

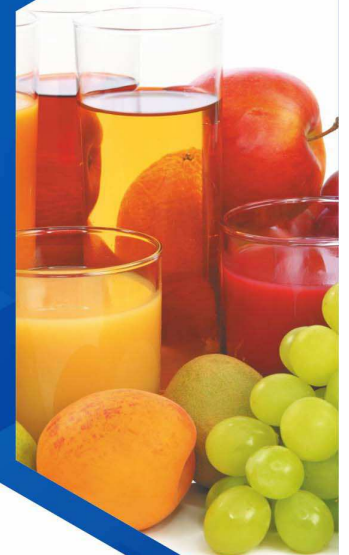
Panasonic Cooking



Panasonic

MADE IN INDIA, MADE FOR INDIA

Annual Report 2016-17





GIFT BOX - RICE COOKER WITH ACCESSORIES



SR-WA18GH CMB

Ideal for Gifting your loved ones



1 kg Capacity Rice Cooker with Accessories

TRAVEL COOKER



SR-3NA (T)

Cooks upto 0.16 kgs of Rice

COMES WITH TRAVEL POUCH

BACHELOR COOKER



SR-G06

Cooks upto 0.3 kgs of Rice



ULTIMATE COOKER WITH ACCESSORIES



SR-WA22FHS (UC)



1.25 kgs Capacity Rice Cooker with Accessories

METALLIC SPECTRA RANGE COOKERS



Available in 0.16kg to 1.25kgs Capacity

BIG CAPACITY COOKERS



SR-942D (2P)

SR-942DS

SR-972D

SR-932DS

932D (2P)

Available in 2kgs to 4.5kgs Capacity

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		
Bachelor Cooker 0.6L	SR-G06	2,695	2,032		
Baby Cooker 0.3L	SR-3NA (T)	2,595	1,957		
Super Mixer Grinder (5 Jar with Juice Extractor & Multi Jar)	MX-AC555	6,995	5,526		
Super Mixer Grinder (4 Jar with Juice Extractor) - White	MX-AC400	6,195	4,894		
Super Mixer Grinder (4 Jar with Juice Extractor) - Black	MX-AC400	6,195	4,894		
Super Mixer Grinder (3 Jar with Juice Extractor)	MX-AC350	5,495	4,341		
Super Mixer Grinder (3 Jar)	MX-AC300S	5,295	4,183		
Super Mixer Grinder (3 Jar)	MX-AC300H	5,195	4,104		
Super Mixer Grinder (3 Jar)Double Chutney Jar	MX-AC310	4,895	3,867		
Super Mixer Grinder (2 Jar)	MX-AC220	4,445	3,512		
Centrifugal Juicer	MJ-68M	5,990	4,912		
Juicer Mixer Grinder	MJ-M176P	9,990	8,192		
Food Processor	MK-5086	9,790	8,028		
Oven Toaster	NT-GT1	3,395	2,716		
Hand Mixer	MK-GH1	2,695	2,156		
Bowl Mixer	MK-GB1	3,595	2,876		
Sandwich Maker	NF-GW1	2,895	2,316		
Hand Blender With Chopper Attachment	MX -SS1	3,995	3,196		
Meat Grinder 1500 Watts	MK-MG1500	11,990	9,592		
Meat Grinder 1000 Watts	MK-MG1000	8,990	7,192		
Automatic Jar Cooker/Warmer, 1.8L, Non-Stick Pan, Steamer, Keep Warm function-Imported	CEZ18SSM	3,795	3,036		
Wet Grinder/2L	MK-GW200	7,790	6,232		
Wet Grinder/2L/Timer	MK-SW200	8,190	6,552		
Wet Grinder/2L/Timer	MK-SW200(Black)	8,590	6,872		
Solar Lantern	BG-BLDCE-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 infavour of Panasonic Appliances India Co. Ltd.
- Xerox copy of this discount coupon can be used for subsequent orders.

<p>Board of Directors</p> <p>Mr. Hidenori Aso Managing Director</p> <p>Mr. K. Subramanian Mr. Ajit G. Nambiar Mr. Toshihiro Sakamoto</p> <p>CFO</p> <p>Mr. K. Ramachandran</p> <p>Company Secretary</p> <p>Mr. Sanjog Mohapatra</p> <p>Auditors</p> <p>M/s. BSR & Co., LLP Chartered Accountants, 10, Mahatma Gandhi Road, Nungambakkam, Chennai - 600 034</p> <p>Registered Office and Factory</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>CIN</p> <p>U30007TN1988PLC016184</p> <p>Bankers</p> <p>The Bank of Tokyo Mitsubishi UFJ Ltd., HDFC Bank Ltd. Citibank N.A. Sumitomo Mitsui Banking Corporation</p>	<p>TWENTY NINTH ANNUAL REPORT</p> <p>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;">12</td> </tr> <tr> <td>Independent Auditors' Report</td> <td style="text-align: right;">26</td> </tr> <tr> <td>Balance Sheet</td> <td style="text-align: right;">32</td> </tr> <tr> <td>Statement of Profit and Loss</td> <td style="text-align: right;">33</td> </tr> <tr> <td>Cash Flow Statement</td> <td style="text-align: right;">34</td> </tr> <tr> <td>Notes forming part of Financial Statements</td> <td style="text-align: right;">36</td> </tr> </tbody> </table> <p>Twenty Ninth Annual General Meeting</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Venue</td> <td style="width: 10%;">:</td> <td>Obul Reddy Hall, Vani Mahal, #103, G.N. Chetty Road, T.Nagar, Chennai – 600 017</td> </tr> <tr> <td>Date</td> <td>:</td> <td>September 22, 2017</td> </tr> <tr> <td>Time</td> <td>:</td> <td>10.00 a.m.</td> </tr> </table> <p>Registrar & Share Transfer Agents</p> <p>M/s. Integrated Registry Management Services Private Limited "Kences Towers", 2nd Floor, #1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017 Email: srirams@integratedindia.in Tel : +91 44 2814 0812 Fax : +91 44 2814 2479</p>		Page	Notice of Annual General Meeting	6	Directors' Report	12	Independent Auditors' Report	26	Balance Sheet	32	Statement of Profit and Loss	33	Cash Flow Statement	34	Notes forming part of Financial Statements	36	Venue	:	Obul Reddy Hall, Vani Mahal, #103, G.N. Chetty Road, T.Nagar, Chennai – 600 017	Date	:	September 22, 2017	Time	:	10.00 a.m.
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Note :

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

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TEN-YEAR HIGHLIGHTS

₹ In Lakhs

Particulars	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014 -2015	2015-16	2016-17
Toatl Revenue	7,986.42	9,986.58	13,524.30	18,687.75	18,001.23	14,820.71	15,800.19	19,297.60	20,254.90	18,994.88
Profit Before Tax	252.70	258.84	299.50	262.44	-1274.10	-1,143.92	-343.70	27.15	-134.57	-614.64
Profit After Tax	144.89	141.68	193.40	179.22	-1,276.98	-1,140.64	-343.11	41.44	14.88	-662.66
Assets										
Fixed Assets	1,132.49	1,343.98	1,854.69	2,841.50	3,277.04	3,168.58	2,993.40	3,146.46	3,377.32	3,370.17
Other Non Current Assets	19.30	-	-	145.38	196.89	171.01	149.84	172.04	160.51	103.40
Total- Non Current Assets (1)	1,151.79	1,343.98	1,854.69	2,986.88	3,473.92	3,339.59	3,143.24	3,318.50	3,537.83	3,473.57
Toatl-Current Assets(2)	2,752.87	2,875.68	3,763.91	4,515.04	5,084.28	3,849.67	3,810.56	4,954.77	5,947.26	4,155.97
Toatl Assets(1+2)	3,904.66	4,219.66	5,618.60	7,501.92	8,558.20	7,189.26	6,953.80	8,273.27	9,485.09	7,629.54
Liabilities										
Share Capital	857.00	857.00	857.00	857.00	857.00	954.30	983.20	983.20	983.20	983.20
Reserves and Surplus	905.46	926.82	1,020.29	1,099.91	-177.07	-198.76	-209.52	-210.59	-195.70	-858.36
Share Holders Funds (3)	1,762.46	1,783.82	1,877.29	1,956.91	679.93	755.54	773.68	772.61	787.50	124.84
Toatl Non-Current Liabilities (4)	303.72	216.19	726.79	1,145.25	1,302.54	780.09	319.90	986.20	951.28	494.79
Total-Current Liabilities(5)	1,838.49	2,219.64	3,014.52	4,399.76	6,575.73	5,653.62	5,860.22	6514.46	7742.49	7,009.91
Total Liabilities (3+4+5)	3,904.67	4,219.65	5,618.60	7,501.92	8,558.20	7,189.25	6,953.80	8,273.27	9,481.27	7,629.54
Earning Per Share(₹)	1.69	1.65	2.26	2.09	-14.90	-12.12	-3.58	0.42	0.15	-6.74
Dividend Per Share (₹)	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	9,543,000	9,832,000	9,832,000	9,832,000	9,832,000

Panasonic *APPLIANCES INDIA Co. LTD.*

NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty Ninth Annual General Meeting** of the Members of Panasonic Appliances India Co. Ltd (CIN:U30007TN1988PLC016184) will be held on Friday, September 22, 2017 at 10.00 a.m. at Obul Reddy Hall, Vani Mahal, #103, GN Chetty Road, T.Nagar, Chennai- 600017 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Toshihiro Sakamoto (DIN: 07594920) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of the auditor of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution :

“RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on September 29, 2015, the appointment of B S R & Co. LLP, Chartered Accountants (Firm registration No. 101248W/W-100022) as the auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2018, 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:

4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. Kiyoshi Otaki (DIN:- 03155206) who was appointed as an additional Director of the Company by the Board of Directors with effect from 24th July, 2017 in terms of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company liable to retire by rotation”.

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

Place : Chennai
Date : July 24, 2017

HIDENORI ASO
MANAGING DIRECTOR

Panasonic *APPLIANCES INDIA Co. LTD.*

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of not exceeding 50 members and holding in aggregate not more than 10% of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The instrument appointing the proxy in order to be effective should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
3. Corporate shareholders/ Trusts/ Societies are requested to send a duly certified copy of the Board/ Managing Committee Resolution authorizing their representative to attend and vote at the Meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members should bring the Attendance Slip duly filled in for attending the Meeting
6. The Register of Members and Share Transfer Books will remain closed from Monday, September 11, 2017 to Friday, September 22, 2017 (both days inclusive).
7. Shareholders seeking any information, with regard to accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
8. The Company transferred the unclaimed dividends pertaining to the financial years 2002 to 2009 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 mentioned there against.

