

Panasonic Cooking

Panasonic

31st Annual Report 2018-19

**MADE IN INDIA, NOW
EXPORTING TO OVER**

50
COUNTRIES



**EXPERIENCE
FRESH**



GIFT COMBO

Ideal For Gifting



1.8 Litre/
1 Kg of Rice



Comes with FREE Accessories worth ₹825

SR-WA18GH (CMB)
• Metallic Gold

NEWLY LAUNCHED COMBO PACKS

Ideal For Gifting



0.3 Litre/
0.16 Kg of Rice



Comes with FREE Accessories worth ₹300



SR-3NA (CMB)
• Metallic Blue
• Metallic Pink



0.6 Litre/
0.3 Kg of Rice



Comes with FREE Accessories worth ₹400



SR-G06 (CMB)
• Metallic Blue
• Metallic Silver



1 Litre/
0.6 Kg of Rice



Comes with FREE Accessories worth ₹575

SR-WA10 (CMB)
• Metallic Burgundy

METALLIC RANGE COOKERS



0.3 Litre /
0.16 Kg of Rice
to
2.2 Litre /
1.25 Kg of Rice

BIG CAPACITY COOKERS



3.2 Litres to
7.2 Litres /
2 Kg to 4.5 Kg
of Rice

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



Ganesan Thiagarajan
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 LIMITED** payable at Chennai.

<p>NAME OF THE SHAREHOLDER</p> <p>SIGNATURE OF THE SHAREHOLDER</p> <p>Folio No. / D.P. Account No.</p> <p>Please send the products as per details given over leaf.</p> <p>Name and Address to which delivery has to be made</p> <p>.....</p> <p>..... PIN..... Tel No.....</p>	
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PANASONIC APPLIANCES INDIA COMPANY LIMITED

Regd. Office: National Highway No.5, Sholavaram Village, Ponneri Taluk, Chennai-600067
Telephone No. +91-44-26330397, 26330133 Email : papin.ms@panasonicindia.in

Shareholders' Coupon Price List cum Order Form

DESCRIPTION OF THE PRODUCT	Model	MRP (₹)	Spl Price (₹)	Qty. (Nos.)	Amount (₹)
Ultimate Cooker (2.2L, Non Stick Pan With Pasta Maker/Idli Stand/Idiyappam Stand)	SR-W22FHS(UC)	4645	3472		
Automatic Cooker/Warmer, 2.2L, Non-Stick Pan, Steamer, Keep Warm function	SR-Y22FHS	3445	2568		
Automatic Cooker/Warmer, 1.8L, Non-Stick Pan, Steamer, Keep Warm function	SR-Y18FHS(E)	3245	2429		
Automatic Cooker/Warmer, 2.2L + Extra Cooking Pan + 2 Dish Separator Pan	SR-WA22H(YT)	3299	2429		
Automatic Cooker/Warmer, 1.8L + Extra Cooking Pan + 2 Dish Separator Pan	SR-WA18H(YT)	3099	2290		
Automatic Cooker/Warmer, 2.2L + Double Steaming Basket	SR-WA22H(SS)	2795	2082		
Automatic Cooker/Warmer, 1.8L + Double Steaming Basket	SR-WA18H(SS)	2595	1943		
Gift Pack (Automatic Cooker/Warmer 1.8L with Steaming basket + Idli Stand +2 Dish Separator Pan)	SR-WA18GH(CMB)	3245	2429		
Automatic Cooker/Warmer, 2.2L, Keep Warm function	SR-WA22H(E)	2695	2012		
Automatic Cooker/Warmer, 1.8L, Keep Warm function	SR-WA18H(E)	2495	1873		
Automatic Cooker/Warmer, 1.0L, Keep Warm function	SR-WA10H(E)	2345	1734		
Automatic Cooker, 2.2L	SR-WA22(F)	2425	1807		
Automatic Cooker, 1.8L	SR-WA18(E)	2145	1598		
Automatic Cooker, 1.0L	SR-WA10	1799	1320		
Restaurant Cooker 4.2L	SR-942D(Silver)	5145	3854		
Restaurant Cooker 3.2L	SR-932D(Silver)	4545	3368		
Automatic Jar Cooker/Warmer, 2.2L, Non-Stick Pan, Steamer, Keep Warm function	SR-KA22FA	3745	2777		
Automatic Jar Cooker/Warmer, 1.8L, Non-Stick Pan, Steamer, Keep Warm function	SR-KA18FA	3545	2638		
Automatic Jar Cooker/Warmer, 2.2L, Keep Warm function + Extra Cooking Pan	SR-KA22A(R)	3245	2429		
Automatic Jar Cooker/Warmer, 1.8L, Keep Warm function + Extra Cooking Pan	SR-KA18A(R)	3045	2290		
Micom Jar Cooker, 1.8L, Non-Stick Pan, Menu function	SR-DF181	4195	3124		
Jumbo Cooker 7.2L	SR-972D	12095	9033		
Bachelor Cooker 0.6L	SR-G06	2525	1873		
Baby Cooker 0.3L	SR-3NA(T)	2425	1804		
Super Mixer Grinder (5 Jar with Juice Extractor & Multi Jar) 1000 MLMW	MX-AC555	8095	5482		
Super Mixer Grinder (4 Jar with Juice Extractor) - White - 1000 MLMW	MX-AC400	7095	4837		
Super Mixer Grinder (4 Jar with Juice Extractor) - Black - 1000 MLMW	MX-AC400	7095	4837		
Super Mixer Grinder (3 Jar with Juice Extractor) - 1000 MLMW	MX-AC350	6095	4191		
Super Mixer Grinder (3 Jar) - 1000 MLMW	MX-AC300SB	6295	4320		
Super Mixer Grinder (3 Jar) - 1000 MLMW	MX-AC300S	5945	4062		
Super Mixer Grinder (3 Jar) - 1000 MLMW	MX-AC300H	5845	3998		
Super Mixer Grinder (3 Jar)Double Chutney Jar - 1000 MLMW	MX-AC310	5545	3804		
Super Mixer Grinder (2 Jar) - 1000 MLMW	MX-AC220	5095	3546		
Centrifugal Juicer	MJ-68M	5545	4528		
Juicer Mixer Grinder	MJ-M176P	9290	7552		
Food Processor	MK-5086	9090	7401		
Oven Toaster	NT-GT1	3145	2504		
Hand Mixer	MK-GH1	2495	1988		
Bowl Mixer	MK-GB1	3345	2651		
Sandwich Maker	NF-GW1	2675	2135		
Hand Blender With Chopper Attachment	MX-SS1	3695	2946		
Meat Grinder 1500 Watts	MK-MG1500	11140	8843		
Meat Grinder 1000 Watts	MK-MG1000	8340	6630		
Automatic Jar Cooker/Warmer, 1.8L, Non-Stick Pan, Steamer, Keep Warm function-Imported	CEZ18SSM	3495	2799		
Oven Toaster Grill	NB-H3200SSM	10590	8474		
Oven Toaster Grill	NB-H3800SSM	12990	10318		
Wet Grinder/2L	MK-GW200	7290	5468		
Wet Grinder/2L	MK-GW200(Black)	7790	5843		
Wet Grinder/2L/Timer	MK-SW200	8190	6143		
Wet Grinder/2L/Timer	MK-SW200(Black)	8590	6443		
Wet Grinder/2L/Timer/Atta Kneader	MK-SW210(Black)	8990	6743		
Wet Grinder/2L/Timer/120 Volts - For Use in USA and Canada	MK-TSW200	8990	6743		

Note:

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

THIRTY FIRST ANNUAL REPORT

<p>Board of Directors Ganesan Thiagarajan, <i>Managing Director (wef 01.04.2019)</i> Ken Nakayama, <i>Executive Director (wef 01.04.2019)</i> Subramanian Krishnaswamy, <i>Independent Director</i> Ajit Gopal Nambiar, <i>Independent Director</i> Masayuki Sasage, <i>Director</i></p> <p>Committee of the Board Audit Committee Subramanian Krishnaswamy, <i>Chairman</i> Ajit Gopal Nambiar, <i>Member</i> Ganesan Thiagarajan, <i>Member</i></p> <p>Nomination and Remuneration Committee Subramanian Krishnaswamy, <i>Chairman</i> Ajit Gopal Nambiar, <i>Member</i> Masayuki Sasage, <i>Member</i></p> <p>Stakeholders' Relationship Committee Subramanian Krishnaswamy, <i>Chairman</i> Ajit Gopal Nambiar, <i>Member</i> Ganesan Thiagarajan, <i>Member</i></p> <p>Chief Financial Officer Jayaprakash Kalappan</p> <p>Company Secretary Subhanarayan Muduli</p> <p>Registered Office and Factory National Highway No. 5, Sholavaram Village Ponneri Taluk, Chennai - 600067 Tel.: +91-44-26330133, 26330397</p>	<p>Corporate Identity No. (CIN) U30007TN1988PLC016184</p> <p>Statutory Auditors B S R & Co. LLP, <i>Chartered Accountants</i> KRM Tower, 1st & 2nd Floor No. 1, Harrington Road Chetpet, Chennai - 600031</p> <p>Secretarial Auditors BP & Associates, <i>Company Secretaries</i> New No.74, Third Floor Akshaya Flats, 12th Avenue Ashok Nagar, Chennai - 600083</p> <p>Bankers The Bank of Tokyo Mitsubishi UFJ Limited Sumitomo Mitsui Banking Corporation HDFC Bank Limited Citibank N.A.</p> <p>Registrar & Share Transfer Agent Integrated Registry Management Services Pvt. Ltd. 2nd Floor, "Kences Towers" No. 1, Ramakrishna Street, North Usman Road T.Nagar, Chennai - 600017 Email: srirams@integratedindia.in Tel.: +91-44-28140812; Fax: +91-44-28142479</p> <p>31st Annual General Meeting Venue : Obul Reddy Hall : Vani Mahal No. 103, G.N. Chetty Road T.Nagar, Chennai - 600017 Date & Day : September 26, 2019, Thursday Time : 10:00 am</p>
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Note:

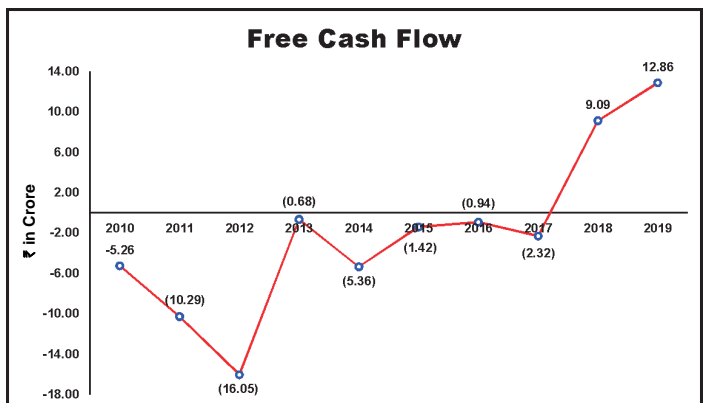
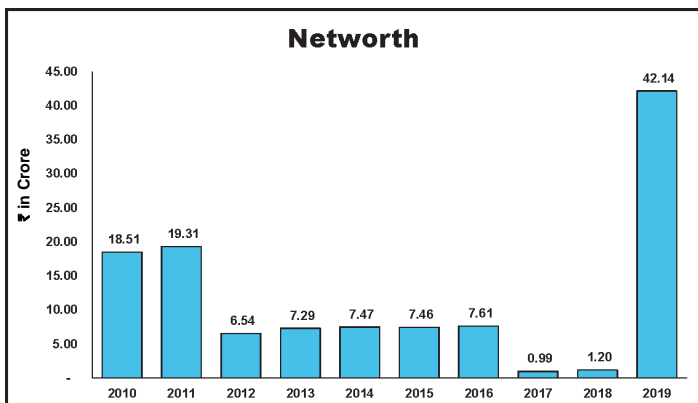
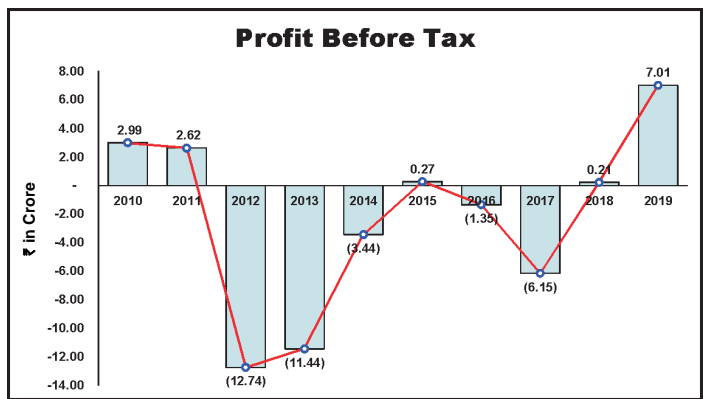
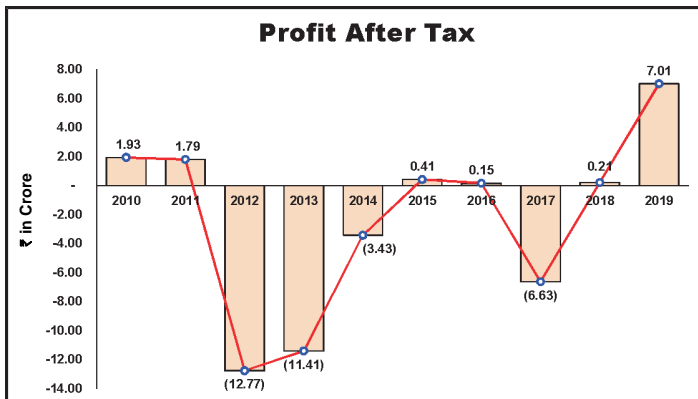
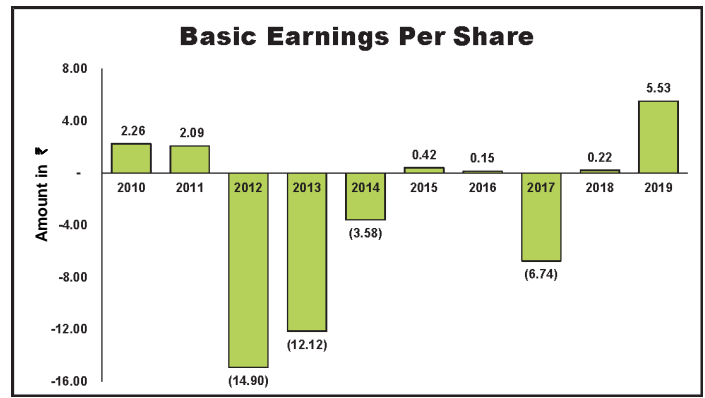
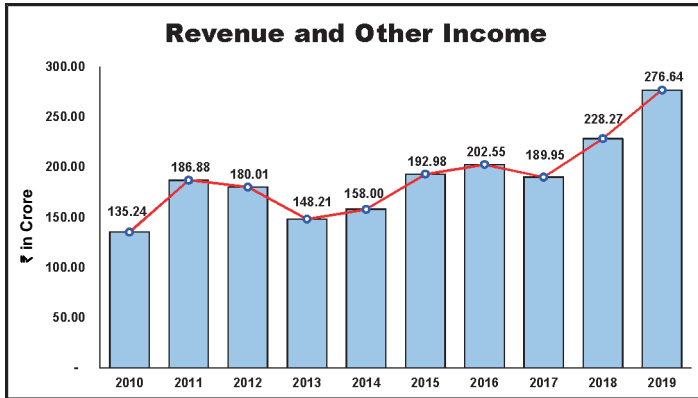
1. Kindly bring your copy of Annual report along with you for the Annual General Meeting.
2. Only Members and, in their absence, duly appointed Proxies will be allowed for the Meeting. Please avoid bringing non-members and/or Children for the Meeting.
3. Members are requested to fill in the respective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

