	Fair value of plan assets as at April 01, 2014	16,769,657	15,875,796
	Expected return on plan assets	1,562,249	1,370,861
	Contributions made	2,410,452	264,201
	Benefits paid	(933,416)	(741,201)
	Actuarial gain / (loss) on plan assets	-	-
	Fair value of plan assets as at March 31, 2015	19,808,942	16,769,657
E	Actuarial Assumptions		
	Discount rate	8%	8%
	Expected rate of return on plan assets	9% / 8.75%	8.75%
	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)	2014-2015	2013-2014
	Earning per share is computed based on the following :		
	Profit / (Loss) after Tax (in ₹)	4,143,831	(34,311,367)
	Nominal Value of share (₹)	10.00	10.00
	Weighted Average Number of Equity Shares used for Basic EPS	9,832,000	9,591,299
	Weighted Average Number of Equity Shares used for diluted EPS	9,832,000	9,832,000
	Earning Per Share ₹ (Basic)	0.42	(3.58)
	Earning Per Share ₹ (Diluted)	0.42	(3.49)

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 2014-2015

Particulars	2014-15	2013-2014
Opening balance as on April 01, 2014	12,062,341	7,934,046
Add: Provision made during the year	10,762,696	10,151,621
	22,825,037	18,085,667
Less: Claims settled during the year	7,681,106	6,023,326
Closing balance as on March 31, 2015	15,143,931	12,062,341

- 41 The Company has revised its policy of providing depreciation on its fixed assets effective April 1, 2014. Depreciation is now provided based on Schedule II of Companies Act 2013 on a straight line basis (SLM) for all assets as against the existing policy of providing on written down value (WDV) basis for some class of assets and straight line basis for other assets. As a result of these changes, the depreciation impact for the year ended March 31, 2015 is not material. The effect relating to change in method of depreciation from WDV to SLM for the specified assets retrospectively for the periods prior to April 1, 2014 resulted in net credit of ₹ 14,28,693, which has been recognised as an "Exceptional item" in the statement of profit and loss. In case of Assets whose useful lives is 'NIL' as on 31st March, 2014 in terms of Schedule II, the carrying value amounting to ₹ 42,50,318 has been adjusted with the opening balance of retained earnings.
- 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 the customs department. The company has preferred an appeal before Customs, Excise and Service Tax Appellate Tribunal (CESTAT), which remanded the matter back to the Commissioner of Customs (Appeals) for reconsideration and 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 **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No: 000511S

R.Nagendra Prasad
Partner
Membership No: 203377

Place : Chennai
Date : June 05, 2015

For and on behalf of the Board

Hidenori Aso
Managing Director

A.Raghavendra Rao
Director

Ajit G. Nambiar
Director

Tom Antony
CFO & Head Operations

K.Subramanian
Director

Yosuke Matsunaga
Director

Tessa J.K.
Company Secretary

Route Map