Details of dividend declared for the Financial Years from 2009-2010 onwards are given below

Financial Year	Rate of Dividend	Date of Declaration	Last date for claiming unpaid Dividend
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, 2017 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 Agent of the Company, M/s Integrated Registry Management Services Private 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 Registry Management Services Private Limited.
12. Electronic copy of the Notice of the 29th 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.

13. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2016-17 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.
14. 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 Agent.
15. Members holding shares in physical form are requested to notify / send the following information by quoting their Folio Number to the Registrar and Share Transfer Agent of the Company to facilitate better servicing: -
 - i. Any change in their address / mandate / bank details;
 - ii. Particulars of the bank account, in case the same have not been furnished earlier;
 - iii. Share Certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account;
 - iv. Phone No., Fax No., and Email ID etc for speedy disposal of complaints/requests on various issues.

16. **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, the Company is pleased to provide its members the facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through the e-Voting Services provided by National Securities Depository Limited (NSDL).

The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed three days prior to the date of AGM. Accordingly the e-voting period commences on Tuesday, September 19, 2017 at 9.00 a.m. and ends on Thursday, September 21, 2017, 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) of September 16, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on the resolution is cast by the shareholder, the shareholder shall not be able to change it subsequently.

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

Procedure and manner of e-voting

- A. **In case a Member receives an email from NSDL** [(for members whose email ids are registered with the Company/Depository Participant(s))
 - i. Open email and open PDF file viz; "Panasonic Appliances e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password provided in PDF is an 'Initial Password'.
 - ii. Log on to the e-voting website by typing the following URL: <https://www.evoting.nsdl.com/>
 - iii. Click on Shareholder – Login
 - iv. Type User ID and password as initial password/PIN noted in step (i) above. Click Login.

- v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
- vii. Select “EVEN” of Panasonic Appliances India Company Limited
- viii. Cast vote page for e-voting opens
- ix. Cast your vote by selecting the appropriate option and click on “Submit” and also “Confirm” when prompted
- x. Upon confirmation, the message “Vote cast successfully” will be displayed
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory (ies) who are authorised to vote, to the Scrutinizer through e-mail to alagar@geniconsolutions.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) of September 16, 2017. Members of the Company holding shares in physical or in dematerialized 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 16, 2017 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. M. Alagar, Practicing Company Secretary (Membership No.F7488) 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](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 22, 2017.

- h) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user Manuel for Shareholders available in the 'downloads' section of www.evoting.nsdl.com. You can also contact NSDL via e-mail at evoting@nsdl.co.in.
17. 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 29th Annual General Meeting of the Company.

ANNEXURE TO THE NOTICE
Explanatory Statement as per Section 102 of the Companies Act, 2013

ItemNo.4

At the Board Meeting held on 24th July, 2017 Mr. Kyoshi Otaki was appointed as an additional Director under the Articles of Association of the Company and pursuant to section 161 of the Companies Act, 2013. Mr. Kyoshi Otaki will hold office only up to the date of this Annual General Meeting and he offers himself for re-appointment. The Company has received a notice in writing from a member along with a deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing Mr. Kyoshi Otaki as a Director liable to retire by rotation. His qualification and experience are detailed under the heading "Information about the Directors to be appointed / re-appointed" which forms part of this Notice. Mr. Kyoshi Otaki represents the Promoter Director on the Board. He shall not be paid any Sitting Fee for attending the Meetings of the Board or Committee thereof. Mr. Kyoshi Otaki does not hold by himself or for any other person on a beneficial basis, any shares in the Company. None of the Directors and Key Managerial Personnel (KMP) of the Company except Mr. Kyoshi Otaki, being the appointee, is interested in this resolution. The Board commends passing of the Resolution set out at item No.4 of the Notice convening the Meeting.

Your Directors recommend the above resolution for your approval.

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

Place : Chennai
Date : July 24, 2017

HIDENORI ASO
MANAGING DIRECTOR

PROFILE OF DIRECTORS

A brief profile of the Directors who are proposed to be appointed

Mr. Kyoshi Otaki

Mr. Kyoshi Otaki aged 55 years, is a Graduate from Okayama University, Japan. He started his career with M/s. Matsushita Electric Works Co., Limited, Japan, in 1986. Mr. Kiyoshi Otaki has been Executive Officer, In charge of Small Appliances Business, Vice President of Appliances Company and Director of Kitchen Appliances Business Division at Panasonic Corporation since April 01, 2017.

Mr. **Kyoshi Otaki** does not hold any other directorships or committee membership in other Companies. He does not hold any shares in the company.

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

Place : Chennai
Date : July 24, 2017

HIDENORI ASO
MANAGING DIRECTOR

Panasonic *APPLIANCES INDIA Co. LTD.*

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 29th Annual Report together with the Company's audited financial statements for the financial year ended 31st March, 2017:

FINANCIAL HIGHLIGHTS

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

₹ In Crores

Particulars	2016-17	2015-2016
Net Sales	186.44	200.67
Other Income	3.50	1.86
Total Income	189.94	202.53
Profit before Interest and Depreciation	2.24	5.07
Less: Interest	3.35	2.41
Less: Depreciation	5.03	4.00
Profit/(Loss) before Tax	(6.14)	(1.34)
Add/(Less): Exceptional Items	-	-
Tax expense	(0.48)	1.49
Profit/(Loss) after Tax	(6.62)	0.14

Review of Performance

The year 2016-17 was a tough year for your Company. Your Company's performance was affected by demonetization in November, 2016 and also by cyclone in Chennai during the month of December, 2016. Demonetization resulted in reduction of demand. Further the Cyclone has hampered the production for 22 Days.

Despite all these odds your Company could achieve sales of Rs. 189.94 Crores as against Rs. 202.53 Crores in Previous Year. The Operating profit for the Year is negative of Rs. 2.78 Crores. The reason for the negative operating profit was drop in top line by Rs. 66.56 Crores. Our original planned sale was Rs.256.50 Crores and could achieve Rs. 189.94 Crores only due to the above mentioned reasons.

Your Company has shown growth in export sales in SAARC Countries. However there is a drop in Export Sales to USA. Company is striving hard to improve the Condition and hoping to turn around the situation in near future.

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.

Number of Meetings of the Board

The Board of Directors of your company had 6 Board Meetings, 4 Audit Committee Meetings, 1 Nomination and Remuneration Committee Meetings and 10 Stakeholder Relationship Committee meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Name of the director	Board Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Stakeholder Relationship Committee Meeting
K. Subramanian	6	4	1	10
Ajit G Nambiar	4	4	1	10
Hidenori Aso	6	4	-	10
Yosuke Matsunaga	2	-	-	-
Toshihiro Sakamoto	-	-	-	-

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:

- 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.

Directors and key managerial personnel Appointed/Relinquished during the Year

During the year Mr. Toshihiro Sakamoto (DIN: 07594920) has been appointed as Non-Executive Director of the Company. He was appointed by the Board on 23.08.2016.

Mr. Yosuke Matsunga (DIN: 07165780) relinquished his position as Non Executive Director of the Company W.e.f 29.03.2017.

Statement on Declaration given by independent directors under Sub-section 6 of Section 149

All the Independent Directors have submitted the declaration of independence as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub section 149(6).

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 Directors. The remuneration policy of the Company is designated to attract, motivate and retain suitable manpower in a competitive market. The remuneration package for each person is designated keeping a balance between fixed remuneration 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, KMPs and Senior Management
- ii. Policy on remuneration to the Directors, KMPs 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.

Statutory Auditors

The Company's Statutory Auditors, M/s. BSR & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants issued their report on Financial Statements of the Company and the same is appended here to the report. The Auditors' Reports on Financial Statements does not contain any qualification, reservation or adverse remark.

M/s. BSR & Co. LLP, Chartered Accountants were appointed as Statutory Auditors for a period of five years at the Annual General Meeting held on 29th September 2015. Their continuance of appointment is required to be ratified in the ensuing Annual General Meeting.

Internal Financial Controls

The Company is in compliance with the requirements of Companies Act, 2013 with regard to the Internal Financial Controls which embraces adherence to Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of financial information. The Board opines that the internal controls implemented by the Company for preparation of financial statements are adequate and sufficient.

Risk Management

The Board of Directors of the Company has implemented the risk management policy and delegated the power to the Audit Committee to monitor the risk management plan for the Company and report to the Board of Directors. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Board of Directors is in the opinion that there were no major risks that may threaten the existence of the Company

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 given during the year under review coming under the purview of Section 186 of the Companies Act, 2013.

Change in the nature of business

There is no change in the nature of business of the Company.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Material changes and commitments:

There are no material changes and commitments in the business operations of the Company for the financial year ended 31st March 2017 to the date of signing of the Board' Report.

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

There are no employees drawing remuneration of more than Rs. One Crore and Two Lakhs(1,02,00,000) or drawing remuneration of Rs. Eight(8) Lakh and Fifty Thousand(8,50,000) per month, if employed part of the year as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Further none of the Employees and their dependent children holds 2% or more equity shares in the Company.

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 pricing 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.

Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Companies Act, 2013, in form AOC-2.

Suitable disclosures as required by the Accounting Standards (AS18) have been made in the notes forming part of the Financial Statements.

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 received.

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 3" which forms part of this report.

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.

Others:

- Your Company does not have any Subsidiary or Joint Venture or Associate Company.
- Your Company does not require to transfer any amount to reserve.