TEN-YEAR HIGHLIGHTS

₹ In Crores

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue and Other Income	135.24	186.88	180.01	148.21	158.00	192.98	202.55	189.95	228.27	276.64
Profit before tax	2.99	2.62	(12.74)	(11.44)	(3.44)	0.27	(1.35)	(6.15)	0.21	7.01
Profit after tax	1.93	1.79	(12.77)	(11.41)	(3.43)	0.41	0.15	(6.63)	0.21	7.01
Assets										
Fixed assets	18.55	28.41	32.77	31.69	29.93	31.46	33.77	33.70	35.56	35.25
Other Non current assets	-	1.45	1.97	1.71	1.50	1.72	1.57	1.03	0.89	0.95
Total Non current assets (1)	18.55	29.87	34.74	33.40	31.43	33.18	35.34	34.74	36.45	36.20
Total Current assets (2)	37.64	45.15	50.84	38.50	38.11	49.55	59.47	42.67	53.68	65.77
Total Assets (1+2)	56.19	75.02	85.58	71.89	69.54	82.73	94.81	77.40	90.13	101.97
Liabilities										
Share capital	8.57	8.57	8.57	9.54	9.83	9.83	9.83	9.83	9.83	12.68
Reserves and surplus	10.20	11.00	(1.77)	(1.99)	(2.10)	(2.11)	(1.96)	(8.58)	(8.37)	29.72
Shareholders funds (3)	18.77	19.57	6.80	7.56	7.74	7.73	7.88	1.25	1.46	42.40
Total Non current liabilities (4)	7.27	11.45	13.03	7.80	3.20	9.86	9.51	4.95	5.37	1.82
Total Current liabilities (5)	30.15	44.00	65.76	56.54	58.60	65.14	77.42	71.21	83.31	57.75
Total Liabilities (3+4+5)	56.19	75.02	85.58	71.89	69.54	82.73	94.81	77.40	90.13	101.97
Earning per share (₹)	2.26	2.09	(14.90)	(12.12)	(3.58)	0.42	0.15	(6.74)	0.22	5.53
Dividend per share (₹)	1.00	1.00	-	-	-	-	-	-	-	-
Number of shares	8,570,000	8,570,000	8,570,000	9,543,000	9,832,000	9,832,000	9,832,000	9,832,000	9,832,000	12,676,712

Panasonic *APPLIANCES INDIA COMPANY LIMITED*



NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the **Thirty First Annual General Meeting** of the Members of Panasonic Appliances India Company Limited (CIN:U30007TN1988PLC016184) will be held on Thursday, September 26, 2019 at 10.00am at Obul Reddy Hall, Vani Mahal, No. 103, G.N. Chetty Road, T.Nagar, Chennai - 600017 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of financial statements

To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Board and the Auditors thereon.

2. Appointment of Mr. Masayuki Sasage as a director who is liable to retire by rotation

To appoint a Director in place of Mr. Masayuki Sasage (DIN: 08107285) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rule, 2014 made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ganesan Thiagarajan (DIN: 08377223) who was appointed as an additional Director on April 01, 2019 and whose term of office expires at the ensuing Annual General Meeting in terms of section 161 of the Companies At, 2013 and the Article of Association of the Company be and is hereby appointed as Director of the Company.”

“RESOLVED FURTHER THAT any one Director or Company Secretary, be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the above-said resolution”.

4. To approve the appointment of Mr. Ganesan Thiagarajan (DIN: 08377223) as Managing Director

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

“RESOLVED THAT pursuant to the provision of sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modifications or re-enactment(s) thereof for the time being in force), approval of the member of the Company be and is hereby accorded to the appointment of Mr. Ganesan Thiagarajan (DIN: 08377223) as Managing Director of the Company for a period of three years effective from April 1, 2019 to March 31, 2022 on the following terms of Remuneration.

A. Salary:

Monthly Salary as may be recommended by the Nomination and Remuneration Committee of the Board and approved by the Board in the scale of ₹ 609,988 to ₹ 730,000

B. Perquisites:

The Managing Director shall be eligible to use the company’s car, all the expenses for maintenance and running of the same including salary of the driver to be borne by the Company.

- The Managing Director shall be entitled to participate in gratuity fund or such other schemes for the employees, which the company may establish from time to time.
- Reimbursement of medical and hospitalization expenses of the Managing Director and his family in accordance with the Company policy.

FURTHER RESOLVED THAT the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its power, including the powers conferred by this resolution) be and is hereby authorized to decide the salary payable to Mr. Ganesan Thiagarajan during his

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

tenure as Managing Director of the Company based on the recommendation of Nomination and Remuneration Committee of the Board within the range mentioned above and also to alter and vary the terms and conditions of appointment and/or remuneration in accordance with the provisions of the Companies Act, 2013 read with Schedule V (including any statutory modification(s) or re-enactment thereof for the time being in force) or any amendments made thereto from time to time.”

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

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

“RESOLVED FURTHER THAT any one Director or Company Secretary, be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the above-said resolution”.

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary resolution:

“RESOLVED THAT pursuant to sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rule, 2014 made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ken Nakayama (DIN: 08377188) who was appointed as an additional Director on April 01, 2019 and whose term of office expires at the ensuing Annual General Meeting in terms of section 161 of the Companies Act, 2013 and the Article of Association of the Company be and is hereby appointed as Director of the Company.”

“RESOLVED FURTHER THAT any one Director or Company Secretary, be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the above-said resolution”.

6. To approve the appointment of Mr. Ken Nakayama (DIN: 08377188) as Executive Director

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

“RESOLVED THAT pursuant to the provision of sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modifications or re-enactment(s) thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the appointment of Mr. Ken Nakayama (DIN: 08377188) as Executive Director of the Company for a period of three years effective from April 1, 2019 to March 31, 2022 on the following terms of Remuneration.

A. Salary:

Monthly Salary as may be recommended by the Nomination and Remuneration Committee of the Board and approved by the Board in the scale of ₹ 300,000 to ₹ 350,000

B. Perquisites:

Free furnished residential accommodation together with Geysers, Refrigerators, Air- conditioners, Gas and Electricity, Fuel and Water, Servants, furnishing etc., monetary value of which may be evaluated as per Income Tax Rules, 1962.

Free use of car with driver.

“RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its power, including the powers conferred by this resolution) be and is hereby authorized to decide the salary payable to Mr. Ken Nakayama during his tenure as Executive Director of the Company based on the recommendation of Nomination and Remuneration Committee of the Board within the range mentioned above and also to alter and vary the terms and conditions of appointment and/or remuneration in accordance with the provisions of the Companies Act, 2013 read with Schedule V (including any statutory modification(s) or re-enactment thereof for the time being in force) or any amendments made thereto from time to time.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of section 197 and other applicable provisions if any, read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable rules, if any, the above remuneration shall be paid as minimum remuneration to Mr. Ken Nakayama as Executive Director in the event of any loss or inadequacy of profits in any financial year during the term of his office.”

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

“**RESOLVED FURTHER THAT** any one Director or Company Secretary, be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the above-said resolution”.

7. Re-appointment of Mr. K. Subramanian as Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED** that pursuant to the provisions of sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), Mr. K. Subramanian (DIN: 00019088), Independent Director of the Company; who has given a declaration that he meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013, and who holds office till the conclusion of this Annual General Meeting, being eligible, be and is hereby re-appointed as an Independent Director of the Company, for a period of five years till the conclusion of the 36th Annual general Meeting of the Company to be held in the year 2024.”

8. Re-appointment of Mr. Ajit Gopal Nambiar as Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED** that pursuant to the provisions of sections 149, read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), Mr. Ajit Gopal Nambiar (DIN: 00228857), Independent Director of the Company; who has given a declaration that he meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and who holds office till the conclusion of this Annual General Meeting, being eligible, be and is hereby re-appointed as an Independent Director of the Company, for a period of five years till the conclusion of the 36th Annual general Meeting of the Company to be held in the year 2024.”

By Order of the Board of Directors
For Panasonic Appliances India Company Limited

Place : Chennai
Date : August 13, 2019

Ganesan Thiagarajan
Managing Director

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

NOTES:

1. The Statement pursuant to section 102 of the Companies Act, 2013 in respect of the Special Businesses to be transacted at the Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. Proxy in order to be effective must be received by the Company not less than 48 hours before the Meeting.
4. A Proxy can act on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10% 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 another person or shareholder.
5. The instrument of Proxy shall be signed by the appointer or his attorney duly authorized in writing, or if appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it. The Proxy-holder shall prove identity at the time of attending the Meeting.
6. Authorized representatives of Corporate Members should carry a certified true copy of the Board Resolution/Power of Attorney authorizing them to attend and vote at the Meeting.
7. Members/Proxy/authorized representatives should bring the duly-filled attendance slip enclosed herewith along with the Annual Report to attend the meeting.
8. The Register of Members and Share Transfer Books of the Company will remain closed from September 14, 2019 to September 26, 2019 (both days inclusive). September 19, 2019 shall be the cut-off date as on which the right of voting of the Members shall be reckoned and a person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
9. All Documents referred to in the Notice and Explanatory Statement will be available for inspection at the Registered Office of the Company during business hours on all workings days.
10. Members desirous of getting any information in respect of the content of the Annual Report are requested to forward the same to the Company Secretary at least 10 days prior to the AGM so that required information can be made available.
11. In accordance with the provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rule, 2014, the Company is providing e-voting facility and the business may be transacted through the e-voting services provided by National Securities Depository Limited (NSDL). The Companies (Management and Administration) Rule, 2014 provides that the electronic voting period shall be completed three days prior to the date of AGM. Accordingly, the e-voting period commences on Monday, September 23, 2019, at 9:00 a.m. and ends on Wednesday, September 25, 2019, at 5:00 p.m. During the period, the shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 19, 2019, may cast their vote electronically. The e-voting module shall be disabled by the 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.
12. The Board of Directors has appointed M/s. M. Alagar and Associates, Practicing Company Secretaries, as the Scrutinizer for scrutinizing the e-voting and ballot voting process in a fair and transparent manner.
13. The facility of casting votes by the Members using an electronic voting system ('remote e-voting') will be provided by NSDL.
14. Any Member, who has already exercised his/her vote through remote e-voting, may attend the Meeting but is prohibited to vote at the Meeting and his/her vote, if any, cast at the Meeting shall be treated as invalid.
15. Under section 124 read with section 125 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

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The Ministry of Corporate Affairs (MCA) on May, 10, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends for the financial years from 2008-11, as on the date of the 30th Annual General Meeting (AGM) held on September 27, 2018 on the website of IEPF viz., www.iepf.gov.in and under “investor section” on the website of the Company viz., www.panasonicappliances.in. A separate reminder was also sent to those members having unclaimed dividends since 2008-11.

The Company transferred the unclaimed dividends pertaining to the financial years 2008 to 2011 to the Investor Education and Protection Fund of the Central Government, pursuant to section 124 and 125 of the Companies Act, 2013 section 124(6) was notified on 5th September 2016 along with the relevant rules therein on 5th September 2016 which mandates that all shares in respect of which dividend is remaining unpaid or unclaimed by the shareholder for a continuous period of seven years shall be transferred by the Company to the Investor Education & Protection fund in the manner prescribed. In this regard the Company had sent reminders to these shareholders as prescribed in the rules. Subsequently, transfer of 943 eligible folios constituting 122071 shares to the IEPF account was done in March 2019 as per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2016 issued on 13th October 2017. Shareholders can claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Demat Account through filing the e-form IEPF 5 and submitting the same along with relevant documents to the Company. Required instructions in this regard for claiming the shares are available on the website <http://www.iepf.gov.in>.

16. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding/trading.
17. 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.
18. 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.
19. Electronic copy of the Annual Report for the financial year ended March 31, 2019 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 Annual Report are being sent in the permitted mode.
20. Electronic copy of the Notice of the 31st 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.
21. Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report for 2018-19 will be available on the Company’s website www.panasonicappliances.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.
22. 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,

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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.

23. As a measure of economy, copies of the Annual Report will not be distributed at the venue of AGM. Members are, therefore, requested to bring their copies of the Annual Report to the meeting.
24. 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.

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
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- (ii) Please follow all steps from Sl. No (ii) to Sl. No. (xii) above, to cast vote.

General Instructions

- a) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password/PIN for casting your vote.
- b) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of September 19, 2019. 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 19, 2019 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) 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>.
- 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 26, 2019.
- 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.

ANNEXURE TO THE NOTICE

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

Item No. 3 & 4

The Board of Directors has co-opted Mr. Ganesan Thiagarajan (DIN: 08377223) as Managing Director with effect from April 1, 2019 in their meeting held on March 14, 2019 on the recommendation of our Parent Company M/s. Panasonic Corporation, Japan and also on recommendation of the Nomination and Remuneration Committee of the Company in terms of the provisions of the Companies Act, 2013 and Article of Association of the Company. Mr. Ganesan Thiagarajan is a Mechanical Engineer and Master in Business Administration (Marketing and Operations) from the University of Madras. He has an illustrious career spanning over three decades in the Home Appliances Manufacturing Industry with wide area of Experience and Knowledge in Manufacturing, Engineering and R & D. The Board considers that the Company would benefit immensely with his association and recommends resolution for your approval.

His qualification and experience are detailed under the heading "Information about the Directors to be appointed/re-appointed" which forms part of this Notice.

None of the Directors and Key Managerial Personnel (KMP) of the Company except Mr. Ganesan Thiagarajan, being the appointee, is interested in this resolution. The Board commends passing of the Resolution set out at item No.3 & 4 of the Notice convening the Meeting.

Pursuant to Section II of Part II of Schedule V read with section 197(3) of the Companies Act, 2013, payment of remuneration to managerial personnel in the case of a Company having no profit or inadequate profit is linked to the effective capital of the Company. The limit of yearly remuneration payable by a Company without Central Government approval as follows:

Where the effective capital is	Limit of yearly remuneration payable shall not exceed (₹)
Negative or less than ₹ 5 crores	60 lakhs
₹ 5 crores and above but less than ₹ 100 crores	84 lakhs
₹ 100 crores and above but less than ₹ 250 crores	120 lakhs
₹ 250 crores and above	120 lakhs plus 0.01% of the effective capital in excess of ₹ 250 crores:

Provided that the remuneration in excess of above limit may be paid if the resolution passed by the shareholders is a Special Resolution. The aforesaid provision is applicable only if the following conditions are fulfilled.

- Payment of said minimum remuneration is approved by the Nomination and Remuneration Committee and the Board of Directors.
- the company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining the approval in the general meeting.
- A Special Resolution is passed at the General Meeting of the Company for payment of remuneration for a period not exceeding three years.
- A statement containing the specified information along with the notice calling the General Meeting is furnished to the shareholders.

The Company has complied with the stipulated conditions.

Accordingly, Mr. Ganesan Thiagarajan can be paid excess remuneration as per the limit mentioned above provided that if the resolution is passed by the shareholders is a Special Resolution. The Remuneration proposed to be paid to Mr. Ganesan Thiagarajan is excess than the limits of minimum remuneration that can be paid as per the provisions of Schedule V read with section 197(3) of the Act.

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

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

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

I. GENERAL INFORMATION

1	Nature of Industry	Consumer Durables
2	Date of Commencement of Commercial Production	October 1, 1990
3	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in prospectus	Existing Company
4	Financial Performance	<p>For the year ended March 31, 2019 (₹ in Crore)</p> <p>Income from Operations 276.24</p> <p>Profit before Tax 7.01</p> <p>Profit after Tax 7.01</p> <p>As on March 31, 2019 (₹ in Crore)</p> <p>Paid up Share Capital 12.67</p> <p>Reserves & Surplus 29.72</p> <p>Long Term Loans -</p> <p>Total 42.39</p> <p>Investments -</p> <p>Preliminary Expenses -</p> <p>(to the extent not written off) -</p> <p>Effective Capital as on March 31, 2019 42.39</p>
5	Export performance and Net Foreign Exchange Collaborations	Earnings in Foreign Exchange on account of Exports Sales and reimbursement of advertisement and sales promotion expenses received from the Collaborator/ Associate Companies was ₹ 77.68 Crores for the year ended March 31, 2019
6	Foreign investments or Collaborations, if any	The Company has Technical Assistance Agreement and Trademark License Agreement with Panasonic Corporation, Japan (formerly Matsushita Electric Industrial Co. Ltd.), its foreign collaborator. As on March 31, 2019 foreign investment in paid-up share capital of the Company is 95.43%.

II. INFORMATION ABOUT APPOINTEE

1	Background details	Mr. Ganesan Thiagarajan is a Mechanical Engineer and Master in Business Administration (Marketing and Operations) from the University of Madras. He has an illustrious career spanning over three decades in the Home Appliances Manufacturing Industry with wide area of Experience and Knowledge in Manufacturing Engineering and R & D.
2	Past Remuneration	Not Applicable
3	Recognition or awards	Not Applicable
4	Job Profile and his suitability	Mr. Ganesan Thiagarajan is entrusted with substantial powers of management and is responsible for the general conduct and management of the business and affairs of the Company subject to the superintendence, control and supervision of the Board of Directors of the Company.
5	Remuneration proposed	Salary in the scale of ₹ 609,988 to ₹ 730,000 per month plus perquisites as per the details given in the proposed resolution.

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6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Not Applicable
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial person if any	NIL, except to the extent to remuneration proposed to be paid

III. OTHER INFORMATION

1	Reasons for loss or inadequate profits	As on March 31, 2019 the Company recorded a profit of ₹ 7.01 crores. The main reasons for the inadequacy of profit are mainly due to weak consumer market, Significantly increase of Raw material price in Global market and intense competition from cheap Chinese made Cookers.
2	Steps taken for improvement	Company is taking steps to streamline its business to increase productivity and make its products more competitive in the market. Steps are also taken to increase the export business.
3	Expected increase in productivity and profits in measurable terms	The Company expects that barring unforeseen circumstances, improvement in business environment coupled with the measures being taken to enhance revenue and reduce costs would enable the company to make its business more viable and bring it back to profitability.

The Board recommend passing the Special Resolution set out in Item No.3 & 4 of the Notice.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Ganesan Thiagarajan is, concerned or interested in Item No.3 & 4 of the Notice.

Item No. 5 & 6

The Board of Directors has co-opted Mr. Ken Nakayama (DIN: 08377188) as Executive Director with effect from April 1, 2019 in their meeting held on March 14, 2019 on the recommendation of our Parent Company M/s. Panasonic Corporation, Japan and also on recommendation of the Nomination and Remuneration Committee of the Company in terms of the provisions of the Companies Act, 2013 and Article of Association of the Company. Mr. Ken Nakayama aged 46 years is a Graduate in BA from Kansai University, Osaka, Japan and joined M/s. Panasonic Corporation, Japan in January 2016. Ken Nakayama has wide experience in the area of Accounting, Business Development & Corporate Planning. The Board considers that the Company would benefit immensely with his association and recommends resolution for your approval.

His qualification and experience are detailed under the heading "Information about the Directors to be appointed/re-appointed" which forms part of this Notice.

None of the Directors and Key Managerial Personnel (KMP) of the Company except Mr. Ken Nakayama, being the appointee, is interested in this resolution. The Board commends passing of the Resolution set out at item No.5 & 6 of the Notice convening the Meeting.

Pursuant to Section II of Part II of Schedule V read with section 197(3) of the Companies Act, 2013, payment of remuneration to managerial personnel in the case of a Company having no profit or inadequate profit is linked to the effective capital of the Company. The limit of yearly remuneration payable by a Company without Central Government approval as follows:

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Where the effective capital is	Limit of yearly remuneration payable shall not exceed (¹)
Negative or less than ₹ 5 crores	60 lakhs
₹ 5 crores and above but less than ₹ 100 crores	84 lakhs
₹ 100 crores and above but less than ₹ 250 crores	120 lakhs
₹ 250 crores and above	120 lakhs <i>plus</i> 0.01% of the effective capital in excess of ₹ 250 crores:

Provided that the remuneration in excess of above limit may be paid if the resolution passed by the shareholders is a Special Resolution. The aforesaid provision is applicable only if the following conditions are fulfilled.

- Payment of said minimum remuneration is approved by the Nomination and Remuneration Committee and the Board of Directors.
- the company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining the approval in the general meeting.
- A Special Resolution is passed at the General Meeting of the Company for payment of remuneration for a period not exceeding three years.
- A statement containing the specified information along with the notice calling the General Meeting is furnished to the shareholders.

The Company has complied with the stipulated conditions.

Accordingly, Mr. Ken Nakayama can be paid excess remuneration as per the limit mentioned above provided that if the resolution is passed by the shareholders is a Special Resolution. The Remuneration proposed to be paid to Mr. Ken Nakayama is excess than the limits of minimum remuneration that can be paid as per the provisions of Schedule V read with section 197(3) of the Act.

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

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

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

I. GENERAL INFORMATION

1	Nature of Industry	Consumer Durables
2	Date of Commencement of Commercial Production	October 1, 1990
3	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in prospectus	Existing Company
4	Financial Performance	<p>For the year ended March 31, 2019 (₹ in Crore)</p> <p>Income from Operations 276.24</p> <p>Profit before Tax 7.01</p> <p>Profit after Tax 7.01</p> <p>As on March 31, 2019 (₹ in Crore)</p> <p>Paid up Share Capital 12.67</p> <p>Reserves & Surplus 29.72</p>

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		Long Term Loans	-
		Total	42.39
		Investments	-
		Preliminary Expenses	-
		(to the extent not written off)	-
		Effective Capital as on March 31, 2019	42.39
5	Export performance and Net Foreign Exchange Collaborations	Earnings in Foreign Exchange on account of Exports Sales and reimbursement of advertisement and sales promotion expenses received from the Collaborator/ Associate Companies was ₹ 77.68 Crores for the year ended March 31, 2019	
6	Foreign investments or Collaborations, if any	The Company has Technical Assistance Agreement and Trademark License Agreement with Panasonic Corporation, Japan (formerly Matsushita Electric Industrial Co. Ltd), its foreign collaborator. As on March 31, 2019 foreign investment in paid-up share capital of the Company is 95.43%.	

II. INFORMATION ABOUT APPOINTEE

1	Background details	Mr. Ken Nakayama joined Panasonic Corporation, Japan in January 2016. He is a Graduate BA from Kansai University, Osaka, Japan in 1997. He has wide experience Accounting, Business Development & Corporate Planning.
2	Past Remuneration	Not Applicable
3	Recognition or awards	Not Applicable
4	Job Profile and his suitability	Mr. Ken Nakayama is entrusted with substantial powers of management and is responsible for the general conduct and management of the business and affairs of the Company subject to the superintendence, control and supervision of the Board of Directors of the Company.
5	Remuneration proposed	Salary in the scale of ₹ 300,000 to ₹ 350,000 per month <i>plus</i> perquisites as per the details given in the proposed resolution.
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Not Applicable
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial person if any	NIL, except to the extent to remuneration proposed to be paid

III. OTHER INFORMATION

1	Reasons for loss or inadequate profits	As on March 31, 2019 the Company recorded a profit of ₹ 7.01 crores. The main reasons for the inadequacy of profit are mainly due to weak consumer market, Significantly increase of Raw material price in Global market and intense competition from cheap Chinese made Cookers.
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2	Steps taken for improvement	Company is taking steps to streamline its business to increase productivity and make its products more competitive in the market. Steps are also taken to increase the export business.
3	Expected increase in productivity and profits in measurable terms	The Company expects that barring unforeseen circumstances, improvement in business environment coupled with the measures being taken to enhance revenue and reduce costs would enable the company to make its business more viable and bring it back to profitability.

The Board recommend passing the Special Resolution set out in **Item No. 5 & 6** of the Notice.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Ken Nakayama is, concerned or interested in Item No.5 & 6 of the Notice. Mr. Masayuki Sasage also deemed as interested in Item No.5 & 6 of the Notice as Mr. Masayuki Sasage, as he is representatives of Panasonic Corporation.

Item No. 7

The Members of the Company had appointed K. Subramanian as an Independent Director at the Annual General Meeting held on September 29, 2014 to hold office till the conclusion of this Annual General Meeting.

Pursuant to section 149(10) of the Companies Act, 2013, Independent Director can be re-appointed by passing a Special Resolution.

The brief profile of K. Subramanian is given below:

Mr. K. Subramanian, aged 79 years, M.A., B.L., joined banking service in 1964 and rose to the level of Chairman and Managing Director of Indian Overseas Bank (IOB) in 1996 and was holding that position till 1999. He held the position of Chief Executive Incharge Singapore Operations and also headed the International and Credit division in Indian Bank. He held various prestigious positions viz., Director-United India Insurance Company Ltd., Member - Finance Committee - Board of Control for Cricket in India (BCCI) and Vice-President and Chairman - Finance Committee - Tamil Nadu Cricket Association. He also published many articles relating to Banking and edited the book "Banking Reforms in India". He has wide experience and knowledge in Finance and Banking areas.

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

Based on, the recommendation of the Nomination and Remuneration Committee and considering the qualifications, experience and the valuable contribution being made by him, the Board recommends the re-appointment of Mr. K. Subramanian as an Independent Director for further period of five years, who shall hold office until the conclusion of the 36th Annual General Meeting of the Company to be held in the year 2024 as mentioned in Item No.7 of the Notice.

The Board recommends passing the Special Resolution set out in Item No.7 of the Notice.

None of the Directors, Key Managerial Personnel and their relatives, except K. Subramanian is, concerned or interested in Item No.7 of the Notice.

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

Directorship in other Companies	Position held	Membership/Chairmanship of Board Committee in other Companies
Panasonic Carbon India Co. Ltd.	Director	Member of Audit Committee, Corporate Social Responsibility Committee and Risk Management Committee

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

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Item No. 8

The Members of the Company had appointed Mr. Ajit Gopal Nambiar as an Independent Director at the Annual General Meeting held on September 29, 2014 to hold office till the conclusion of this Annual General Meeting.

Pursuant to section 149(10) of the Companies Act, 2013, Independent Director can be re-appointed by passing a Special Resolution.

The brief profile of Mr. Ajit Gopal Nambiar is given below:

Mr. Ajit Gopal Nambiar, aged 56 years, is the Chairman and Managing Director of BPL Limited. After obtaining his degree in Computer Engineering from Boston University, USA, Mr. Ajit Gopal Nambiar started his career in Electronic Research Private Limited (ERPL) (which is a company in BPL Group) in 1984 and was appointed as its Managing Director in 1986. He took over as the Managing Director of BPL Ltd in 1993 and is presently its Chairman and Managing Director. He also holds Directorship in many closely held companies in the BPL Group. Over the last 25 years, Mr. Ajit Gopal Nambiar has played a pivotal role in BPL's growth and success and was instrumental in setting up of the Manufacturing Facility in Dobaspet, near Bangalore. He is an industrialist with rich business experience.