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 : July 24, 2017

Hidenori Aso
Managing Director

K. Subramanian
Director

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

Directors

The Nomination and 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 compliances 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

The remuneration for KMPs – CFO and CS will be proposed by the MD and 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

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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, 2017

[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:	U30007TN1988PLC016184
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 Registry Management Services Private Limited 1st Floor, Kences Towers, 1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai- 600 017, Phone: 044 28140484

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	275	98.39%

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	93.75	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									
Individuals / HUF	-	-	-	-	-	-	-	-	-
Central Govt/State Govt	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-	-
Foreign									
Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	9201967	5600	9207567	93.65	9217592	-	9217592	93.75	0.10
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total	9201967	5600	9207567	93.65	9217592	-	9217592	93.75	0.10
Total Shareholding of Promoter	9201967	5600	9207567	93.65	9217592	-	9217592	93.75	0.10
Public shareholding									
Institutions	-	-	-	-	-	-	-	-	-
Mutual Funds/UTI	-	1700	1700	0.02	-	1700	1700	0.02	-
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 VentureCapital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (specify) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
Sub Total	-	3500	3500	0.04	-	3500	3500	0.04	-

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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	30812	10700	41512	0.42	32824	10700	43524	0.44	0.02
Individuals -									
i. Individual shareholder holding nominal share capital up to ₹ 1 lakh.	188726	389887	578613	5.89	179209	386888	566097	5.76	-0.13
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (specify)	808	-	808	0.01	1287	-	1287	0.01	-
i. Non Resident Indians	-	-	-	-	-	-	-	-	-
ii. Foreign Nationals	-	-	-	-	-	-	-	-	-
iii. Trusts	-	-	-	-	-	-	-	-	-
iv. Clearing members	-	-	-	-	-	-	-	-	-
v. Overseas Bodies Corporate	-	-	-	-	-	-	-	-	-
Sub-Total	220346	400587	620933	6.32	213320	397588	610908	6.21	-0.11
Total Public Shareholding	220346	404087	624433	6.35	213320	401088	614408	6.25	-0.10
Total	9422313	409687	983200	100	9430912	401088	9832000	100	-
Shares held by Custodians and against which Depository Receipts have been Issued	-	-	-	-	-	-	-	-	-
Grand Total	9422313	409687	983200	100	9430912	401088	9832000	100	-

(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 in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1 Panasonic Corporation	92,01,967	93.59	-	92,17,592	93.75	-	0.16

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(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
Beginning of the Year	92,01,769	93.59		
Transfer of shares to the Panasonic Corporation			15,625	0.16
At the end of the year			92,17,592	93.75

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

SL.No	Shareholder's Name	No. of Shares held 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
1(a)	KAMALAMMA J				
	At the beginning of the Year 01-04-2016	7,500	0.08	7,500	0.08
	Changes During the Year	Nil			
	At the end of the year 31-March-2017	7,500	0.08	7,500	0.80
1(b)	CHENNA REDDY J				
	At the beginning of the Year 01-04-2016	7,500	0.08	7,500	0.08
	Changes During the Year	Nil			
	At the end of the year 31-March-2017	7,500	0.08	7,500	0.08
2	CHIRAG NAVINCHANDRA SUKHADIA				
	At the beginning of the Year 01-04-2016	6,000	0.06	6,000	0.06
	Changes During the Year	Nil			
	At the end of the year 31-March-2017	6,000	0.06	6,000	0.06
3	S L LALITHAMMA				
	At the beginning of the Year 01-04-2016	5,712	0.06	5,712	0.06
	Changes During the Year				
	Date of Change Reason				
	03.06.2016 Transfer	+50	+0.00	5,712	0.06
	At the end of the year 31-March-2017	5,762	0.06	5,762	0.06
4	SHINEUP FIBRES LTD				
	At the beginning of the Year 01-04-2016	5,000	0.05	5,000	0.05
	Changes During the Year	Nil			
	At the end of the year 31-March-2017	5,000	0.05	5,000	0.05
5	ANKAL CAPITAL LIMITED				
	At the beginning of the Year 01-04-2016	3,300	0.03	3,300	0.03
	Changes During the Year	Nil			
	At the end of the year 31-March-2017	3,300	0.03	3,300	0.03

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

SL. No	Shareholder's Name	No. of Shares held 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
6	NISAR AHMED SIDDIQUI				
	At the beginning of the Year 01-04-2016	2,500	0.03	2,500	0.03
	Changes During the Year	Nil			
	At the end of the year 31-March-2017	2,500	0.03	2,500	0.03
7a)	RAJYALAKSHMI RAMACHANDRAN				
	At the beginning of the Year 01-04-2016	2,000	0.02	2,000	0.02
	Changes During the Year	Nil			
	At the end of the year 31-March-2017	2,000	0.02	2,000	0.02
7(b)	KIRIT MODI				
	At the beginning of the Year 01-04-2016	2,000	0.02	2,000	0.02
	Changes During the Year	Nil			
	At the end of the year 31-March-2017	2,000	0.02	2,000	0.02
8	ANIL KUMAR PILLAI				
	At the beginning of the Year 01-04-2016	1,985	0.02	1,985	0.02
	Changes During the Year	Nil			
	At the end of the year 31-March-2017	1,985	0.02	1,985	0.02
9(a)	RAJENDRA SINGH SINGHVI				
	At the beginning of the Year 01-04-2016	1,800	0.02	1,800	0.02
	Changes During the Year	Nil			
	At the end of the year 31-March-2017	1,800	0.02	1,800	0.02
9(b)	DINKAR S MAHIND				
	At the beginning of the Year 01-04-2016	1,800	0.02	1,800	0.02
	Changes During the Year	Nil			
	At the end of the year 31-March-2017	1,800	0.02	1,800	0.02
10	NIRANJAN NEGANDHI				
	At the beginning of the Year 01-04-2016	1,600	0.02	1,600	0.02
	Changes during the year	Nil			
	At the end of the year 31-March-2017	1,600	0.02	16000	0.02

Panasonic *APPLIANCES INDIA Co. Ltd.*

(v) Shareholding of Directors and Key Managerial Personnel:

Neither Directors nor Key Managerial Personnel holds any shares in the Company.

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	-	435,965,783	-	435,965,783
Change in Indebtedness during the financial year				
Addition	-	85,859,398	-	85,859,398
Reduction	-	30,833,333	-	30,833,333
Net Change	-	55,026,065	-	55,026,065
Indebtedness at the end of the financial year	-	490,991,848		490,991,848

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	28,62,966
	b) Value of perquisites u/s 17 (2) of Income tax Act	2,38,632
	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)	31,01,598
	Ceiling as per the Act (Limit of yearly remuneration as per Sch V)	4,200,000

Panasonic APPLIANCES INDIA Co. LTD.

B. Remuneration to other directors:

Amount in ₹

Sl.No.	Particulars of remuneration	Name of directors		Total amount
1	Independent Directors	K. Subramanian	Ajit G. Nambiar	6,80,000
	● Fee for attending board/ committee meetings	3,60,000	3,20,000	
	● Commission	-	-	
	● Others, please specify	-	-	
	Total (1)	3,60,000	3,20,000	6,80,000
2	Other Non Executive Directors	Yosuke Matsunaga*	Toshihiro Sakamoto	
	● Fee for attending board/ committee meetings	-	-	
	● Commission	-	-	
	● Others, please specify			
	Total (2)	-	-	
	Total (B) = (1 +2)	-	-	
	Total Managerial Remuneration (A+B)			6,80,000

*Resigned from the Board w.e.f 29.03.2017

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

Amount in ₹

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		Total amount
		Mr. K. Ramachandran (CFO)		
1	Gross Salary	37,56,730		37,56,730
	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)	37,56,730		37,56,730

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, 2017.

For and on behalf of the Board

Place: Chennai
Date: July 24, 2017

Hidenori Aso
Managing Director

K. Subramanian
Director

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 efforts made towards technology absorption	<p>1(a) LPG Aluminum melting Furnace introduced by replacing oil fired Melting Furnace and Electrical Heating Holding Furnace.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Description</th> <th style="width: 20%;">Before</th> <th style="width: 20%;">Now</th> </tr> </thead> <tbody> <tr> <td>Furnace Oil Cost / month</td> <td>Rs.3,87,400</td> <td></td> </tr> <tr> <td>LPG Cost / month</td> <td></td> <td>Rs.5,92,200</td> </tr> <tr> <td>Electricity Cost/ month</td> <td>Rs.3,97,800</td> <td>Rs.5,738</td> </tr> <tr> <td>Total Cost / month</td> <td>Rs.785,200</td> <td>Rs.597,938</td> </tr> <tr> <td>Cost Saving / Month</td> <td colspan="2" style="text-align: center;">Rs.187,262</td> </tr> <tr> <td>Cost Saving / Year</td> <td colspan="2" style="text-align: center;">Rs.2,247,144</td> </tr> </tbody> </table> <p>1(b) By introduction of LPG Furnace approximately saving can be achieved by 2.2 Million per year.</p> <p>2(a) 6 nos of 72W LED Light Fittings introduced in Coil Godown instead of 4 x 40 W Fluorescent fittings</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Description</th> <th style="width: 20%;">Before</th> <th style="width: 20%;">Now</th> </tr> </thead> <tbody> <tr> <td>FL Lamp 4 X 40 W</td> <td>160W / hour</td> <td></td> </tr> <tr> <td>LED Lamp</td> <td></td> <td>72W/hour</td> </tr> <tr> <td>Units Saving / Month</td> <td colspan="2" style="text-align: center;">(88X18X25 / 1000) = 39.6 Units</td> </tr> </tbody> </table> <p>2(b) Introduction of LED Fittings results in saving of Energy by 475.2 Units/Year and saving of cost by Rs.4039.2 / Year</p>	Description	Before	Now	Furnace Oil Cost / month	Rs.3,87,400		LPG Cost / month		Rs.5,92,200	Electricity Cost/ month	Rs.3,97,800	Rs.5,738	Total Cost / month	Rs.785,200	Rs.597,938	Cost Saving / Month	Rs.187,262		Cost Saving / Year	Rs.2,247,144		Description	Before	Now	FL Lamp 4 X 40 W	160W / hour		LED Lamp		72W/hour	Units Saving / Month	(88X18X25 / 1000) = 39.6 Units	
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LED Lamp		72W/hour																																	
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(ii)	Steps taken by the Company for utilising alternate sources of energy	There is no Utilization of Alternate source of Energy																																	
(iii)	Capital investment on energy conservation equipments	<p>1. Cost of LPG Melting Furnace Rs 2,384,000/-.</p> <p>2. Cost per LED Fittings Rs 15,500/- per Unit.</p>																																	
(b) Technology Absorption																																			
(i)	Efforts made towards technology absorption	<p>By availing technical assistance from Panasonic Corporation Japan, Development has been made towards manufacturing of new products such as:</p> <ul style="list-style-type: none"> ➤ Successfully completed the Gulf Certification mark for EMC compliance as per Gulf latest Country Regulation standard for Rice Cooker and Mixer Grinder and exported to Gulf Countries such as Saudi Arabia, UAE, Oman, Kuwait and Qatar. ➤ Successfully Expanded the Export Market for Rice Cooker to Canada, Panama, Nepal, Vietnam, Malaysia and Taiwan. 																																	
(ii)	Benefits derived from key projects like product improvement, cost reduction, product development or import substitution	Benefits: By utilizing the latest technology Company has been Developing Wet Grinder Tourist Model (120V) and with Atta Kneader Accessory for Domestic Market .																																	
(iii)	Information regarding imported technology (last three years)	<p>Products imported during last three years</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%; text-align: left;">Year</th> <th style="width: 80%; text-align: left;">Products</th> </tr> </thead> <tbody> <tr> <td>2014-2015</td> <td>Cooker with 7.2L Capacity, Wet Grinder and Mixie AC555</td> </tr> <tr> <td>2015-2016</td> <td>Cooker with 0.3L, 0.6L, 1.0L and 1.8L (G Series), Mixie with Colors</td> </tr> <tr> <td>2016-2017</td> <td>Cooker with 0.3L, 0.6L for Vietnam, Malaysia, 7.2L Cooker for Taiwan</td> </tr> <tr> <td>—</td> <td>—</td> </tr> <tr> <td>—</td> <td>—</td> </tr> <tr> <td>Yes</td> <td>—</td> </tr> <tr> <td>—</td> <td>—</td> </tr> </tbody> </table>	Year	Products	2014-2015	Cooker with 7.2L Capacity, Wet Grinder and Mixie AC555	2015-2016	Cooker with 0.3L, 0.6L, 1.0L and 1.8L (G Series), Mixie with Colors	2016-2017	Cooker with 0.3L, 0.6L for Vietnam, Malaysia, 7.2L Cooker for Taiwan	—	—	—	—	Yes	—	—	—																	
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—	—																																		
—	—																																		
Yes	—																																		
—	—																																		
(iv)	The expenditure incurred on Research and Development	Rs. 6,469,221																																	

(c) During the year, the total foreign spent (outgo) was Rs. 31.52 Crores and the total foreign exchange earned was Rs. 50.17 Crores.