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

Based on, the recommendation of the Nomination and Remuneration Committee and considering the qualifications, experience and the valuable contribution being made by him, the Board recommends the re-appointment of Mr. Ajit Gopal Nambiar as an Independent Director for further period of five years, who shall hold office until the conclusion of the 36th Annual General Meeting of the Company to be held in the year 2024 as mentioned in Item No.8 of the Notice.

The Board recommend passing the Special Resolution set out in Item No.8 of the Notice.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Ajit Gopal Nambiar is, concerned or interested in Item No.8 of the Notice.

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

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

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

By Order of the Board of Directors
For **Panasonic Appliances India Company Limited**

Place : Chennai
Date : August 13, 2019

Ganesan Thiagarajan
Managing Director

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

PROFILE OF DIRECTOR

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

Mr. Ganesan Thiagarajan (DIN: 08377223)

Mr. Ganesan Thiagarajan is a Mechanical Engineer and Master in Business Administration (Marketing and Operations) from the University of Madras. He has an illustrious career spanning over three decades in the Home Appliances Manufacturing Industry with wide area of Experience and Knowledge in Manufacturing, Engineering and R & D. He joined Panasonic Appliances India Company Limited (PAPIN) in 2003 as Head Factory Operations and subsequently became the Chief Factory Officer. He is identified as Global High Potential Employee by Panasonic Corporation and elevated to Managing Director Position. He has a very strong technical and business understanding with an impressive track record in strategic planning, business development and project management and has contributed immensely to the growth of the Company and he has acquired strong knowledge in Global Competency and Panasonic Standards for the past over 16 years. Previously he was associated with Power Control & Appliances Company Limited (Manufacturing of "Sumeet" Brand) from 1989 to 2002 as Dy. General Manager Plant Operations. He started his career in S & S Power Switch Gears as Engineering Trainee in 1988.

Mr. Ganesan Thiagarajan does not hold any other directorships or committee membership in other Companies. He holds one shares in the company.

Mr. Ken Nakayama (DIN: 08377188)

Mr. Ken Nakayama aged 46 years, is a BA Degree form Kansai University, Japan. He started his career with Sanyo Electric Company Limited, Japan in 1997 as Coordinator, Accounting and Refrigerator Business Division till 2000. In the year 2000 he was joined M/s. Sanyo Indonesia as GM -Accounting till 2008. In the year 2008 he joined Sanyo Electric Company Limited as Chief Corporate Planning till 2012. In the year 2012 he joined Panasonic Energy Malaysia Sdn. Bhd as GM - Business Planning. In the year 2013 he joined Panasonic India Private Limited as AGM- India Business Development centre. In 2016 he joined Panasonic Corporation as Chief Corporate Planning, Kitchen Appliances Business Division, Appliance Company.

Mr. Ken Nakayama 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 Company Limited

Place : Chennai
Date : August 13, 2019

Ganesan Thiagarajan
Managing Director

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty First Annual Report together with the Company's Audited Financial Statements for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

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

(₹ in Crores)

Particulars	Current year [2018 - 2019]	Previous year [2017 - 2018]
Revenue from operations (net)	272.55	225.36
Other income	4.09	2.91
Total income	276.64	228.27
Total operating expenditure	262.81	219.27
Profit before Finance cost and Depreciation	13.83	9.00
Less: Finance cost	1.66	3.02
Less: Depreciation	5.16	5.76
Profit before extraordinary item and tax	7.01	0.21
Extraordinary item	-	-
Less: Provision for tax	-	-
Profit after tax	7.01	0.21

REVIEW OF PERFORMANCE

During the year under review, your Company has reported the net revenue from operations of ₹ 272.55 Crores in the current year as compared to ₹ 225.36 Crores in the previous year, registering an overall growth of 21% (Previous year: 21%). This year, the Company has achieved 17% growth in domestic sales, 28% growth in SAARC countries and 31% growth in Rest of the world. The Company has earned Profit after tax of ₹ 7.01 Crores in the current year as compared to ₹ 21.3 Lakhs in the previous year.

Your Company was able to record a better than expected performance considering the adverse external factors that prevailed during the financial year 2018-19. During the year the Company was able to overcome the loss which had been incurred in the earlier financial years. The increased focus on cost reduction measures at its manufacturing facility, office and branches with special emphasis on reducing input costs and overhead expenses helped the Company to improve its financial performance during the financial year. The increase in exports coupled with a favourable exchange rate also helped the Company to improve its performance in the current financial year. However, in spite of the aggressive efforts taken by the Company for cost reduction, there was a significant price increase in the Global market in the key raw materials particularly Aluminium, Copper, Stainless Steel, Polycarbonate, ABS and Polypropylene, which was also a major factor affecting the Company financial performance.

Considering that the overall consumer sentiment and business confidence which prevailed during the financial year 2018-19 was not conducive due to a host of factors, the fact that your Company was able to increase its sales compared to previous financial year with an improvement in the bottom line shows a sign of revival. The management of the Company strongly believes that the strategic initiatives which were implemented during the previous financial years are far-reaching and will definitely materialize in the long-term and deliver a sustainable and profitable growth.

DIVIDEND

In order to conserve cash for the Company's Operations, your Directors do not recommend any dividend for the year under review.

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

INCREASE IN SHARE CAPITAL

Pursuant to the approval of the members at the Extra Ordinary General Meeting through Postal Ballot process held on June 7, 2018 the Company allotted 2,844,712 Equity Shares of ₹ 10 each at a premium of ₹ 109.52 per Equity Share on a preferential basis to Panasonic Corporation, Japan, the foreign promoter of the Company. Consequent to the allotment of shares as aforesaid, the Paid-up Equity Share Capital of the Company stands increased from ₹ 98,320,000 divided into 9,832,000 Equity shares of ₹ 10 each to ₹ 126,767,120 divided into 12,676,712 Equity shares of ₹ 10 each.

UTILISATION OF ISSUE PROCEEDS - PREPAYMENT OF LONG-TERM/SHORT-TERM LOANS

In line with the object of the issue as informed to the members while seeking their approval for the preferential issue of shares to the promoters, the Company had utilized the entire proceeds amounting to ₹ 34 Crores raised from the preferential issue of shares for the purpose of pre-payment of the short-term loans availed by the company. Hence the company could not completely able to make the prepayment of the long-term loans as originally planned as the pre-closure option was not available for the long-term loan. However, the Company could able to make the prepayment of all the long-term loans at the end of the Financial year and declared itself as a "Loan Free Company" as on March 31, 2019.

DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RELINQUISHED DURING THE YEAR

In accordance with the provisions of The Companies Act, 2013 and Articles of Association of the Company, Mr.Masayuki Sasage (DIN: 08107285) will retire by rotation at the forthcoming Annual General Meeting and he is eligible for re-appointment.

Appointments:

The following appointments were made during the year till the date of the Report:

Mr.Ganesan Thiagarajan (DIN: 08377223) appointed as Managing Director on April 1, 2019.

Mr.Ken Nakayama (DIN: 08377188) appointed as Executive Director on April 1, 2019.

Mr.Jayaprakash Kalappan (PAN: ALZPK6505C) appointed as Chief Financial Officer on April 1, 2018.

Resignations:

The following resignations were made during the year till the date of the Report:

Mr.Hidenori Aso (DIN: 00158246) Managing Director resigned on March 31, 2019.

Mr.Toshihiro Sakamoto (DIN: 07594920) Non-Executive Director resigned on March 30, 2019.

Mr.Kiyoshi Otaki (DIN: 03155206) Non-Executive Director resigned on April 1, 2018.

Mr.Subramanian Krishnaswamy and Mr.Ajit Gopal Nambiar, whose tenure as the Independent Directors in the Company is going to be expired on September 28, 2019 has been re-appointed as the Independent Directors in the Company for another tenure of five (5) years, subject to the approval of the shareholders at the ensuing Annual General Meeting.

BOARD MEETINGS

The Board functions as a full Board and meets at regular intervals to decide on the Company/business policy and strategy apart from other Board businesses. The meetings of the Board of Directors are normally held at Chennai. Meetings are scheduled well in advance and after adequate notice. The Board meets at least once in a quarter to review the quarterly performance and the financial results. The Agenda for the Board/Committee Meetings along with explanatory notes is set by the Company Secretary in consultation with the Managing Director of the Company and circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. The Members of the Board are also free to recommend inclusion of any matter in the Agenda for discussion.

Nine Board Meetings were held during the financial year ended March 31, 2019 as against the minimum requirement of four meetings and the gap between two meetings was within the period prescribed under the Companies Act, 2013. The dates on which the said meetings were held on April 17, 2018; June 25, 2018; July 18, 2018; October 11, 2018; November 30, 2018; January 30, 2019; March 14, 2019; March 26, 2019 and March 27, 2019.

The Last Annual General Meeting of the Company was held on September 27, 2018.

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

Name of the Director	Designation and Category	Number of Meetings		Attendance at the last AGM
		Held	Attended	
Mr.Hidenori Aso	Managing Director; Executive	9	9	Yes
Mr.Subramanian Krishnaswamy	Director; Non-Executive; Independent	9	9	Yes
Mr.Ajit Gopal Nambiar	Director; Non-Executive; Independent	9	8	Yes
Mr.Toshihiro Sakamoto	Director; Non-Executive;Non-Independent	9	1	No
Mr.Masayuki Sasage	Director; Non-Executive;Non-Independent	9	2	No

COMMITTEE OF THE BOARD

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

AUDIT COMMITTEE

The Audit Committee of the Board is constituted in accordance with the applicable provisions of the Companies Act, 2013.

TERMS OF REFERENCE

- 1) Overseeing the Company's financial reporting process and disclosure of its financial information.
- 2) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment of any other services.
- 3) Discussion with the external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 4) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Director's report
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- 5) Reviewing with the management, the quarterly and half-yearly financial statements before submission to the Board for approval.
- 6) Reviewing with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.
- 7) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- 8) Discussion with internal auditors of any significant findings and follow up there on.
- 9) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

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- 10) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 11) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- 12) Reviewing the functioning of the whistle blower mechanism.
- 13) Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the Internal auditors.
- 14) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

COMPOSITION

The Company's Audit Committee for the financial year 2018-19 comprised of two Independent Directors and one Executive Director. The Chairman of the Committee is an Independent Director. All the members of the Audit Committee are financially literate with knowledge in accounts and having financial management expertise.

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

MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2019 Six Audit Committee Meetings were held on June 25, 2018; July 18, 2018; October 11, 2018; January 30, 2019; March 14, 2019 and March 27, 2019. The necessary quorum was present for all the meetings.

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

Name of the Director	Category	Number of Meetings	
		Held	Attended
Mr.Subramanian Krishnaswamy	Chairperson; Non-Executive; Independent	6	6
Mr.Ajit Gopal Nambiar	Member; Non-Executive; Independent	6	6
Mr.Hidenori Aso	Member; Executive; Non-Independent	6	6

NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted a Nomination and Remuneration Committee in accordance with the requirements specified under section 178 of the Companies Act, 2013.

TERMS OF REFERENCE

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

- To identify persons who are qualify to become the directors and who may be appointed in senior management in accordance with the criteria laid down
- To recommend to the Board their appointment and removal
- To evaluate the performance of every Directors' performance
- To formulate the criteria for determining the qualifications, positive attributes and independence of the directors
- Recommend to the Board a policy, relating to the remuneration for the Directors, Key Management Personnel and other employees

COMPOSITION

The Company's Remuneration Committee for the financial year 2018-19 comprised of two Independent Directors and one Non-Executive Director. The Chairman of the Committee is an Independent Director.

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2019, Three Nomination and Remuneration Committee Meetings were held on July 18, 2018; March 14, 2019 and March 27, 2019. The necessary quorum was present for all the meetings

Table 3: The details of the Composition of the Committee, Names of Members and Chairperson and attendance at its Meetings are as follows

Name of the Director	Category	Number of Meetings	
		Held	Attended
Mr.Subramanian Krishnaswamy	Chairperson; Non-Executive; Independent	3	3
Mr.Ajit Gopal Nambiar	Member; Non-Executive; Independent	3	3
Mr.Toshihiro Sakamoto	Member; Non-Executive; Non-Independent	3	0

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to clause (c) of sub-section (3) of Section 134 of The Companies Act, 2013 as amended from time to time, the board of directors hereby confirm that

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors had prepared the annual accounts on a going concern basis; and
- 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.

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Companies Act, 2013, all the Independent Directors have given declaration that they meet the criteria of independence as set out in Section 149(6).

POLICY ON DIRECTORS'/KMPs' APPOINTMENT AND REMUNERATION

Policy on appointment and removal of Directors, KMPs and Senior Management and their Remuneration attached herewith as "**ANNEXURE 1**", shall act as a guideline for determining qualifications, positive attributes, independence of a Director and matter relating to the appointment and removal of Directors.

The remuneration policy of the Company was formulated considering the following factors:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

AUDIT REPORT

The Statutory Auditors Report on Annual Accounts for the financial year 2018-19 contains no qualification.

AUDITORS

1) STATUTORY AUDITOR

M/s. BSR & Co. LLP (Firm Registration No.: 101248W/W-100022), Chartered Accountants, the present Statutory

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Auditors of the Company hold their office till the conclusion of the Annual General Meeting and will be liable for re-appointment. They have expressed their willingness to continue as Auditors of the Company. Necessary certificate under Section 139(1) of the Companies Act, 2013 has been received from them.

2) SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s BP & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company.

The Report on the Secretarial Audit is annexed herewith as “**ANNEXURE 2**”.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETING

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meeting and Annual General Meetings.

INTERNAL FINANCIAL CONTROLS

The Company is in compliance with the requirements of The 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 to 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 under Section 186 of The Companies Act, 2013 during the year under review.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the 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 March 31, 2019 to the date of signing of the Board' Report.

STATEMENT UNDER THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

There is no employee drawing remuneration of more than ₹ 1,02,00,000 (Rupees One Crore and Two Lakhs) per annum or drawing remuneration of ₹ 8,50,000 (Rupees Eight Lakhs Fifty Thousand) 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.

EXTRACT OF ANNUAL RETURN

A copy of the Annual Return has been placed on the website of the Company and can be accessed at the link: <http://www.panasonicappliances.in/Home/investor>.

RELATED PARTY TRANSACTIONS (RPT)

All transactions entered with related parties were in the ordinary course of business and on an arm's length basis except

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

the Company has entered into contract with Panasonic Appliances Rice Cooker (Hangzhou) Co. Ltd. for the procurement of used fixed assets. The transactions entered exceeds the prescribed limit as per section 188 of the Companies Act, 2013 and The Companies (Meetings of Board and its Powers) Rules, 2014. Due to administrative reasons the Company got the approval from the shareholders for ratification of related party transactions after the stipulated time.

The details of the transactions are disclosed in Form AOC-2 as “**ANNEXURE 3**” of this report.

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 Standard 18 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 9, 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.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism through “PAPIN Whistle Blower Policy” to enable employees and directors to report genuine concerns dealing with instances of fraud and mismanagement, if any. The mechanism provides for adequate safeguard against victimization of the whistle blower and also provides for direct access to the Chairman of the audit committee in appropriate or exceptional cases or Company Secretary or Chief Financial Officer of the Company as the case may be to report any concern or unethical activities.

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE 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 4**” 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 all 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/behaviours 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 the stakeholders, banks, regulatory and government authorities for their continued support. As we continue to grow and expand, we look forward to sharing our success in the years ahead with all our stakeholders.

For and on behalf of the Board of Directors of
Panasonic Appliances India Company Limited
CIN: U30007TN1988PLC016184

Place : Chennai
Date : June 5, 2019

Ganesan Thiagarajan
Managing Director
DIN: 08377223

Ken Nakayama
Director
DIN: 08377188

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 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. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,

The Members,
PANASONIC APPLIANCES INDIA COMPANY LIMITED,
NATIONAL HIGHWAY NO. 5,
SHOLAVARAM VILLAGE,
CHENNAI - 600067

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PANASONIC APPLIANCES INDIA COMPANY LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by PANASONIC APPLIANCES INDIA COMPANY LIMITED for the financial year ended on 31st March, 2019 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- vi. Other laws applicable to the Company as per the representations made by the Management.

With respect to Fiscal laws such as Income Tax, Value Added Tax, Central Excise Act and Goods and Service Tax we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various Acts and based on the information and explanation provided to us by the management and officers of the Company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India have been generally complied with.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review there were no events which required specific compliance of the provisions of

- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- iii. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.
- iv. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- v. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- vi. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- vii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- viii. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; and
- ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that -

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

We further report that during the audit period, the following significant events have taken place:

1. Changes in directorate:
 - i. Mr.Masayuki Sasage was appointed as Additional Director of the Company at the Board meeting held on April 17, 2018 and subsequently the shareholders of the Company, in their meeting held on September 27, 2018 appointed him as Director.
 - ii. Mr.Kiyoshi Otaki, Director of the Company was resigned from the directorship of the Company with effect from April 1, 2018.
 - iii. Mr.Hidenori Aso, was re-appointed as Managing Director of the Company for a further period of 3 years with effect from August 1, 2018 and subsequently the shareholders at their meeting held on September 27, 2018 ratified his appointment.

2. Changes in Key Managerial Personnel (Chief Financial Officer)

Mr.Jayaprakash Kalappan was appointed as Chief Financial Officer (Key Managerial Personnel) of the Company with effect April 1, 2018.

for **BP & Associates**
Company Secretaries

K. J. Chandra Mouli
Partner

Membership No.: A25315
CP No.: 15708

Date : June 5, 2019
Place : Chennai

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

'ANNEXURE A'

To,

The Members,
PANASONIC APPLIANCES INDIA COMPANY LIMITED
NATIONAL HIGHWAY NO. 5,
SHOLAVARAM VILLAGE,
CHENNAI - 600067

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for **BP & Associates**
Company Secretaries

K. J. Chandra Mouli
Partner

Membership No.: A25315
CP No.: 15708

Date : June 5, 2019
Place : Chennai

FORM NO. AOC-2

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

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

a	Name(s) of the related party and nature of relationship	Panasonic Appliances Rice Cooker (Hangzhou) Co. Ltd. (Fellow subsidiary)
b	Nature of contracts/arrangements/ transactions	Procurement of used fixed assets
c	Duration of the contracts/ arrangements/transactions	One time
d	Salient terms of the contracts or arrangements or transactions including the value, if any	The Company has entered into transactions with Panasonic Appliances Rice Cooker (Hangzhou) Co. Ltd. For procurement of used fixed assets for a sum of ₹ 17,164,179
e	Justification for entering into such contracts or arrangements or transactions	To start the new model of electric rice cooker for export business
f	date(s) of approval by the Board	March 27, 2019
g	Amount paid as advances, if any:	Nil
h	Date on which the resolution was passed in general meeting as required under first proviso to section 188	May 20, 2019

For and on behalf of the Board of Directors of
Panasonic Appliances India Company Limited
CIN: U30007TN1988PLC016184

Place : Chennai
Date : June 5, 2019

Ganesan Thiagarajan
Managing Director
DIN: 08377223

Ken Nakayama
Director
DIN: 08377188

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

ANNEXURE 4

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. Introduction of LED Light Fittings instead of Fluorescent Lamp</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 65%;">Description</th> <th style="width: 15%;">Before</th> <th style="width: 20%;">Now</th> </tr> </thead> <tbody> <tr> <td>FL Lamp (226 Nos X 36 W X 18hrs)/1000)</td> <td>146 Units</td> <td></td> </tr> <tr> <td>FL Lamp (23 Nos X 18 W X 18 hrs)/1000</td> <td>7.5 Units</td> <td></td> </tr> <tr> <td>FL Lamp (70 Nos X 14 W X 9hrs)/1000)</td> <td>9 Units</td> <td></td> </tr> <tr> <td>FL Lamp (11 Nos X 96 W X 12hrs)/1000)</td> <td>13 Units</td> <td></td> </tr> <tr> <td>FL Lamp (18 Nos X 216 W X 18 hrs) / 1000</td> <td>70 Units</td> <td></td> </tr> <tr> <td>LED Lamp at anodizing room (6 Nos X 15W X 18 hrs)/1000</td> <td></td> <td>1.6 Units</td> </tr> <tr> <td>LED Lamp at parts stores (40W X 5 Nos X 18 hrs) / 1000</td> <td></td> <td>3.6 Units</td> </tr> <tr> <td>LED Lamp at parts stores (9W X 23 Nos X 18 hrs) /1000</td> <td></td> <td>3.7 Units</td> </tr> <tr> <td>LED Lamp at street light (45W X 11 Nos X 12 hrs) /1000</td> <td></td> <td>5.94 Units</td> </tr> <tr> <td>LED Lamp at prss shop – 2, Paint shop & cast heater shop (90W X 28 Nos X 18 hrs) /1000</td> <td></td> <td>45.34 Units</td> </tr> <tr> <td>LED Lamp at shop floor (18W X 170 Nos X 18 hrs) /1000</td> <td></td> <td>55 Units</td> </tr> <tr> <td>LED Lamp at shop floor (10W X 70 Nos X 18 hrs) /1000</td> <td></td> <td>12.6 Units</td> </tr> <tr> <td>Electricity Units / day</td> <td>245.5 Units</td> <td>127.78 Units</td> </tr> <tr> <td>Electricity Units / Month</td> <td>(245.5 X 25 days) = 6137.50 Units</td> <td>(127.78 X 25 days) = 3194.50 Units</td> </tr> <tr> <td>Electricity Cost / Month</td> <td>(6137.50 X 8.60) = Rs.52782.50</td> <td>(3194.50 X 8.60) = Rs.27472.70</td> </tr> <tr> <td>Cost Saving / Month</td> <td>₹ 25,309.80</td> <td></td> </tr> <tr> <td>Cost Saving / Year</td> <td>₹ 303,717</td> <td></td> </tr> </tbody> </table> <p>2. Introduction of LED Fittings results in saving of Energy by 35316 Units per Year and saving of cost by ₹ 303,717/Y</p>	Description	Before	Now	FL Lamp (226 Nos X 36 W X 18hrs)/1000)	146 Units		FL Lamp (23 Nos X 18 W X 18 hrs)/1000	7.5 Units		FL Lamp (70 Nos X 14 W X 9hrs)/1000)	9 Units		FL Lamp (11 Nos X 96 W X 12hrs)/1000)	13 Units		FL Lamp (18 Nos X 216 W X 18 hrs) / 1000	70 Units		LED Lamp at anodizing room (6 Nos X 15W X 18 hrs)/1000		1.6 Units	LED Lamp at parts stores (40W X 5 Nos X 18 hrs) / 1000		3.6 Units	LED Lamp at parts stores (9W X 23 Nos X 18 hrs) /1000		3.7 Units	LED Lamp at street light (45W X 11 Nos X 12 hrs) /1000		5.94 Units	LED Lamp at prss shop – 2, Paint shop & cast heater shop (90W X 28 Nos X 18 hrs) /1000		45.34 Units	LED Lamp at shop floor (18W X 170 Nos X 18 hrs) /1000		55 Units	LED Lamp at shop floor (10W X 70 Nos X 18 hrs) /1000		12.6 Units	Electricity Units / day	245.5 Units	127.78 Units	Electricity Units / Month	(245.5 X 25 days) = 6137.50 Units	(127.78 X 25 days) = 3194.50 Units	Electricity Cost / Month	(6137.50 X 8.60) = Rs.52782.50	(3194.50 X 8.60) = Rs.27472.70	Cost Saving / Month	₹ 25,309.80		Cost Saving / Year	₹ 303,717	
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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	Cost of LED Fittings ₹369,640																																																						

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

(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 introduced the SR-MC03 Baby Cooker for Japan. ➤ Successfully developed the 5.4L Commercial Rice Cooker for USA. ➤ Successfully developed the UH36 Series Jar Cooker Model for France. ➤ Successfully Expanded the Export Market for Rice Cooker to Malaysia, Singapore, Indonesia, Thailand and Mongolia. ➤ Successfully Expanded the Export Market for Mixer Grinder to Srilanka, Nigeria, Indonesia, Malaysia, Mauritius and Gulf Countries. ➤ Successfully Expanded the Export Market for Wet Grinder to Srilanka. 														
(ii)	Benefits derived from key projects like product improvement, cost reduction, product development or import substitution	Benefits: By Product Manufacturing transfer from China, Company has successfully developed the UH36 Series Jar Cooker Model and started the In house Production for France.														
(iii)	<p>Information regarding imported technology (last three years)</p> <p>a. Technology Imported b. The year of Import c. Whether Technology been fully absorbed d. If not fully absorbed, areas where absorption has not taken place, and the reason thereof</p>	<p>Products imported during last three years</p> <table border="1" data-bbox="871 713 1518 983"> <thead> <tr> <th>Year</th> <th>Products</th> </tr> </thead> <tbody> <tr> <td>2016-2017</td> <td>Nil</td> </tr> <tr> <td>2017-2018</td> <td>Nil</td> </tr> <tr> <td>2018-2019</td> <td>New UH36 Series Cooker Development & In house Manufacturing for France and Development in progress for Japan, Hong Kong and USA.</td> </tr> <tr> <td>—</td> <td>—</td> </tr> <tr> <td>—</td> <td>—</td> </tr> <tr> <td>—</td> <td>—</td> </tr> </tbody> </table>	Year	Products	2016-2017	Nil	2017-2018	Nil	2018-2019	New UH36 Series Cooker Development & In house Manufacturing for France and Development in progress for Japan, Hong Kong and USA.	—	—	—	—	—	—
Year	Products															
2016-2017	Nil															
2017-2018	Nil															
2018-2019	New UH36 Series Cooker Development & In house Manufacturing for France and Development in progress for Japan, Hong Kong and USA.															
—	—															
—	—															
—	—															
(iv)	The expenditure incurred on Research and Development	₹ 9,054,300														

(c) Conservation of Energy During the year, the total foreign spent (outgo) was ₹ 61.70 Crores and the total foreign exchange earned was ₹ 77.68 Crores.

Independent Auditors' Report

To the Members of Panasonic Appliances India Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Panasonic Appliances India Company Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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, 2019, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss 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. 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.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss, and statement of cash flows 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.

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 as at March 31, 2019 on its financial position in its financial statements - Refer Note 28 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 significant delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanation given to us, during the current year, the remuneration paid by the company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date: June 5, 2019

Annexure A to the Independent Auditors' report to the members of Panasonic Appliances India Company Limited for the year ended March 31, 2019 (referred to in our report of even date)

- (i)
 - (a) The company is maintaining 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 the 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 stock 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 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, guarantee, and security which required compliance under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the order is not applicable.

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

- (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, goods and service tax, duty of customs and any other material statutory dues has been generally deposited regularly during the year by the company with the appropriate authorities except for few delays in deposit of income tax deducted at source ranging from 1 to 8 days. The Company did not have any dues on account of sales tax, service tax, duty of excise, value added tax and cess.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund employees' state insurance, income tax, goods and service tax, duty of customs and any other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there were no dues of income tax, service tax, duty of customs, duty of excise, value added tax, sales tax, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute, except those set out in Appendix 1.
- (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 or by its officers or employees has been noticed or reported during the course of 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 Section 188 of the Act except for the purchase of certain used fixed assets aggregating to INR 17,164,179/- which was not at arm's length price, with respect to which, the Company obtained ratification of the transaction by the shareholders' after the stipulated time. This is more fully explained in note no 39C to the financial statements. The transactions with the related parties are in compliance with Section 177 of the Act. The details of related party 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 allotment of shares under preferential allotment were in compliance with Section 42 of the Act and the amount raised have been used for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of 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 any 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

Firm's Registration No: 101248W/W-100022

S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date: June 5, 2019

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Appendix 1 to the Independent 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 which it relates	Nature of dues	Forum where the dispute is pending	Amount (₹)
Income Tax Act, 1961			
For the period April 2003 - March 2005	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*
Central Excise Act, 1944			
For the period December 2006 - July 2009	Excise duty	Additional Commissioner of Central Excise, Chennai	4,568,246
For the period August 2008 - July 2009	Excise duty	Additional Commissioner of Central Excise, Chennai	83,743
For the period February 2011 - March 2011	Excise duty	Customs, Excise and Service tax Appellate tribunal, Chennai	168,818 [§]
For the period February 2011 - October 2011	Excise duty	Additional Commissioner of Central Excise, Chennai	809,579
For the period March 2010 - February 2011	Excise duty	Additional Commissioner of Central Excise, Chennai	49,542
Finance Act, 1994			
For the period April 2006 - September 2010	Service tax	Customs, Excise and Service Tax Appellate Tribunal, Chennai	6,401,833 [#]
For the period April 2011 - June 2012	Service tax	Joint Commissioner of Central Excise, Chennai	3,830,367

* Net off ₹ 289,858 paid under protest

§ Net off ₹ 35,000 paid under protest

Net off ₹ 1,000,000 paid under protest

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Annexure B to the Independent Auditors' report to the members of Panasonic Appliances India Company Limited for the year ended March 31, 2019 (referred to in our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of **Panasonic Appliances India Company Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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.