Independent Auditors' Report

To the Members of Panasonic Appliances India Company Limited

Report on the financial statements

We have audited the accompanying financial statements of **Panasonic Appliances India Company Limited** ("the Company"), which comprise the balance sheet as at March 31, 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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 of 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.

Auditors' responsibility

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.

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.

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. 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.

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

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 March 31, 2017, and its losses and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. 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 purpose of our audit;

- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as 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 written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (h) 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 27 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;
 - iii There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management— refer note 39 to the financial statements.

for B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership No: 203491

Chennai
Date: July 24, 2017

Annexure A to the Independent Auditor's Report to the members of Panasonic Appliances India Company Limited for the year ended March 31, 2017 (referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified annually. In accordance with this programme, no material discrepancies were noticed on such verification during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except goods-in-transit, has been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or

Panasonic *APPLIANCES INDIA Co. LTD.*

other parties covered in the register required under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

- (iv) The Company does not have any loan, investment, guarantees and security which requires compliance under Sections 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for sale of goods and the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues have been generally deposited regularly during the year by the Company with the appropriate authorities except for few delays in the deposit of income tax deducted at source ranging from 5 to 13 days.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the dues set out in Appendix 1 in respect of income tax, sales tax, service tax and duty of excise have not been deposited by the Company with the appropriate authorities on account of dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution, government or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year.
- (x) According to the information and explanations given to us, no material fraud on or by the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with such directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership No: 203491

Chennai
Date: July 24, 2017

Panasonic *APPLIANCES INDIA Co. LTD.*

Panasonic Appliances India Company Limited

Appendix 1 to the Auditor's Report

The following dues of income tax, sales tax, service tax and duty of excise have not been deposited by the Company on account of disputes:

Name of the statute/period to	Nature of dues which it relates	Forum where the dispute is pending	Amount (Rs.)
Income Tax Act, 1961 For the period April 2005 –March 2007	Income tax	High Court of Madras	3,385,568
Sales Tax West Bengal Sales Tax Act, 1994 For the period April 2001-March 2003	Sales tax	Assistant Commissioner, Commercial Taxes, West Bengal	220,582
West Bengal Value Added Tax Act, 2003 For the period April 2010-March 2011	Sales tax	West Bengal Sale Tax Appellate & Revisional Board	3,777,892
Uttar Pradesh Value Added Tax Act, 2008 For the period April 2013-March 2014	Sales tax	Additional Commissioner	289,858*
Andhra Pradesh Value Added Tax Act, 2005 For the period April 2015- March 2016	Sales tax	Deputy Commissioner (CT) , Vijayawada	-**
Central Excise Act,1944 For the period February-March 2011	Excise duty	Customs, Excise and Service Tax Appellate Tribunal, Chennai	168,818***
Finance Act, 1994 For the period April 2006 - September 2010	Service tax	Customs, Excise and Service Tax Appellate Tribunal, Chennai	6,401,833#
* Net off Rs.289,858 paid under protest ** Net off Rs. 89,251 paid under protest ***Net off Rs.35,000 paid under protest # Net off Rs.1,000,000 paid under protest			

Annexure B to the Independent Auditor's Report to the members of Panasonic Appliances India Company Limited for the year ended March 31, 2017 (referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Panasonic Appliances India Company Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

Panasonic *APPLIANCES INDIA Co. LTD.*

the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

S Sethuraman

Partner

Membership No: 203491

Chennai

Date: July 24, 2017

Panasonic *APPLIANCES INDIA Co. LTD.*

Balance Sheet as at March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

Particulars	Note No.	Amount in ₹	
		As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	98,320,000	98,320,000
Reserves and surplus	4	(85,836,096)	(19,569,617)
		12,483,904	78,750,383
Non-current liabilities			
Long-term borrowings	5	29,166,667	79,166,667
Deferred tax liabilities (net)	6	-	-
Long-term provisions	7	20,312,345	15,959,614
		49,479,012	95,126,281
Current liabilities			
Short-term borrowings	8	411,656,744	320,965,784
Trade payables	9		
-total outstanding dues of micro and small enterprises		2,739,840	5,166,348
-total outstanding dues of creditors other than micro and small enterprises		202,876,063	349,539,814
Other current liabilities	10	72,655,401	85,670,930
Short-term provisions	7	11,063,043	13,289,660
		700,991,091	774,632,536
Total		762,954,007	948,509,200
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	11	323,206,528	311,336,242
Intangible fixed assets	11	10,623,370	1,112,906
Capital work-in-progress	11	3,188,040	25,282,831
Long-term loans and advances	12	10,339,526	16,051,179
		347,357,464	353,783,158
Current assets			
Inventories	13	192,262,905	225,142,461
Trade receivables	14	180,380,468	333,462,329
Cash and bank balances	15	9,037,792	1,453,387
Short-term loan and advances	16	20,984,420	26,119,062
Other current assets	17	12,930,958	8,548,803
		415,596,543	594,726,042
Total		762,954,007	948,509,200

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 101248W/ W-100022

for and on behalf of the board of directors of

Panasonic Appliances India Company Limited

CIN: U30007TN1988PLC016184

S Sethuraman

Partner

Membership No: 203491

Hidenori Aso

Managing Director

DIN: 00158246

Ajit Gopal Nambiar

Director

DIN: 00228857

Subramanian Krishnaswamy

Director

DIN: 00019088

Ramachandran Kunnath

Chief Financial Officer

Sanjog Mohapatra

Company Secretary

Place: Chennai

Date: 24.07.2017

Place: Chennai

Date: July 24, 2017

Panasonic *APPLIANCES INDIA Co. LTD.*

Statement of Profit and Loss for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2017	Amount in ₹ Year ended March 31, 2016
Income			
Revenue from operations	18		
Sale of products (gross)		2,053,731,751	2,191,508,989
Less: Excise Duty		<u>219,379,721</u>	<u>218,750,394</u>
Sale of products (net)		1,834,352,030	1,972,758,595
Other Operating revenues		30,096,998	33,958,063
Total		1,864,449,028	2,006,716,658
Other income	19	35,039,098	18,676,601
Total revenue		1,899,488,126	2,025,393,259
Expenses			
Cost of materials consumed	20	1,045,337,882	1,129,422,258
Purchases of stock-in-trade	21	22,299,058	65,241,612
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	31,696,490	(4,983,588)
Employee benefits	23	278,030,059	246,458,258
Finance costs	24	33,579,319	24,199,488
Depreciation and amortisation	25	50,340,695	40,016,338
Other expenses	26	499,669,134	538,496,485
Total expenses		1,960,952,637	2,038,850,851
(Loss) before tax		(61,464,511)	(13,457,592)
Income tax expense			
Current tax		-	-
Tax expenses pertaining to earlier years		(4,801,968)	-
Deferred tax (relating to earlier years)		-	14,946,578
		<u>(4,801,968)</u>	<u>14,946,578</u>
(Loss) / Profit for the year		(66,266,479)	1,488,986
Earnings per equity share			
Face value per share		10	10
Weighted average number of equity shares outstanding		9,832,000	9,832,000
Basic and diluted		(6.74)	0.15

Significant accounting policies

2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

ffor B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/ W-100022

for and on behalf of the board of directors of

Panasonic Appliances India Company Limited

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Sanjog Mohapatra

Company Secretary

Place: Chennai

Date: 24.07.2017

Place: Chennai

Date: July 24, 2017

Panasonic *APPLIANCES INDIA Co. LTD.*

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Amount in ₹

(All amounts in Rupees, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash Flow from Operating Activities		
Loss before tax	(61,464,511)	(13,457,592)
Adjustments:		
Depreciation and amortisation	50,340,695	40,016,338
Interest income	(449,321)	(650,393)
Provision for doubtful trade receivables	97,126	2,371,865
Provision for inventories	5,877,332	493,147
Inventory written off	1,824,166	1,846,455
Advances written back	(6,450)	(183,517)
Unrealised foreign exchange loss/ (gain)	(7,893,488)	-
Finance costs	33,579,319	24,199,488
(Profit)/ Loss on sale of fixed assets	1,615,654	-
Fixed assets and capital work-in-progress written off	939,347	329,313
	85,924,380	68,422,696
Operating cash flow before working capital changes	24,459,869	54,965,104
Decrease/ (Increase) in inventories	25,178,058	(22,453,964)
Decrease/ (Increase) in trade receivables	152,998,091	(81,686,328)
Decrease/(Increase) in other assets	(903,374)	(23,667)
(Decrease) / Increase in trade payables	(149,083,809)	82,096,778
(Decrease) / Increase in other liabilities	(17,475,019)	5,239,861
Increase in provisions	2,126,114	4,173,323
Cash generated from operations	37,299,930	42,311,107
Income taxes (paid)/ refunded	-	-
Net cash provided by operating activities (A)	37,299,930	42,311,107
Cash flow from investing activities		
Purchase or construction of fixed assets (tangible and intangible fixed assets, capital work-in-progress) and capital advances	(63,841,038)	(52,282,513)
Proceeds from sale of fixed assets	2,806,280	-
Interest received	524,926	569,307
Net cash used by investing activities (B)	(60,509,832)	(51,713,206)

Panasonic *APPLIANCES INDIA Co. LTD.*

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

Amount in ₹

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flow from financing activities		
Proceeds from / (repayment of) borrowings (net)	62,737,759	33,629,350
Finance costs paid	(31,943,452)	(24,638,201)
Net cash provided by financing activities (C)	30,794,307	8,991,149
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	7,584,405	(410,950)
Cash and cash equivalents at the beginning of the year (see below)	1,453,387	1,864,337
Cash and cash equivalents at the end of the year	9,037,792	1,453,387

Notes to cash flow statement

1. Components of cash and cash equivalents

	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash on hand	86,731	36,227
Balances with banks		
- On current accounts	8,589,752	836,728
- Other bank balances	361,309	580,432
	9,037,792	1,453,387

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 101248W/ W-100022

S Sethuraman

Partner

Membership No: 203491

Place: Chennai

Date: July 24, 2017

for and on behalf of the board of directors of

Panasonic Appliances India Company Limited

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Hidenori Aso

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Place: Chennai

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Ajit Gopal Nambiar

Director

DIN: 00228857

Ramachandran Kunnath

Chief Financial Officer

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

1 Company overview

Panasonic Appliances India Company Limited ('the Company'), is a subsidiary of Panasonic Corporation, Japan. The Company is primarily engaged in the business of manufacturing and trading of consumer durable products such as electric rice cookers, mixer-grinder, wet grinder etc.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles(GAAP) under the historical cost convention using the accrual basis. GAAP comprises accounting standards as prescribed under Section 133 of the Companies Act, 2013('Act') read with Rule 7 of the Companies(Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountant of India and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company's performance has been impacted by market slowdown, reduced demand consequent to the demonetization of currency by Government of India in the month of November 2016 and on account of the interruption in the Company's operations by a cyclone in Chennai in the month of December 2016. As a result, the company has significant accumulated losses and an negative working capital position as at March 31, 2017. The Management believes that the losses incurred during the current year are in the context of the unique circumstances which impacted the Company's business and is not recurring in nature. Based on the Company's business plans including projected sales from a wider export market, projected cash flows and the available banking limits, the Company believes that it would be able to realize its assets and settle its liabilities in the normal course at their carrying values and that no adjustments would be required in respect of the carrying value of assets/liabilities as at March 31, 2017. Accordingly, the financial statements have been prepared on a going concern basis.

2.2 Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation and accumulated loss if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; and any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Tangible fixed assets acquired wholly or partly with specific grant/subsidy from government, are recorded at the net acquisition cost to the company.

Borrowing costs are interest and other costs (including exchange differences arising from the foreign currency borrowings to the extent that they are recorded as an adjustment to interest costs) incurred by the company in connection with the borrowing of funds. Borrowing cost directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Depreciation on fixed assets is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the asset which are prescribed under Part C of Schedule II of the Companies Act, 2013 except for certain assets, the useful life of which have been determined based on technical evaluation, which is in the opinion of the management, would result in a more appropriate presentation of the carrying value of the fixed assets and the related useful life of the assets. Based on such assessment, depreciation has been provided on the following useful life :

Panasonic *APPLIANCES INDIA Co. Ltd.*

Asset Category	Estimated useful life (in years)
Buildings	30-60
Plant and machinery	15
Furniture and Fittings	10
Office Equipments	3-6
Vehicles	8

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date, are disclosed under other non-current assets and the cost of the fixed assets not ready for their intended use before such date, are disclosed as capital work-in-progress.

2.4 Intangible fixed assets

Acquired intangible assets are measured initially at cost. After initial recognition, an intangible assets is carried at cost less any accumulated amortisation and accumulated impairment loss. Intangible fixed assets are amortised over their economic useful lives as below.

Asset Category	Estimated useful life (in years)
Software	3-6
Technical know-how	3

2.5 Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount (higher of net selling price and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.6 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at the fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the period of the lease.

2.7 Inventories

Inventories which comprises raw materials, work-in-progress and finished goods are carried at the lower of cost and net realisable value.

Cost of inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated cost necessary to make the sale.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and in estimated that the cost of the finished products will exceed their net realizable value.

2.8 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term

employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The company's contribution is recognised as an expenses in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The Company provides for gratuity, a defined benefit Plan (the "Gratuity Plan") covering eligible employees. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company provides the gratuity benefit through annual contribution to a fund managed by the Life Insurance Corporation of India (LIC). The liabilities related to gratuity plan are determined by an independent actuarial valuer using projected unit credit method as at the balance sheet date.

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

2.9 Revenue recognition

Revenue from sale of goods is generally recognised on despatch of goods to customers which corresponds with transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax, value added tax (VAT), trade and quantity discounts.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

2.10 Foreign exchange transactions

Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss. Monetary assets and liabilities denominated in foreign currencies as at the Balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognised in the statement of profit and loss.

2.11 Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis. Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.12 Income taxes

Income-tax expense comprise current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting that tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is a reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.13 Earnings Per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period attributable to equity shareholders. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.14 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

3 Share Capital

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016
The details of authorised, issued, subscribed and paid up share capital are as under:		
Authorised		
13,000,000 (Previous Year : 13,000,000) Equity shares of Rs. 10/- each	130,000,000	130,000,000
	<u>130,000,000</u>	<u>130,000,000</u>
Issued, subscribed and paid up		
9,832,000 (Previous year: 9,832,000) Equity shares of Rs. 10/- each fully paid	98,320,000	98,320,000
	<u>98,320,000</u>	<u>98,320,000</u>

a) Reconciliation of the shares outstanding at the beginning and at the end of the year is as under:

	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of Rs. 10/- each fully paid				
Balance at the commencement and end of the year	9,832,000	98,320,000	9,832,000	98,320,000
	<u>9,832,000</u>	<u>98,320,000</u>	<u>9,832,000</u>	<u>98,320,000</u>

b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with respect to dividends and share in the Company's residual assets. The voting rights of an equity shareholder on a poll are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which call or other sums presently payable have not been paid.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/associates

	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each fully paid up held by Panasonic Corporation, Japan	9,217,592	92,175,920	9,201,967	92,019,670
	<u>9,217,592</u>	<u>92,175,920</u>	<u>9,201,967</u>	<u>92,019,670</u>

d) Details of shareholders holding more than 5% of equity shares in the Company

	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10/- each paid up and held by Panasonic Corporation, Japan	9,217,592	93.75%	9,201,967	93.59%
	<u>9,217,592</u>	<u>93.75%</u>	<u>9,201,967</u>	<u>93.59%</u>

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

4 Reserves and surplus	Amount in ₹	
Particulars	As at March 31, 2017	As at March 31, 2016
Capital reserve		
At the commencement and end of the year	2,613,500	2,613,500
Securities premium account		
At the commencement and end of the year	71,956,600	71,956,600
General reserve		
At the commencement and end of the year	354,194	354,194
Deficit in the statement of profit and loss		
At the commencement of the year	(94,493,911)	(95,982,897)
Add: (Loss) / Profit for the year	<u>(66,266,479)</u>	<u>1,488,986</u>
At the end of the year	<u>(160,760,390)</u>	<u>(94,493,911)</u>
	<u>(85,836,096)</u>	<u>(19,569,617)</u>

5 Long-term borrowings

	Non-current portion		Current portion *	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Unsecured				
Term loan from banks	<u>29,166,667</u>	<u>79,166,667</u>	<u>50,000,000</u>	<u>35,833,333</u>
	<u>29,166,667</u>	<u>79,166,667</u>	<u>50,000,000</u>	<u>35,833,333</u>

* Amount disclosed under "other current liabilities" in note 10

Particulars and terms of repayment:

- (i) Loan from Bank of Tokyo amounting to Rs. 30,000,000 [March 31, 2016: Rs.30,000,000] was availed in March 2015 and is repayable in two equal annual installment starting from March 2017. Interest is computed at floating rate as agreed mutually from time to time.
- (ii) Loan from Bank of Tokyo amounting to Rs. 10,000,000 [March 31, 2016: 10,000,000] was availed in December 2015 and is repayable in 12 equal quarterly installment starting from March 2017. Interest is computed at rate of 9.60%.
- (iii) Loan from Bank of Tokyo amounting to Rs. 35,000,000 [March 31, 2016: 35,000,000] was availed in January 2016 and is repayable in 12 equal quarterly installment starting from April 2017. Interest is computed at rate of 9.50%.
- (iv) Loan from CITI Bank amounting to Rs. 40,000,000 [March 31, 2016: Rs.40,000,000] availed in January 2015 and February 2015, repayable in eight quarterly instalments starting from the April 30,2016. Interest is computed at rate of 9.75%.

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

6 Deferred taxes liabilities (net) Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred tax liabilities		
Depreciation and amortisation	32,937,888	31,299,510
	<u>32,937,888</u>	<u>31,299,510</u>
Deferred tax assets		
Provision for employee benefits	1,677,188	1,693,921
Provision for doubtful advances	516,569	765,351
Provision for inventory	1,816,096	152,382
Others*	28,928,035	28,687,856
	<u>32,937,888</u>	<u>31,299,510</u>
Net deferred tax	-	-

* includes unabsorbed depreciation and unutilised tax losses. Deferred tax asset on unabsorbed depreciation / loss are recorded to the extent of deferred tax liabilities.

7 Provisions

	Long-term		Short-term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits				
Gratuity (refer note 35)	-	-	7,656,860	7,446,998
Compensated absences	6,959,635	5,900,406	698,150	591,027
Other provisions				
Provision for warranties (refer note 37)	13,352,710	10,059,208	2,411,685	4,868,717
Provision for Income tax (net of advance tax)	-	-	296,348	382,918
Total provisions	<u>20,312,345</u>	<u>15,959,614</u>	<u>11,063,043</u>	<u>13,289,660</u>

8 Short-term borrowings

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured		
Loans repayable on demand		
Working capital demand loan	186,000,000	100,000,000
Overdraft facility from bank	-	27,202,315
Buyer's credit	96,175,502	107,625,469
Export packing credit facilities	129,481,242	86,138,000
	<u>411,656,744</u>	<u>320,965,784</u>

Particulars and terms of repayment

- (i) Working capital demand loan and overdraft facilities have been availed from Sumitomo mitsui Banking Corporation and Bank of Tokyo. These loans are repayable on demand. The interest is payable on agreed rates with the respective banks as determined in the facility agreement.