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date: June 5, 2019

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

BALANCE SHEET AS AT MARCH 31, 2019

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

	Note	As at March 31, 2019	Amount in ₹ As at March 31, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	126,767,120	98,320,000
Reserves and surplus	4	<u>297,220,709</u>	<u>(83,708,581)</u>
		423,987,829	14,611,419
Non-current liabilities			
Long-term borrowings	5	-	32,916,667
Deferred tax liabilities (net)	6	-	-
Long-term provisions	7	<u>18,173,681</u>	<u>20,740,195</u>
		18,173,681	53,656,862
Current liabilities			
Short-term borrowings	8	-	371,788,852
Trade payables	9		
- total outstanding dues to micro and small enterprises		14,898,519	12,443,894
- total outstanding dues of creditors other than micro and small enterprises		350,917,506	281,664,478
Other current liabilities	10	206,705,632	159,073,463
Short-term provisions	11	<u>5,064,923</u>	<u>8,100,876</u>
		577,586,580	833,071,563
TOTAL		<u>1,019,748,090</u>	<u>901,339,844</u>
ASSETS			
Non-current assets			
Fixed assets			
Property, plant and equipment	12A	344,603,722	347,734,978
Intangible assets	12B	4,675,879	7,830,186
Capital work-in-progress	12C	<u>3,225,474</u>	<u>-</u>
		352,505,075	355,565,164
Long-term loans and advances	13	<u>9,525,052</u>	<u>8,944,665</u>
		362,030,127	364,509,829
Current assets			
Inventories	14	175,255,579	232,857,929
Trade receivables	15	371,683,855	243,917,212
Cash and cash equivalents	16	24,933,572	6,211,965
Short-term loans and advances	17	73,988,007	44,639,023
Other current assets	18	<u>11,856,950</u>	<u>9,203,886</u>
		657,717,963	536,830,015
TOTAL		<u>1,019,748,090</u>	<u>901,339,844</u>

Significant accounting policies 2.1

The notes referred to the 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

Firm registration No. : 101248W/W-100022

S. Sethuraman

Partner

Membership No: 203491

for and on behalf of the Board of Directors of

Panasonic Appliances India Company Limited

CIN: U30007TN1988PLC016184

Ganesan Thiagarajan

Managing Director

DIN: 08377223

Subramanian Krishnaswamy

Director

DIN: 00019088

Jayaprakash Kalappan

Chief Financial Officer

PAN: ALZPK6505C

Ken Nakayama

Executive Director

DIN: 08377188

Ajit Gopal Nambiar

Director

DIN: 00228857

Subhanarayan Muduli

Company Secretary

Membership No.: A41513

Place: Chennai

Date: June 5, 2019

Place: Chennai

Date: June 5, 2019

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

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

	Note	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Revenue from operations			
Sale of products (gross)	19	2,680,155,941	2,262,984,671
Less: Excise duty		-	45,788,379
Sale of products (net)		2,680,155,941	2,217,196,292
Other operating revenue	19	45,317,512	36,376,962
Total		2,725,473,453	2,253,573,254
Other income	20	40,942,177	29,099,719
Total revenue		2,766,415,630	2,282,672,973
EXPENSES			
Cost of material consumed	21	1,531,723,183	1,285,573,900
Purchase of stock-in-trade	22	81,947,252	64,131,787
Change in inventories of finished goods, work-in-progress and stock-in-trade	23	59,129,882	(28,508,116)
Employee benefit	24	316,375,663	293,934,340
Finance costs	25	16,552,087	30,243,294
Depreciation and amortisation	26	51,636,326	57,608,071
Other expenses	27	638,966,745	577,562,182
Total expenses		2,696,331,138	2,280,545,458
Profit before tax		70,084,492	2,127,515
Income tax expenses			
Current tax		-	-
Deferred tax	6	-	-
Total tax expenses		-	-
Profit for the year		70,084,492	2,127,515
Earnings per equity share			
Face value per share	40	10	10
Weighted average number of equity shares (Nos.)		12,014,245	9,832,000
Basic earnings per share		5.53	0.22
Diluted earnings per share		5.83	0.22
Significant accounting policies	2.1		

The notes referred to the 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
Firm registration No. : 101248W/ W-100022

S. Sethuraman
Partner
Membership No: 203491

for and on behalf of the Board of Directors of
Panasonic Appliances India Company Limited
CIN: U30007TN1988PLC016184

Ganesan Thiagarajan
Managing Director
DIN: 08377223

Ken Nakayama
Executive Director
DIN: 08377188

Subramanian Krishnaswamy
Director
DIN: 00019088

Ajit Gopal Nambiar
Director
DIN: 00228857

Jayaprakash Kalappan
Chief Financial Officer
PAN: ALZPK6505C

Subhanarayan Muduli
Company Secretary
Membership No.: A41513

Place: Chennai
Date: June 5, 2019

Place: Chennai
Date: June 5, 2019

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Amount in ₹

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

	Year ended March 31, 2019	Year ended March 31, 2018
Cash Flow from Operating Activities		
Profit before tax	70,084,492	2,127,515
Adjustments:		
Depreciation and amortization	51,636,326	57,608,071
Interest income	(400,170)	(397,937)
Liabilities no longer required written back	(306,003)	(1,056,610)
Provision for inventories written back	(3,918,784)	-
Provision for doubtful trade receivables	-	95,517
Provision for inventories	-	3,318,255
Advances written back	-	(6,780)
Unrealized foreign exchange (gain)/loss	(1,263,309)	2,112,644
Finance costs	16,552,087	30,243,294
Loss on sale/retirement of property, plant and equipment	825,409	2,722,895
	63,125,556	94,639,349
Operating cash flow before working capital changes	133,210,048	96,766,864
Movements in working capital:		
Decrease/(increase) in inventories	61,521,134	(43,913,279)
Increase in trade receivables	(127,823,712)	(51,447,374)
Increase in other assets	(32,469,455)	(18,839,663)
Increase in trade payables	73,154,837	175,019,829
Increase in other liabilities	56,898,930	7,115,954
Decrease in long-term and short-term provisions	(5,602,467)	(2,534,317)
Cash generated from operating activities	158,889,315	162,168,014
Income tax paid (net)	(92,803)	(42,214)
Net cash generated from operating activities (A)	158,796,512	162,125,800
Cash flow from investing activities		
Payment towards purchase of fixed assets (including capital work-in-progress, capital creditors and capital advances)	(31,233,649)	(72,186,813)
Proceeds from sale of fixed assets	544,688	689,244
Interest received	397,937	301,644
Net cash used in from investing activities (B)	(30,291,024)	(71,195,925)

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

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

Amount in ₹

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from financing activities		
Proceed from issue of equity shares	340,000,000	-
Cost relating to issue of equity shares	(708,082)	
Repayment of borrowings (net)	(430,955,519)	(62,890,882)
Finance costs paid	(17,936,457)	(30,687,658)
Net cash (used in)/generated from financing activities (C)	(109,600,058)	(93,578,540)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	18,905,430	(2,648,665)
Effect of exchange differences on cash and cash equivalents held in foreign currency	-	324
Cash and cash equivalents at the beginning of the year	6,028,142	8,676,483
Cash and cash equivalents at the end of the year (see below)	24,933,572	6,028,142

Notes to cash flow statement

Components of cash and cash equivalents

Balance with banks		
- on current account	7,933,572	6,028,142
- on deposit account	17,000,000	-
Cash on hand	-	-
Total cash and cash equivalents	24,933,572	6,028,142

Significant accounting policies (Refer note 2.1)

The notes referred to the 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

Firm registration No. : 101248W/ W-100022

S. Sethuraman

Partner

Membership No: 203491

for and on behalf of the Board of Directors of

Panasonic Appliances India Company Limited

CIN: U30007TN1988PLC016184

Ganesan Thiagarajan

Managing Director

DIN: 08377223

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Director

DIN: 00019088

Jayaprakash Kalappan

Chief Financial Officer

PAN: ALZPK6505C

Place: Chennai

Date: June 5, 2019

Ken Nakayama

Executive Director

DIN: 08377188

Ajit Gopal Nambiar

Director

DIN: 00228857

Subhanarayan Muduli

Company Secretary

Membership No.: A41513

Place: Chennai

Date: June 5, 2019

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

Significant Accounting Policies and Notes on Accounts

1 Company overview

Panasonic Appliances India Company Limited (“the Company”) was incorporated on September 9, 1988 under The Companies Act, 1956. The Company is a subsidiary of Panasonic Corporation, Japan. The Company is primarily engaged in the business of manufacture and sale of consumer durable products such as electric rice cookers, mixer grinders and wet grinders. The Company has its manufacturing facility in Shoalaram Village, Chennai.

2. Basis of preparation

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’), other pronouncements of The Institute of Chartered Accountants of India and the provisions of the Act

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except as otherwise stated.

2.1 Summary of significant accounting policies

a) 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.

b) Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and accumulated loss if any. The cost of an item of property, plant and equipment 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 property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Property, plant and equipment assets acquired wholly or partly with specific grant/subsidy from government, are recorded at the net acquisition cost to the company.

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:

Asset category	Estimated useful life(in years)
Building	30-60
Plant and machinery	15
Furniture and fitting	10
Office equipment	3-6
Vehicle	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.

c) Intangible 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

d) 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.

e) 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.

f) 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 realisable 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 realisable value.

g) 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 benefits 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.

h) 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 good and service tax, sales tax, value added tax, 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.

i) Borrowing costs

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 fund. 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.

j) 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.

k) 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.

l) 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.

m) 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.

n) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

o) Segment reporting

Identification of segments

The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

The Company's business activity falls within segment namely manufacturing of electrical, electronic and other equipment.

p) 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 COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

Amount in ₹

	As at March 31, 2019	As at March 31, 2018
3. Share capital		
Authorised shares		
13,000,000 (Previous year : 13,000,000) equity shares of ₹10 each	130,000,000	130,000,000
Issued, subscribed and paid up shares		
12,676,712 (Previous year: 9,832,000) equity shares of ₹10 each fully paid	126,767,120	98,320,000
Total issued, subscribed and fully paid-up share capital	<u>126,767,120</u>	<u>98,320,000</u>

a) Reconciliation of the shares outstanding at the beginning and at end of the year

	As at March 31, 2019		As at March 31, 2018	
	No.	₹	No.	₹
At the beginning of the year	9,832,000	98,320,000	9,832,000	98,320,000
Add: Shares issued during the year	2,844,712	28,447,120	-	-
At the end of the year	<u>12,676,712</u>	<u>126,767,120</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, 2019		As at March 31, 2018	
	No.	₹	No.	₹
Equity shares of ₹10 each fully paid up held by Panasonic Corporation, Japan (Refer note below)	<u>12,097,175</u>	<u>120,971,750</u>	<u>9,252,463</u>	<u>92,524,630</u>

Note: During the year, the Company has issued 2,844,712 fresh equity shares of ₹ 10 each to Panasonic Corporation, Japan.

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

	As at March 31, 2019		As at March 31, 2018	
	No.	% holding	No.	% holding
Equity shares of ₹10 each fully paid up held by Panasonic Corporation, Japan	<u>12,097,175</u>	<u>95.43%</u>	<u>9,252,463</u>	<u>94.11%</u>

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

	Amount in ₹	
	As at March 31, 2019	As at March 31, 2018
4. Reserves and surplus		
Capital reserve		
Balance as per the last financial statements	2,613,500	2,613,500
Closing balance	<u>2,613,500</u>	<u>2,613,500</u>
Securities premium account		
Balance as per the last financial statements	71,956,600	71,956,600
Add: Premium on shares issued during the year	310,844,798	-
Closing balance	<u>382,801,398</u>	<u>71,956,600</u>
General reserve		
Balance as per the last financial statements	354,194	354,194
Closing balance	<u>354,194</u>	<u>354,194</u>
Deficit in the statement of profit and loss		
Deficit as per last financial statements	(158,632,875)	(160,760,390)
Profit for the year	70,084,492	2,127,515
Net deficit in the statement of profit and loss	<u>(88,548,383)</u>	<u>(158,632,875)</u>
Total Reserves and surplus	<u>297,220,709</u>	<u>(83,708,581)</u>
5. Long-term borrowings		
Unsecured		
Term loan from banks (Refer note below)	-	59,166,667
Less: Current maturities of long term borrowings (Refer note 10)	-	(26,250,000)
	<u>-</u>	<u>32,916,667</u>

Note: Particulars and terms of repayment:

- (i) Loan from The Bank of Tokyo Mitsubishi UFJ amounting to ₹ 10,000,000 (Previous year: ₹ 10,000,000) was availed in December 31, 2015 and is repayable in 12 equal quarterly instalment starting from March 2017. Interest is computed at rate of 9.50% per annum.
- (ii) Loan from The Bank of Tokyo Mitsubishi UFJ amounting to ₹ 35,000,000 (Previous year: ₹ 35,000,000) was availed in January 18, 2016 and is repayable in 12 equal quarterly instalment starting from April 2017. Interest is computed at rate of 9.60% per annum.
- (iii) Loan from Citibank N.A. amounting to ₹ 30,000,000 (Previous year: ₹ 30,000,000) was availed in June 21, 2017 and is repayable in eight quarterly instalments starting from September 2018. Interest is computed at rate of 9.00% per annum.

These loans were fully paid and pre-closed during the year.

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

	As at March 31, 2019	As at March 31, 2018
Amount in ₹		
6. Deferred taxes liabilities (net)		
Deferred tax liabilities		
Excess depreciation as per books over depreciation as per Income Tax Act, 1961	25,546,430	21,874,432
Gross deferred tax liability	25,546,430	21,874,432
Deferred tax asset		
Provision for employees benefits	5,144,966	4,653,519
Provision for doubtful debts	551,385	459,488
Provision for inventories	1,289,943	2,115,056
Brought forward losses and unabsorbed depreciation	18,560,136	14,646,369
Gross deferred tax asset	25,546,430	21,874,432
Net deferred tax liability	-	-
Note: Deferred tax assets towards carried forward tax losses and disallowances under the Income Tax Act, 1961 has been restricted to the extent of deferred tax liabilities.		
7. Long-term provisions		
Provision for employee benefits		
Compensated absences	7,763,026	6,777,338
Other provisions		
Provision for warranties (Refer note 38)	10,410,655	13,962,857
	18,173,681	20,740,195
8. Short-term borrowings		
Unsecured		
Loan repayable on demand		
Working capital demand loan	-	145,000,000
Buyer's credit	-	161,648,852
Export packing credit facilities	-	65,140,000
	-	371,788,852

Note: Particulars and terms of repayment:

- (i) The Company had availed working capital demand loan from Sumitomo Mitsui Banking Corporation amounting to ₹ 145,000,000. These loans are repayable on demand.
- (ii) The Company had availed buyer's credit from The Bank of Tokyo Mitsubishi UFJ of US\$ 2,481,561 carrying interest rate ranging between 3.42% per annum to 3.67% per annum (Previous year: 2.10% per annum to 3.03% per annum).
- (iii) The Company had availed export packing credit facilities from The Bank of Tokyo Mitsubishi UFJ of US\$ 600,000

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

carrying interest rate ranging between 2.98% per annum to 3.46% per annum (Previous year: 1.85% per annum to 2.85% per annum).

- (iv) The Company had availed export packing credit facilities from Citibank N.A. of US\$ 400,000 carrying interest rate of 2.64% per annum (Previous year: ranging between 1.39% per annum to 2.48% per annum).

During the period, the aforesaid credit facilities were fully paid and pre-closed.

Amount in ₹

	As at March 31, 2019	As at March 31, 2018
9. Trade payables		
Trade Payables		
- dues of micro enterprises and small enterprises (Refer note 35)	14,898,519	12,443,894
- dues of creditors other than micro enterprises and small Enterprises	350,917,506	281,664,478
	365,816,025	294,108,372
10. Other current liabilities		
Vendor finance payable	146,732,219	96,005,368
Current maturities of long term borrowings (Refer note 5)	-	26,250,000
Creditors for capital purchases	26,550,947	7,999,515
Employee benefits payable	16,992,395	6,493,323
Statutory dues payable	9,939,904	8,585,546
Advance from customers	5,794,837	10,914,786
Deposits from customers	561,000	361,000
Other payable	134,330	895,732
Interest accrued but not due, on borrowings	-	1,384,370
Unclaimed dividend	-	183,823
	206,705,632	159,073,463
11. Short-term provisions		
Provision for employee benefits		
Provision for gratuity (Refer note 36)	1,596,623	4,672,182
Compensated absences	1,217,090	1,049,426
Other provisions		
Provision for warranties (Refer note 38)	1,954,862	2,082,920
Provision for tax (net of advance tax)*	296,348	296,348
	5,064,923	8,100,876

*Advance tax ₹ 1,981,837 (Previous year: ₹ 1,981,837)

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

12A. Property, plant and equipment

Amount in ₹

	Free hold land	Buildings	Plant and machinery	Furniture and fittings	Office equipments	Vehicles	Total
Gross block							
Balance as at April 1, 2017	2,116,840	95,791,482	555,564,176	16,673,072	20,776,312	8,252,000	699,173,882
Additions during the year	-	20,742,076	38,747,991	9,172,656	7,787,793	5,083,460	81,533,976
Disposals during the year	-	25,634	7,939,297	3,526,887	2,833,400	2,293,800	16,619,018
Balance as at March 31, 2018	2,116,840	116,507,924	586,372,870	22,318,841	25,730,705	11,041,660	764,088,840
Additions during the year	-	-	41,170,351	275,109	2,566,224	1,698,471	45,710,155
Disposals during the year	-	294,475	9,148,734	-	46,200	941,710	10,431,119
Balance as at March 31, 2019	2,116,840	116,213,449	618,394,487	22,593,950	28,250,729	11,798,421	799,367,876
Accumulated depreciation							
Balance as at April 1, 2017	-	29,103,069	317,488,801	9,549,981	13,417,663	6,407,840	375,967,354
Depreciation for the year	-	2,901,339	44,797,932	1,497,579	3,475,174	940,790	53,612,814
Deletions during the year	-	14,940	6,301,995	2,210,952	2,662,511	2,035,908	13,226,306
Balance as at March 31, 2018	-	31,989,468	355,984,738	8,836,608	14,230,326	5,312,722	416,353,862
Depreciation for the year	-	3,102,944	37,587,432	1,834,296	4,034,425	912,217	47,471,314
Deletions during the year	-	125,055	7,997,453	-	43,890	894,624	9,061,022
Balance as at March 31, 2019	-	34,967,357	385,574,717	10,670,904	18,220,861	5,330,315	454,764,154
Net block							
Balance as at March 31, 2018	2,116,840	84,518,456	230,388,132	13,482,233	11,500,379	5,728,938	347,734,978
Balance as at March 31, 2019	2,116,840	81,246,092	232,819,770	11,923,046	10,029,868	6,468,106	344,603,722

In the current year, the Company has revised the economic useful life of the fixed assets. As a result, the depreciation charge for the year is lower by ₹ 12,798,333 and the net assets are higher by the same amount.

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019
(All amounts in Rupees, except share data and unless otherwise stated)

Amount in ₹

12B. Intangible assets

	Software	Technical know-how	Total
Gross block			
Balance as at April 1, 2017	8,976,784	20,149,041	29,125,825
Additions during the year	1,221,500	-	1,221,500
Deletions during the year	258,245	-	258,245
Balance as at March 31, 2018	9,940,039	20,149,041	30,089,080
Additions during the year	1,010,705	-	1,010,705
Deletions during the year	-	-	-
Balance as at March 31, 2019	10,950,744	20,149,041	31,099,785

Accumulated depreciation

Balance as at April 1, 2017	7,167,172	11,335,283	18,502,455
Amortisation for the year	973,708	3,021,549	3,995,257
Deletions during the year	238,818	-	238,818
Balance as at March 31, 2018	7,902,062	14,356,832	22,258,894
Amortisation for the year	1,143,463	3,021,549	4,165,012
Deletions during the year	-	-	-
Balance as at March 31, 2019	9,045,525	17,378,381	26,423,906

Net block

Balance as at March 31, 2018	2,037,977	5,792,209	7,830,186
Balance as at March 31, 2019	1,905,219	2,770,660	4,675,879

12C. Capital work-in-progress

	Total
Capital work-in-progress	
Balance as at April 1, 2017	3,188,040
Additions during the year	-
Capitalised during the year	3,188,040
Balance as at March 31, 2018	-
Additions during the year	3,225,474
Capitalised during the year	-
Balance as at March 31, 2019	3,225,474

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

	As at March 31, 2019	Amount in ₹ As at March 31, 2018
13. Long term loans and advances		
Unsecured and considered good		
To parties other than related parties		
Capital advances	17,944	-
Rental deposits	608,288	595,288
Security deposits	6,263,840	5,767,200
Balances with government authorities	1,065,000	1,105,000
Advance income tax (net of provisions for taxation)*	1,569,980	1,477,177
Other advances (unsecured)		
MAT credit entitlement	-	-
Considered good	-	-
Considered doubtful	4,801,968	4,801,968
Less: Provision for doubtful advances	(4,801,968)	(4,801,968)
	9,525,052	8,944,665
*Provision for tax ₹ 2,278,185 (Previous year: ₹ 2,278,185)		
14. Inventories		
(valued at lower of cost and net realisable value)		
Raw materials*	120,483,559	122,045,438
Work-in-progress	20,439,908	32,608,160
Finished goods	25,389,168	73,170,014
Stock-in-trade	12,431,022	11,611,806
Stores and spares	646,355	1,557,341
	179,390,012	240,992,759
Less: Provision for slow and non-moving inventories	(4,134,433)	(8,134,830)
	175,255,579	232,857,929
* Includes Goods-in-transit ₹ 17,572,191 (Previous year: ₹ 6,172,113)		
15. Trade receivables		
Unsecured		
Receivable outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	415,459	42,744
Unsecured, considered doubtful	1,767,261	1,767,261
Less: Provision for doubtful debts	(1,767,261)	(1,767,261)
	415,459	42,744
Other receivables		
Unsecured, considered good	371,268,396	243,874,468
	371,268,396	243,874,468
	371,683,855	243,917,212

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

Amount in ₹

	As at March 31, 2019	As at March 31, 2018
16. Cash and cash equivalents		
Cash and cash equivalents		
Balances with banks		
- In current accounts	7,933,572	6,028,142
- In deposit account	17,000,000	-
Other bank balances*	-	183,823
Cash on hand	-	-
	24,933,572	6,211,965
* Other bank balances represents primarily the restricted bank balances on account of balances held in unpaid dividends bank accounts. During the current year, the Company has remitted the unpaid dividend to the Investor education and protection fund.		
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"	24,933,572	6,028,142
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"	-	-
17. Short-term loans and advances		
Unsecured and considered good		
To parties other than related parties		
Rental deposits	2,289,276	1,714,759
Advance to suppliers	7,363	74,580
Prepaid expenses	8,847,341	9,189,819
Advance to employees	155,008	2,394,871
Balance with government authorities	62,469,019	31,054,994
Other advances	220,000	210,000
	73,988,007	44,639,023
18. Other current assets		
Unsecured and considered good		
Interest accrued on deposit	400,170	397,937
Export benefit receivable	11,456,780	8,805,949
	11,856,950	9,203,886

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

	Amount in ₹	
	Year ended March 31, 2019	Year ended March 31, 2018
19. Revenue from operations		
Sale of products (gross)	2,680,155,941	2,262,984,671
Less: Excise duty	-	45,788,379
Sale of products (net)	2,680,155,941	2,217,196,292
Other operating revenue (scrap sales)	45,317,512	36,376,962
	<u>2,725,473,453</u>	<u>2,253,573,254</u>
Breakup of revenue from sale of products		
Manufactured goods		
Mixer and grinder	1,278,360,885	1,027,596,395
Electric rice cooker	1,210,727,651	1,042,327,870
Service parts and accessories	93,197,915	67,467,566
	<u>2,582,286,451</u>	<u>2,137,391,831</u>
Traded goods		
Mixer and grinder	39,255,479	15,068,217
Electric rice cooker	11,954,684	5,163,809
Others	46,659,327	59,572,435
	<u>97,869,490</u>	<u>79,804,461</u>
	<u>2,680,155,941</u>	<u>2,217,196,292</u>
20. Other income		
Interest income on deposits	400,170	397,937
Export incentives	31,070,807	23,164,442
Provision for inventory written back (net)*	3,918,784	-
Gain on exchange fluctuation (net)	-	4,473,950
Liabilities no longer required written back	306,003	1,056,610
Miscellaneous income	5,246,413	6,780
	<u>40,942,177</u>	<u>29,099,719</u>

* includes inventories written off amounting to ₹ 81,613.

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

	Year ended March 31, 2019	Year ended March 31, 2018
		Amount in ₹
21. Cost of raw material consumed		
Inventories at the beginning of the year	122,045,438	98,887,734
Add: Purchases	1,530,161,304	1,308,731,604
Less: Inventories at the end of the year	120,483,559	122,045,438
	<u>1,531,723,183</u>	<u>1,285,573,900</u>
Breakup of cost of raw material consumed		
Aluminium sheets and ingots	241,692,441	204,809,088
Motors	221,038,741	195,065,452
Stainless steel	120,015,565	108,828,918
Thermoplastic materials	99,470,128	78,527,023
Power cord	90,301,819	79,533,155
CRCA sheets	73,582,661	61,965,119
Teflon circles	26,173,204	20,017,253
Thermostat	18,012,964	19,051,678
Wet Grinder drums	16,803,806	13,235,976
Paint	11,763,545	10,828,082
Others	612,868,309	493,712,156
	<u>1,531,723,183</u>	<u>1,285,573,900</u>
Details of inventories		
Aluminium sheets and ingots	13,377,561	21,429,625
Teflon circles	10,024,634	8,755,027
Power cord	7,297,197	6,970,467
Stainless steel	5,045,665	9,624,967
Thermoplastic materials	2,004,804	1,057,508
Motors	1,974,753	6,480,117
CRCA sheets	1,872,925	1,193,800
Others	78,886,020	66,533,927
	<u>120,483,559</u>	<u>122,045,438</u>
22. Purchase of traded goods		
Mixer and grinder	13,596,114	36,778,763
Electric rice cooker	11,891,635	3,745,511
Others	56,459,503	23,607,513
	<u>81,947,252</u>	<u>64,131,787</u>