Panasonic *APPLIANCES INDIA Co. Ltd.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

- (ii) Buyers credit from Bank of Tokyo USD 1,483,732 (previous year USD 1,624,290) carries interest rate ranging between 1.51% per annum to 2.25% per annum (previous year 1.31% per annum to 1.83% per annum)
- (iii) Export packing credit from Bank of Tokyo USD 1,000,000 (previous year USD 50,000) carries interest rate ranging between 1.72 % per annum to 2.18% per annum (previous year 1.31% per annum to 1.72% per annum)
- (iv) Export packing credit from CITI bank USD 997,551 (previous year 1,250,000) carries interest rate ranging between 1.18% per annum to 1.99.% per annum (previous year 0.81% per annum to 1.46% per annum)

9 Trade payables

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016
Trade payables		
- dues of micro enterprises and small enterprises	2,739,840	5,166,348
- dues of creditors other than micro enterprises and small enterprises	202,876,063	349,539,814
	<u>205,615,903</u>	<u>354,706,162</u>

For dues to micro and small suppliers, refer to note 34

10 Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
Capital creditors	1,064,392	12,407,436
Current maturities of long term borrowings (refer note 5)	50,000,000	35,833,333
Interest accrued but not due on borrowings	1,828,734	192,867
Book overdaft	168,437	-
Advances from customers	-	10,789,035
Unclaimed dividend	361,309	580,432
Deposits from customers	336,000	336,000
Employee benefits payable	6,794,138	5,693,083
Statutory dues payable	12,092,487	19,828,840
Other payables	9,904	9,904
	<u>72,655,401</u>	<u>85,670,930</u>

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Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

11. TANGIBLE FIXED ASSETS

Amount in ₹

Particulars	Free hold land	Buildings	Plant and machinery	Furniture and fittings	Office equipments	Vehicles	Total
Gross block							
Balance as at April 1, 2015	2,116,840	74,861,942	506,806,425	14,155,421	16,635,715	7,388,732	621,965,075
Addition during the year	-	-	35,571,598	505,053	3,386,154	-	39,462,805
Deletions during the year	-	336,844	1,601,187	516,223	316,700	5,200	2,776,154
Balance as at March 31, 2016	2,116,840	74,525,098	540,776,836	14,144,251	19,705,169	7,383,532	658,651,726
Addition during the year	-	21,588,117	37,208,377	3,096,318	3,754,545	909,261	66,556,618
Deletions during the year	-	321,733	22,421,037	567,497	2,683,402	40,793	26,034,462
Balance as at March 31, 2017	2,116,840	95,791,482	555,564,176	16,673,072	20,776,312	8,252,000	699,173,882
Accumulated depreciation							
Balance as at April 1, 2015	-	22,757,911	264,174,146	7,186,996	11,184,208	5,164,877	310,468,138
Depreciation for the year	-	3,189,297	31,523,623	1,415,880	2,455,121	710,263	39,294,184
Deletions during the year	-	237,958	1,437,454	449,793	316,693	4,940	2,446,838
Balance as at March 31, 2016	-	25,709,250	294,260,315	8,153,083	13,322,636	5,870,200	347,315,484
Depreciation for the year	-	3,502,369	40,754,271	1,827,757	2,664,277	576,393	49,325,067
Deletions during the year	-	108,550	17,525,785	430,859	2,569,250	38,753	20,673,197
Balance as at March 31, 2017	-	29,103,069	317,488,801	9,549,981	13,417,663	6,407,840	375,967,354
Net block as at March 31, 2016	2,116,840	48,815,848	246,516,521	5,991,168	6,382,533	1,513,332	311,336,242
Net block as at March 31, 2017	2,116,840	66,688,413	238,075,375	7,123,091	7,358,649	1,844,160	323,206,528
Capital work-in-progress							
Balance as at April 1, 2015							2,351,867
Addition during the year							30,206,069
Capitalised during the year							7,275,105
Balance as at March 31, 2016							25,282,831
Addition during the year							2,331,221
Capitalised during the year							24,426,012
Balance as at March 31, 2017							3,188,040

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017 (All amounts in Rupees, except share data and unless otherwise stated)

Amount in ₹

Intangible fixed assets

Particulars	Software	Technical know-how	Total
Gross block			
Balance as at April 1, 2015	7,065,161	11,083,487	18,148,648
Addition during the year	1,037,952	-	1,037,952
Deletions during the year	-	-	-
Balance as at March 31, 2016	8,103,113	11,083,487	19,186,600
Addition during the year	1,460,554	9,065,554	10,526,108
Deletions during the year	586,883	-	586,883
Balance as at March 31, 2017	8,976,784	20,149,041	29,125,825
Accumulated depreciation			
Balance as at April 1, 2015	6,304,016	11,047,524	17,351,540
Amortisation for the year	686,191	35,963	722,154
Deletions during the year	-	-	-
Balance as at March 31, 2016	6,990,207	11,083,487	18,073,694
Amortisation for the year	763,832	251,796	1,015,628
Deletions during the year	586,867	-	586,867
Balance as at March 31, 2017	7,167,172	11,335,283	18,502,455
Net block as at March 31, 2016	1,112,906	-	1,112,906
Net block as at March 31, 2017	1,809,612	8,813,758	10,623,370

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

12 Long-term loans and advances

Amount in ₹

	Non-current portion		Current portion*	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good				
To parties other than related parties				
<i>Unsecured, considered good</i>				
Capital advances	445,500	2,935,441	-	-
Rental deposits	1,796,867	1,290,848	2,984,980	3,348,180
Security deposits	5,627,196	4,365,270	-	-
Balance with government authorities	1,035,000	1,035,000	-	-
Advance tax	1,434,963	1,622,652	-	-
	10,339,526	11,249,211	2,984,980	3,348,180
Other advances				
<i>(Unsecured)</i>				
MAT credit entitlement				
Considered good	-	4,801,968	-	-
Considered doubtful	4,801,968	-	-	-
Less: Provision for doubtful advances	(4,801,968)	-	-	-
	10,339,526	16,051,179	2,984,980	3,348,180

* Amount disclosed under "short-term loans and advances" in note 16

13 Inventories

(Valued at the lower of cost and net realisable value)

Particulars	As at March 31, 2017	As at March 31, 2016
Raw materials (including goods-in-transit)	98,887,734	95,802,504
Work-in-progress	28,317,470	37,296,649
Finished goods	53,601,290	54,646,108
Stock-in-trade	6,963,104	28,079,386
Stores and spares	10,370,639	9,810,961
	198,140,237	225,635,608
Less : Provision for slow and non moving inventories	(5,877,332)	(493,147)
	192,262,905	225,142,461

14 Trade receivables (Unsecured)

Particulars	As at March 31, 2017	As at March 31, 2016
Receivables outstanding for a period exceeding six months from the date they became due for payment		
Considered good	16,081	2,318,755
Considered doubtful	1,272,573	2,476,865
Less: Provision for doubtful receivables	(1,272,573)	(2,476,865)
	16,081	2,318,755
Other receivables		
Considered good	180,364,387	331,143,574
Considered doubtful	399,171	-
Less: Provision for doubtful receivables	(399,171)	-
	180,380,468	333,462,329

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

15 Cash and bank balances

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Cash on hand	86,731	36,227
Balances with banks		
- On current accounts	8,589,752	836,728
Other bank balances	361,309	580,432
	<u>9,037,792</u>	<u>1,453,387</u>

Cash and cash equivalents as of March 31, 2017 and March 31, 2016 include restricted cash and bank balances of Rs. 361,309 and Rs. 580,432 respectively. The restrictions are primarily on account of bank balances held as balances held in unpaid dividends bank accounts.

Details of bank balances/ deposits

Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'.	8,589,752	836,728
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	-	-
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets'	-	-

16 Short-term loans and advances

Current portion of long-term loans and advances (refer note 12)

Particulars	As at March 31, 2017	As at March 31, 2016
Current portion of long-term loans and advances (refer note 12)		
To parties other than related parties	2,984,980	3,348,180
Other short-term loans and advances		
To parties other than related parties		
Unsecured, considered good		
Advances to suppliers	2,051,069	3,085,784
Prepaid expenses	9,745,354	6,510,884
Advances to employees	1,947,176	3,316,064
Balances with government authorities	4,255,841	9,858,150
	<u>20,984,420</u>	<u>26,119,062</u>

17 Other current assets

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Interest accrued on deposits	301,644	377,249
Export benefit receivable	6,785,773	8,171,554
Insurance claim receivables	5,843,541	-
	<u>12,930,958</u>	<u>8,548,803</u>

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

18 Revenue from operations

Amount in ₹

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of products (gross)	2,053,731,751	2,191,508,989
Less : Excise duty	219,379,721	218,750,394
Sale of products (net)	1,834,352,030	1,972,758,595
Scrap sales	30,096,998	33,958,063
	1,864,449,028	2,006,716,658
Break-up of revenue from sale of products		
Manufactured goods		
Electric rice cookers	841,880,346	979,630,998
Mixer-grinder	795,691,879	801,837,136
Wet-grinder	78,885,130	64,547,210
Service parts and accessories	66,359,582	55,756,626
Traded goods		
Electric rice cooker	5,109,763	15,733,970
Mixer and grinder	9,414,482	37,603,134
Others	37,010,848	17,649,521
	1,834,352,030	1,972,758,595

19 Other income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income on deposits	449,321	650,393
Insurance claims	8,311,266	680,247
Profit on sale of assets (net)	-	5,585
Export incentives	17,110,136	10,039,288
Gain on exchange fluctuation	9,161,925	-
Liabilities no longer required written back	-	7,117,571
Miscellaneous income	6,450	183,517
	35,039,098	18,676,601

20 Cost of material consumed

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Inventory of materials at the beginning of the year	95,802,504	86,084,763
Add: Purchases	1,048,423,112	1,139,139,999
Less: Inventory of materials at the end of the year	(98,887,734)	(95,802,504)
	1,045,337,882	1,129,422,258
Break-up of cost of materials consumed		
Steel sheets	53,616,727	59,988,989
Aluminium sheets and ingots	173,412,171	199,633,999
Stainless steel	57,405,340	69,601,891
Thermoplastic materials	77,479,947	63,104,854
Motors	151,307,178	159,083,224
Others	532,116,519	578,009,301
	1,045,337,882	1,129,422,258

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

21 Purchase of stock-in-trade	Amount in ₹	
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Traded goods	22,299,058	65,241,612
	<u>22,299,058</u>	<u>65,241,612</u>
Break-up of purchase of stock-in-trade		
Electric rice cooker	-	14,581,785
Mixer and grinder	10,436,742	36,030,245
Others	11,862,316	14,629,582
	<u>22,299,058</u>	<u>65,241,612</u>

22 Changes in inventory of finished goods, work-in progress and stock in trade

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Closing inventory		
Finished goods	53,601,290	54,646,108
Work-in-progress	28,317,470	37,296,649
Stock-in-trade	6,963,104	28,079,386
Add : Adjustment for excise duty on finished goods	556,211	1,036,863
Opening inventory		
Finished goods	54,646,108	53,101,970
Work-in-progress	37,296,649	36,237,308
Stock-in-trade	28,079,386	24,662,414
Increase/ decrease in inventories	<u>31,696,490</u>	<u>(4,983,588)</u>
(i) Details of closing inventory of manufactured goods		
Electric rice cooker	34,605,524	27,880,005
Mixer and grinder	16,095,757	20,874,029
Others	2,900,009	5,892,074
	<u>53,601,290</u>	<u>54,646,108</u>
(ii) Details of closing inventory of work-in-progress		
Electric rice cooker	18,921,594	23,697,749
Mixer and grinder	9,395,876	13,598,899
	<u>28,317,470</u>	<u>37,296,649</u>
(iii) Details of closing inventory of stock-in-trade		
Electric rice cooker	516,029	4,345,407
Mixer and grinder	1,854,238	4,497,553
Others	4,592,837	19,236,426
	<u>6,963,104</u>	<u>28,079,386</u>

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

23 Employee benefits expense Amount in ₹

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries ,wages and bonus	231,083,570	204,361,870
Contribution to provident and other funds	19,896,749	16,729,710
Compensated absences	3,040,355	2,462,378
Staff welfare expenses	24,009,385	22,904,300
	<u>278,030,059</u>	<u>246,458,258</u>

24 Finance costs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest expense	<u>33,579,319</u>	24,199,488
	<u>33,579,319</u>	<u>24,199,488</u>

25 Depreciation and amortisation

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of tangible fixed assets	49,325,067	39,294,184
Amortisation of intangible fixed assets	1,015,628	722,154
	<u>50,340,695</u>	<u>40,016,338</u>

26 Other expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Consumption of stores and spare parts	39,309,676	31,197,885
Power and fuel	43,553,138	46,790,669
Freight, clearing and forwarding	62,833,939	63,638,716
Contract labour	73,478,162	76,712,065
Rent	11,247,878	11,019,890
Repairs		
Building	9,785,515	2,324,763
Machinery	8,637,099	8,600,946
Others	13,561,217	10,642,140
Insurance	5,818,775	4,089,973
Rates and taxes	3,542,912	3,690,645
Travelling expenses	40,295,799	38,862,864
Legal and professional fees (refer note below)	13,360,615	6,779,830
Advertising and sales promotion	92,379,592	142,958,493
Bank charges	1,463,692	1,483,246
Telephone and other communication expenses	7,711,568	9,076,335
Printing and stationery	2,779,581	4,376,402
Warranty costs	12,927,901	9,665,715
Fixed assets written off	939,347	329,313
Loss on foreign exchange fluctuations (net)	-	6,814,205

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

Amount in ₹

(All amounts in Rupees, except share data and unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016
Royalty	16,376,085	19,970,285
Brand licence fees	11,456,041	12,936,857
Product development expenses	6,469,221	10,546,778
Director sitting fees	680,000	1,030,000
Stock written off	1,824,166	1,846,455
Provision for inventory	5,877,332	493,147
Loss on sale of fixed assets	1,615,654	-
Bad debts	583,898	-
Provision for bad and doubtful debts [(bad debts written off Rs. 902,247)(previous year:Nil)]	97,126	2,371,865
Miscellaneous expenses	11,063,205	10,247,003
	499,669,134	538,496,485
Payment to auditors, excluding service tax and outlays		
Statutory audit	2,700,000	2,700,000
Tax audit	200,000	200,000
Other Services	150,000	150,000
Reimbursement of expenses	225,339	-
	3,275,339	3,050,000
	As at March 31, 2017	As at March 31, 2016
27 Contingent liabilities and commitments		
(i) Contingent Liabilities		
Claims against the company not acknowledged as debt		
Sales tax related matters	4,667,441	5,046,795
Service tax related matters	7,401,833	6,401,833
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	2,537,099	9,027,294
28 Value of import on CIF basis	For the year ended March 31, 2017	For the year ended March 31, 2016
Raw materials	310,665,117	255,619,446
Capital goods	1,206,056	26,440,580
Finised goods	16,368,577	47,267,775

Panasonic *APPLIANCES INDIA Co. Ltd.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

29 Expenditure in foreign currency (on accrual basis)

Amount in ₹

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Royalty	16,376,085	19,970,285
Brand licence fee	11,456,041	12,936,857
Travel	2,960,838	2,783,878
Design and consultancy charges	6,390,803	7,029,726
Other payments	5,045,106	5,891,243

30 Details of imported and indigenous raw materials and packing materials consumed during the financial year

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Value	% of total consumption	Value	% of total consumption
Raw materials and packing materials				
Imported	282,886,933	27%	285,247,136	25%
Indigenous	762,450,949	73%	844,175,122	75%
Total	1,045,337,882	100%	1,129,422,258	100%
Stores and spares				
Imported	-		-	
Indigenous	39,309,676	100%	31,197,885	100%
Total	39,309,676	100%	31,197,885	100%

31 Earnings in foreign currency (on accrual basis)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Export on F.O.B basis	501,765,495	614,648,562

32 Derivate instruments

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Unhedged foreign currency exposures

Description	Amount receivable in foreign currency			
	As at March 31, 2017	INR equivalent	As at March 31, 2016	INR equivalent
USD equivalent	699,382	45,333,925	757,890	50,210,196

Description	Amount payable in foreign currency			
	As at March 31, 2017	INR equivalent	As at March 31, 2016	INR equivalent
USD equivalent	3,712,251	240,628,127	3,268,765	211,005,590
JPY equivalent	1,795,648	1,042,553	576,208	341,000

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

33 Operating leases

The Company has taken certain premises on cancellable leases. The lease period is one year and is renewable at the end of the lease period. The total rental expense recognised in the statement of profit and loss during the year is Rs. 11,247,878 (Previous year Rs. 11,019,890).

34 Micro, Small and Medium Enterprises Development Act, 2006

The management has identified the enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Such determination / identification has been done on the basis of information received and available with the Company and relied upon by the auditors. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2017 has been made in the financial statements based on information received and available with the Company.

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016
(a) The amounts remaining unpaid to Micro, Small and Medium Enterprises Development Act, 2006		
Principal	2,739,840	5,042,381
Interest	-	123,967
(b) The amount of interest paid by the buyer as per MSMED Act, 2006	-	-
(c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	27,376,143	19,421,102
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	172,142	137,750
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year	172,142	137,750
(f) The 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 a deductible expenditure under the MSMED Act, 2006	-	-

35 Employee benefits

Defined contribution plans

The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The company's contribution is recognised as an expenses in the Statement of Profit and Loss during the period in which the employee renders the related service. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to INR 11,632,984 (previous year: INR 9,858,999).

Defined benefit plans

The Company's gratuity benefit scheme is a defined plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past services and the fair value of any plan assets are deducted. The Calculation of the Company's obligation under the plan is performed annulay by a qualified actuary using the projected unit credit method.

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

Amount in ₹

Particulars		As at March 31, 2017	As at March 31, 2016
A.	Change in present value of obligations		
	Present value of obligations at the beginning of the year	28,755,474	24,071,888
	Current service cost	2,419,291	2,196,773
	Interest cost	2,199,096	1,804,764
	Prior period adjustments	-	755,944
	Benefits settled	(2,533,546)	(2,778,684)
	Actuarial (gain)/ loss	5,218,481	2,704,789
	Present value of obligations at the end of the year	36,058,796	28,755,474
B.	Change in plan assets		
	Fair value of plan assets at the beginning of the year	21,308,476	19,808,942
	Expected return on plan assets	2,081,774	1,725,890
	Actuarial gain/ (loss)	45,236	(57,393)
	Employer contributions	7,499,996	2,609,721
	Benefits settled	(2,533,546)	(2,778,684)
	Fair value of plan assets at the end of the year	28,401,936	21,308,476
C.	Actual Return on plan assets		
	Expected return on plan assets	2,081,774	1,725,890
	Actuarial gain/(loss) on plan assets	45,236	(57,393)
	Actual return on plan assets	2,127,010	1,668,497
D.	Reconciliation of present value of the obligation and the fair value of the plan assets		
	Present value of obligations at the end of the year	36,058,796	28,755,474
	Fair value of plan assets	(28,401,936)	(21,308,476)
	Net liability recognised in balance sheet	7,656,860	7,446,998
E.	Expense recognised in statement of profit and loss		
	Current service cost	2,419,291	2,196,773
	Interest on obligation	2,199,096	1,804,764
	Prior period adjustments	-	755,944
	Expected returns on plan assets	(2,081,774)	(1,725,890)
	Net actuarial loss/ (gain) recognised in the year	5,173,245	2,762,182
	Total included in 'employee benefits'	7,709,858	5,793,773
F.	Assumptions at Balance sheet date		
	Discount rate	7.00%	8.00%
	Salary escalation rate	5.00%	5.00%
	Attrition rate	8.20%	5.30%
	Expected rate of return on plan assets	8.50%	8.75%

Notes:

The gratuity expenses have been recognised in "Contribution to provident and other funds" under Note 23 to the Statement of Profit and Loss.

Plan assets comprise of contribution to Group Gratuity Scheme of Life Insurance Corporation of India.

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

Experience adjustment for the current and previous year

Particulars	31-Mar-17	31-Mar-16
Defined benefit obligation	28,755,474	36,058,796
Plan asset	21,308,476	28,401,936
Surplus/(deficit)	(7,446,998)	(7,656,860)
Experience adjustments in plan liabilities (loss) / gain	(3,245,612)	(1,607,511)
Experience adjustments in plan assets (loss) / gain	(57,393)	45,236

Note: Experience adjustments for the years 31 March 2015, 31 March 2014 and 31 March 2013 are not provided as the same is not available with the Company

36 Segment information

The Company consider its business segment as its primary segment. The Company is engaged in the business of manufacturing and trading of consumer durable goods and there are not more than one reportable segment as envisaged under Accounting Standard 17. Accordingly, amounts appearing in these financial statements relates to only manufacture and sale of consumer durable goods.

Secondary segment information

The company operates mainly in two geographical areas, India and Rest of the world. Management has reviewed those geographical areas vis-à-vis the risk and return that encompass them. While arriving at this, management has reviewed the similarity of the economic and political conditions, relationship between operations in these geographical areas, proximity of operations, and special risks if any associated with operations in these areas.

For the year ended March 31, 2017

Amount in ₹

Particulars	India	Rest of the world	Total
Sales	1,362,683,533	501,765,495	1,864,449,028
Carrying amount of segment assets by location of assets	717,462,606	45,491,401	762,954,007
Cost to acquire segment assets	97,971,461	1,206,056	99,177,517

For the year ended March 31, 2016

Particulars	India	Rest of the world	Total
Sales and service income - external revenue (gross)	1,392,068,096	614,648,562	2,006,716,658
Carrying amount of segment assets by location of assets	897,916,086	50,210,196	948,126,282
Cost to acquire tangible and intangible assets by location of customers	14,060,177	26,440,580	40,500,757

Fixed assets used in the Company's business, assets or liabilities contracted in the course of business, other than those specifically identifiable, have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between segments. The Company believes that it is currently not practicable to provide segment disclosures relating to such assets and liabilities since a meaningful segregation of the available data is onerous.

37 Disclosures relating to certain provisions (as per AS 29)

A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of technical evaluation and past experience regarding failure trends of products and cost of rectification replacement.

Particulars	As at March 31, 2017	As at March 31, 2016
At the commencement of the year	14,927,925	15,143,931
Provision made during the year	12,927,901	9,665,715
Provision utilised during the year	12,091,431	9,881,721
At the end of the year	15,764,395	14,927,925

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

38 Related party transactions

Details of related parties including summary of transactions entered into, by the Company during the year ended March 31, 2017 are summarized below:

(a) Details of Related Parties

Description of relationship	Names of related parties
Holding Company	Panasonic Corporation, Japan
Key managerial personnel	Mr. Hidenori Aso - Managing director Ramachandran Kunnath - Chief financial officer
Fellow subsidiaries	Panasonic Greater Mekong Marketing and Sales Panasonic India Pvt Ltd Panasonic Logistics Asia Pacific Singapore Panasonic Taiwan Co.Ltd. Panasonic A.P.Sales (Thailand) Co LTD Panasonic Appliances R and D centre (Thailand) Co Ltd Panasonic Asia Pacific PTE Ltd Panasonic Manufacturing Malaysia Berhad Panasonic Canada Inc. Panasonic Sales Vietnam Panasonic System Network Co Ltd Panasonic India Pvt Ltd Panasonic Appliances - (Thailand) Co Ltd Panasonic Corporation North America Panasonic Singapore Panasonic (Export Division) -Singapore Panasonic Marketing (CIS) OY Panasonic Manufacturing Xiamen Co Ltd Panasonic Industrial Devices Automation Controls Sales Asia (PID) Panasonic Procurement Asia Pacific Panasonic Company USA Panasonic Consumer Electronics Co. Panasonic Latin America - S.A Panasonic Logistics - U.S.A Panasonic Manufacturing (XIAMEN)CO Ltd Panasonic Marketing Middle East FZE Panasonic National Parts Center - USA Panasonic SDN BHD - Malaysia PT Panasonic Gobel Indonesia Jakarta Panasonic Vietnam Co Ltd Panasonic Home Appliances - Thailand Panasonic Singapore Panasonic Appliances Rice Cooker (Hangzhou) Co.Ltd. Panasonic Corporation Appliances Company

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

(b) Related party transactions during the year

Amount in ₹

Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
Sale of goods		
Panasonic India Pvt Ltd	-	8,337,252
Panasonic Logistics Asia Pacific Singapore	390,618,879	485,522,009
Panasonic Taiwan Co.Ltd.	16,983	-
Panasonic A.P.Sales (Thailand) Co LTD	96,834	22,756
Panasonic Canada Inc.	4,854	3,078
Panasonic (Export Division) -Singapore	40,325	43,756
Panasonic Consumer Electronics Co.	354,484	5,788
Panasonic Logistics - U.S.A	10,834	15,536
Panasonic Marketing Middle East FZE	427,274	377,837
Panasonic National Parts Center - USA	11,818	1,496,705
Panasonic SDN BHD - Malaysia	316,625	191,270
Panasonic Vietnam Co Ltd	56,793	38,660
Panasonic Home Appliances - Thailand	-	1,412,404
Panasonic Singapore	99,851	9,647
Panasonic Appliances Rice Cooker (Hangzhou) Co.Ltd.	-	42,177
PT Panasonic Gobel Indonesia Jakarta	6,719	-
Purchase of goods		
Panasonic Corporation, Japan	50,525	15,749
Panasonic Greater Mekong Marketing and Sales	4,022,212	45,909,288
Panasonic India Pvt Ltd	-	1,812,239
Panasonic Logistics Asia Pacific Singapore	78,616	-
Panasonic Taiwan Co.Ltd.	45,098	77,570
Panasonic Singapore	11,697,041	-
Panasonic Industrial Devices Automation Controls Sales Asia	362,371	3,335,036
Panasonic Procurement Asia Pacific	-	134,606
Reimbursement of expenses received		
Panasonic Corporation, Japan	91,830,049	-
Reimbursement of expenses paid		
Panasonic Corporation, Japan	8,324,453	6,882,687
Panasonic India Pvt Ltd	124,335	-
Panasonic Marketing sales Taiwan co ltd	194,330	-
Panasonic A.P.Sales (Thailand) Co LTD	-	9,932

Panasonic *APPLIANCES INDIA Co. LTD.*

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees, except share data and unless otherwise stated)

Amount in ₹

Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
Panasonic Appliances R and D centre (Thailand) Co Ltd	-	278,666
Panasonic Asia Pacific PTE Ltd	62,426	46,940
Panasonic Manufacturing Malaysia Berhad	-	1,091,159
Panasonic Canada Inc.	-	43,319
Panasonic Sales Vietnam	-	200,024
Panasonic System Network Co Ltd	-	26,509
Panasonic Singapore	20,228	-
Remuneration		
Mr. Hidenori Aso	2,651,520	2,677,202
Ramachandran Kunnath	3,088,100	-
Royalty		
Panasonic Corporation, Japan	16,376,085	19,970,285
Brand license fee		
Panasonic Corporation, Japan	11,456,041	12,936,857
(c) Balances at the year end		
Receivable		
Panasonic India Pvt Ltd	-	2,580,421
Panasonic Logistics Asia Pacific Singapore	41,884,276	46,740,277
Panasonic Taiwan Co.Ltd.	16,983	-
Panasonic Consumer Electronics Co.	1,205	5,727
Panasonic Logistics - U.S.A	-	15,271
Panasonic Marketing Middle East FZE	33,102	67,356
Panasonic National Parts Center - USA	-	49,834
Panasonic SDN BHD - Malaysia	9,406	41,182
Panasonic Vietnam Co Ltd	4,517	12,324
Panasonic Singapore	10,562	7,412
Payable		
Panasonic Corporation, Japan	28,650,200	34,016,582
Panasonic India Pvt Ltd	2,469	1,812,239
Panasonic Manufacturing Malaysia Berhad	-	293,084

39 Disclosure of specified bank notes

As per the Notification G.S.R 308(E) dated March 31, 2017 issued by the Ministry of Corporate Affairs, the Company needs to provide the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016. The term 'Specified Bank Notes' shall have the same meaning as provided in the notification

Panasonic APPLIANCES INDIA Co. LTD.

of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016. The details is provided in the table below:

Particulars	SBN	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	177,500	582	178,082
Add: Permitted receipts	-	547,247	547,247
Less: Permitted payments	-	(505,108)	(505,108)
Less: Amount deposited in banks	(177,500)	-	(177,500)
Closing cash in hand as on December 30, 2016	-	42,721	42,721

40 Prior period comparatives

Prior year figures have been reclassified/ regrouped wherever necessary to confirm to the current year's classification.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/ W-100022

S Sethuraman
Partner
Membership No: 203491

Place: Chennai
Date: July 24, 2017

for and on behalf of the board of directors of
Panasonic Appliances India Company Limited
CIN: U30007TN1988PLC016184

Hidenori Aso
Managing Director
DIN: 00158246

Subramanian Krishnaswamy
Director
DIN: 00019088

Sanjog Mohapatra
Company Secretary
Place: Chennai
Date: 24.07.2017

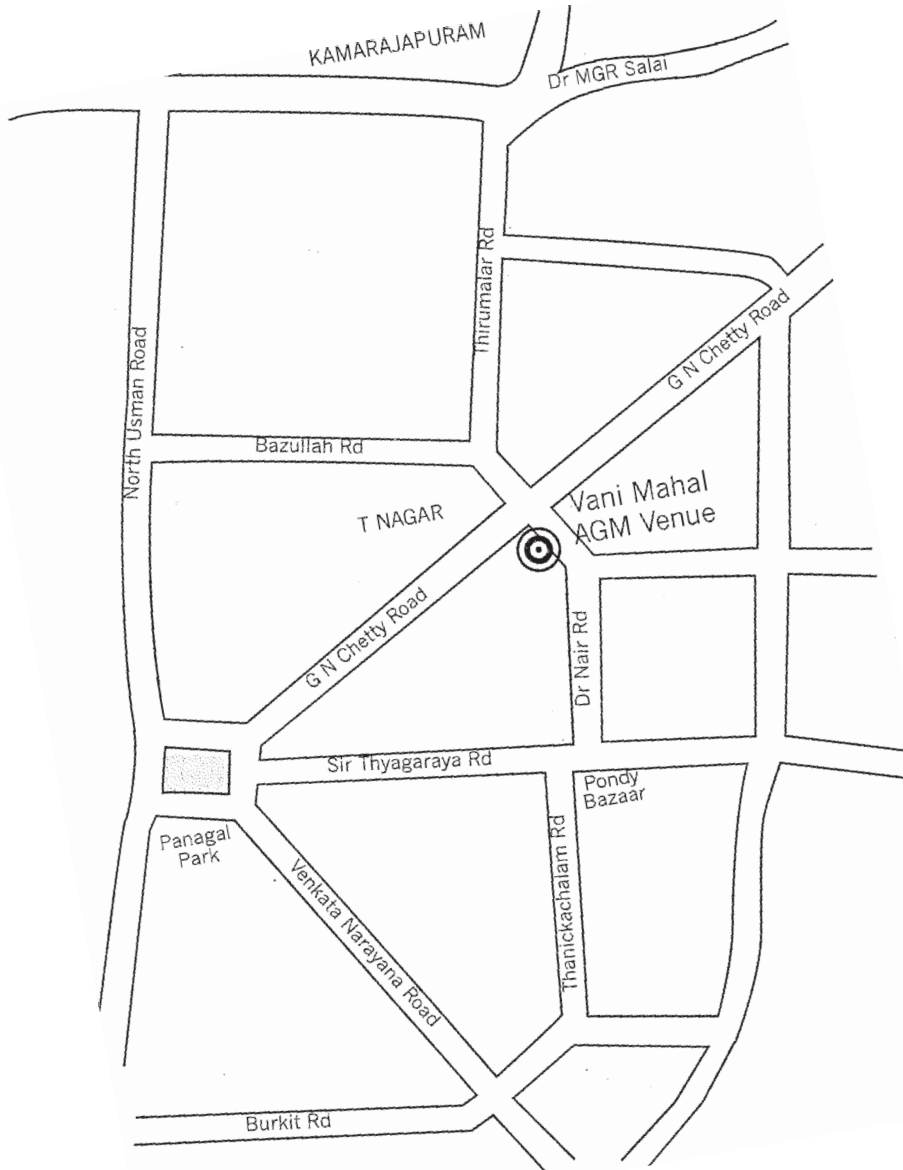
Ajit Gopal Nambiar
Director
DIN: 00228857

Ramachandran Kunnath
Chief Financial Officer

AGM HALL ROUTE MAP

PANASONIC APPLIANCES INDIA CO.LTD AGM VENUE

Friday, September 22, 2017 at 10.00 a.m. at Obul Reddy Hall,
Vani Mahal, # 103, G.N. Chetty Road, T.Nagar, Chennai – 600 017





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Panasonic Appliances India Co. Ltd.,

No.135, 1st Floor, Nagi Reddy Thottam, Thiru. Vi. Ka. Industrial Estate Ekkattuthangal, Chennai 600032. Ph: 044-22258701-05