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

	Year ended March 31, 2019	Year ended March 31, 2018
		Amount in ₹
23. Change in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the beginning of the year		
Finished goods	73,170,014	53,601,290
Work-in-progress	32,608,160	28,317,470
Stock-in-trade	11,611,806	6,963,104
	<u>117,389,980</u>	<u>88,881,864</u>
Inventories at the end of the year		
Finished goods	25,389,168	73,170,014
Work-in-progress	20,439,908	32,608,160
Stock-in-trade	12,431,022	11,611,806
	<u>58,260,098</u>	<u>117,389,980</u>
	<u>59,129,882</u>	<u>(28,508,116)</u>
Details of inventories		
Finished goods		
Mixer and grinder	14,160,811	34,263,533
Electric rice cooker	8,375,922	31,004,211
Service parts and accessories	2,852,435	7,902,270
	<u>25,389,168</u>	<u>73,170,014</u>
Work-in-progress		
Electric rice cooker	13,194,764	20,621,432
Mixer and grinder	7,245,144	11,986,728
	<u>2,043,908</u>	<u>32,608,160</u>
Stock-in-trade		
Mixer and grinder	1,145,090	2,848,188
Electric rice cooker	2,073,486	12,551
Others	9,212,446	8,751,067
	<u>12,431,022</u>	<u>11,611,806</u>
24. Employee benefit		
Salaries, wages and bonus	271,076,642	249,404,258
Contribution to provident and other fund (Refer note 36)	15,156,365	17,448,903
Staff welfare expenses	30,142,656	27,081,179
	<u>316,375,663</u>	<u>293,934,340</u>

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

	Year ended March 31, 2019	Year ended March 31, 2018
		Amount in ₹
25. Finance costs		
Interest expenses	16,552,087	30,243,294
	16,552,087	30,243,294
26. Depreciation and amortisation		
Depreciation of property, plant and equipment	47,471,314	53,612,814
Amortisation of intangible assets	4,165,012	3,995,257
	51,636,326	57,608,071
27. Other expenses		
Consumption of stores and spare parts	42,684,076	43,175,599
Power and fuel	49,300,802	47,128,025
Freight, clearing and forwarding	82,615,886	72,056,241
Contract labour	80,082,585	76,028,939
Rent (Refer note 34)	7,204,988	8,809,932
Repair and maintenance		
- Building	6,216,839	4,663,767
- Machinery	3,274,076	2,372,318
- Others	13,076,424	12,652,746
Insurance	7,324,324	8,174,996
Rates and taxes	2,337,242	1,820,216
Travelling expenses	53,014,073	43,423,078
Legal and professional fees (Refer note below)	11,603,586	12,348,935
Advertising and sales promotion	187,344,618	156,751,454
Bank charges	2,119,895	1,667,409
Telephone and other communication expenses	6,373,079	6,416,340
Printing and stationery	2,820,807	3,506,735
Warranty costs (Refer note 38)	8,132,164	8,974,787
Product development expenses	9,054,300	13,484,656
Royalty	25,587,331	21,683,380
Brand license fees	13,886,378	12,249,311
Directors sitting fees	987,500	460,000
Loss on foreign exchange fluctuations (net)	12,476,230	-
Provision for inventory	-	3,318,255
Provision for bad and doubtful debts	-	95,517
Loss on sale/retirement of property, plant and equipment	825,409	2,722,895
Miscellaneous expenses	10,624,133	13,576,651
	638,966,745	577,562,182
Details of payment to auditor (exclusive of tax)		
As auditor:		
Audit fees	2,700,000	2,700,000
Tax audit fees	200,000	200,000
Other services	722,700	550,000
Reimbursement of expenses	240,917	207,904
	3,863,617	3,657,904

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

	As at March 31, 2019	Amount in ₹ As at March 31, 2018
28. Contingent liabilities		
28.1 Claims against the Company not acknowledged as debts		
West Bengal Sales tax Act, 1994	220,582	220,582
West Bengal Value Added Tax Act, 2003	3,777,892	3,777,892
Uttar Pradesh Value Added Tax Act, 2008	579,716	579,716
Andhra Pradesh Value Added Tax Act, 2005	-	89,251
Finance Act, 1994	7,401,833	7,401,833
Maharashtra Value Added Tax Act, 2002	-	166,127
28.2 Capital and other commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances*	8,080,380	-
* The above capital commitments are primarily for the purchase of paint guns and mounting of new paint booth.		
29. Value of imports calculated on CIF basis		
	Year ended March 31, 2019	Year ended March 31, 2018
Raw materials	464,364,376	374,075,326
Stock-in-trade	53,681,460	55,496,733
Capital goods	20,197,581	13,043,215
	538,243,417	442,615,274
30. Expenditure in foreign currency (accrual basis)		
Royalty	25,587,331	21,683,380
Brand license fee	13,886,378	12,249,311
Design and consultancy charges	29,872,903	10,673,390
Travel	5,491,510	2,767,757
Others	3,934,740	418,500
	78,772,862	47,792,338

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

Amount in ₹

31. Imported and indigenous raw materials and components consumed

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Value	% of total consumption	Value	% of total consumption
Raw materials and packing materials				
Import	478,758,092	31%	376,804,876	29%
Indigenous	1,052,965,091	69%	908,769,024	71%
	1,531,723,183	100%	1,285,573,900	100%
Stores and spares				
Import	-	-	-	-
Indigenous	42,684,076	100%	43,175,599	100%
	42,684,076	100%	43,175,599	100%

32. Earnings in foreign currency (accrual basis)

	Year ended March 31, 2019	Year ended March 31, 2018
FOB value of exports	776,732,969	595,027,387

33. Un-hedged foreign currency exposure

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

	As at March 31, 2019		As at March 31, 2018	
	Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Trade receivable				
USD	1,124,547	77,728,761	917,720	60,018,828
Trade payable				
USD	1,870,834	129,598,237	1,138,106	72,221,096
JPY	4,212,818	2,634,336	1,884,801	1,167,008

34. Leases

Operating lease: Company as lessee

The Company had entered into leases for office premises and godown, all of which are cancellable. The lease period is one year and renewable at the end of the lease period. The total lease rental expense recognised in the statement of profit and loss during the year is ₹ 7,204,988 (Previous year: ₹ 8,809,932).

35. Details of dues to micro and small enterprises as defined under the Micro Small and Medium Enterprises Development Act 2006 (MSMED 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

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

payable to such enterprises as at March 31, 2019 has been made in the financial statements based on information received and available with the Company.

	As at March 31, 2019	As at March 31, 2018
(a) The amounts remaining unpaid to Micro, Small and Medium Enterprises Development Act, 2006 as at the end of the period		
Principal	14,898,519	12,443,894
Interest	138,785	820,964
(b) The amount of interest paid by the buyer as per MSMED Act, 2006	820,964	172,142
(c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	50,284,768	78,287,569
(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	138,785	787,193
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year	138,785	820,964
(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	-	-

36. 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 ₹ 11,871,142 (Previous year: ₹ 11,008,333).

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 annually by a qualified actuary using the projected unit credit method.

	As at March 31, 2019	As at March 31, 2018
A. Changes in the present value of the defined benefit obligations		
Opening defined benefit obligation	39,116,645	36,058,796
Current service cost	3,057,771	3,011,458
Interest cost	2,945,610	2,462,914
Benefits paid	(717,232)	(1,748,632)
Actuarial loss/(gain) on obligation	1,292,196	(667,891)
Closing defined benefit obligation	45,694,990	39,116,645

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

	As at March 31, 2019	Amount in ₹ As at March 31, 2018
B. Change in plan assets		
Opening fair value of plan assets	34,444,463	28,401,936
Expected return	3,099,322	2,668,293
Actuarial gain/(loss)	2,518,283	(2,605,267)
Contribution made in the current year	4,753,531	7,728,133
Benefits settled	(717,232)	(1,748,632)
Closing fair value of plan assets	44,098,367	34,444,463
C. Actual return on plan assets		
Expected return on plan assets	3,099,322	2,668,293
Actuarial gain/(loss) on plan assets	2,518,283	(2,605,267)
Actual return on plan assets	5,617,605	63,026
D. Reconciliation of present value of the obligation and the fair value of the plan assets		
Present value of defined benefit obligation	45,694,990	39,116,645
Fair value of plan assets	44,098,367	34,444,463
Net liability recognised in Balance sheet	1,596,623	4,672,182
E. Expenses recognised in Statement of profit and loss		
Current service cost	3,057,771	3,011,458
Interest cost on benefit obligation	2,945,610	2,462,914
Expected return on plan assets	(3,099,322)	(2,668,293)
Net actuarial (gain)/loss recognised in the year	(1,226,087)	1,937,376
Net benefit expense included in "Employees benefits"	1,677,972	4,743,455
F. Assumptions at Balance sheet date		
	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.41%	7.60%
Salary escalation rates	5.00%	5.00%
Attrition rate	8.20%	8.20%
Expected rate of return on plan assets	8.50%	8.50%

Note:

The gratuity expenses have been recognised in "Contribution to provident and other funds" under Note 24 in the Statement of Profit and Loss.

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

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

Experience adjustment for the current and previous three financial years are as follows:

	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Defined benefit obligation	45,694,990	39,116,645	36,058,796	28,755,474
Plan assets	44,098,367	34,444,463	28,401,936	21,308,476
Surplus/(deficit)	(1,596,623)	(4,672,182)	(7,656,860)	(7,446,998)
Experience adjustments on plan liabilities gain/(loss)	(771,324)	(842,342)	(1,607,511)	(3,245,612)
Experience adjustments on plan assets gain/(loss)	2,518,283	(2,607,267)	45,236	(57,393)

37. Segment reporting

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 three geographical areas, India, SAARC countries and Rest of the world. The SAARC countries consist of Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan, Sri Lanka, Maldives and Nepal, which form part of SAARC countries. 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 area.

Revenue

	Year ended March 31, 2019	Year ended March 31, 2018
India	1,948,740,484	1,658,545,867
SAARC countries	208,564,501	162,910,065
Rest of the world	568,168,468	432,117,322
	2,725,473,453	2,253,573,254

Carrying value of Segment assets

	As at March 31, 2019	As at March 31, 2018
India	940,579,402	841,321,016
SAARC countries	21,472,358	23,445,126
Rest of the world	57,696,330	36,573,702
	1,019,748,090	901,339,844

Other Segment information - Capital expenditure

	Year ended March 31, 2019	Year ended March 31, 2018
India		
Property, plant and equipment	45,710,155	81,533,976
Intangible assets	1,010,705	1,221,500
Capital work-in-progress	3,225,474	-
SAARC countries	-	-
Rest of the world	-	-
	49,946,334	82,755,476

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

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

Segment reporting (continued)

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.

38. Disclosure relating to certain provisions (as per Accounting Standard 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 and replacement.

	As at March 31, 2019	As at March 31, 2018
At the beginning of the year	16,045,777	15,764,395
Provision made during the year	8,132,164	8,974,787
Provision utilised during the year	11,812,424	8,693,405
At the end of the year	12,365,517	16,045,777

39. Related party transactions

A. Names of related parties and related party relationship

Related parties where control exists

Holding company Panasonic Corporation, Japan

Related parties with whom transactions have taken place

Fellow subsidiaries

Panasonic India Private Limited
 Panasonic A.P. Sales (Thailand) Co. Ltd.
 Panasonic Appliances Company of America, USA
 Panasonic Appliances Rice Cooker (Hangzhou) Co Ltd, China
 Panasonic Canada Inc., USA
 Panasonic Consumer Electronics Co., USA
 Panasonic Consumer Service Group Texas, USA
 Panasonic Corporation BC Division, PR Department, Japan
 Panasonic Corporation Home Appliances Company, Japan
 Panasonic Corporation of North America, USA
 Panasonic DE Mexico S.A & DE C.V, USA
 Panasonic Greater Mekong Marketing and Sales, Singapore
 Panasonic Industrial Devices Automation Controls Sales Asia
 Panasonic Latin America S.A, Panama
 Panasonic Logistics Asia Pacific, Singapore
 Panasonic Malaysia Sdn. Bhd.
 Panasonic Manufacturing Philippines Corporation
 Panasonic Marketing Middle East & Africa FZE, Dubai
 Panasonic Marketing Sales Taiwan Co. Ltd.
 Panasonic Procurement Malaysia Sdn. Bhd.
 Panasonic Singapore
 Panasonic Taiwan Co. Ltd.
 Panasonic Vietnam Co. Ltd.
 PT Panasonic Gobel Indonesia

Key Management Personnel

Mr. Hidenori Aso, Managing Director
 Mr. Jayaprakash Kalappan, Chief Financial Officer (wef. April 1, 2018)
 Mr. Subhanarayan Muduli, Company Secretary
 Mr. Ramachandran Kunnath, Chief Financial Officer (till January 17, 2018)

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial years. Amount in ₹

Nature of transaction	Year ended March 31, 2019	Year ended March 31, 2018
Sale of goods		
Panasonic Logistics Asia Pacific	543,739,639	429,969,446
Panasonic India Private Limited	65,237,067	66,009,738
Panasonic Corporation Home Appliances Company	19,801,213	-
Panasonic Consumer Service Group Texas	1,068,765	587,780
Panasonic Marketing Middle East & Africa FZE	568,232	253,610
Panasonic Malaysia Sdn. Bhd.	522,407	341,425
Panasonic Procurement Malaysia Sdn. Bhd.	348,550	-
Panasonic Consumer Electronics Co.	250,483	-
Panasonic A.P.Sales (Thailand) Co. Ltd.	158,722	71,721
Panasonic Vietnam Co. Ltd.	97,837	36,727
Panasonic Appliances Rice cooker (HANGZOU)	66,210	-
Panasonic Singapore	34,912	111,353
Panasonic Canada Inc.	809	7,635
Panasonic Taiwan Co. Ltd.	554	-
Panasonic DE Mexico S.A & DE C.V	-	33,634
Panasonic Manufacturing Philippines Corporation	-	21,667
Panasonic Marketing Sales Taiwan Co. Ltd	-	11,342
Panasonic Appliances Company of America	-	10,069
PT Panasonic Gobel Indonesia	-	3,272
Panasonic Corporation BC Division, PR Department	-	884
Panasonic Latin America, S.A	-	444
Purchase of goods		
Panasonic Greater Mekong Marketing and Sales	51,835,974	43,417,112
Panasonic India Private Limited	19,054,534	-
Panasonic Industrial Devices Automation Controls Sales Asia	482,069	313,049
Panasonic Taiwan Co. Ltd.	173,847	147,832
Panasonic Logistics Asia Pacific	31,282	139,836
Panasonic Corporation	7,758	4,901
Panasonic Singapore	-	9,596,589
Reimbursement of expenses received		
Panasonic Corporation	-	27,505,216
Reimbursement of expenses paid		
Panasonic Consumer Electronics Company	16,844,553	-
Panasonic Corporation	10,058,541	8,674,348
Panasonic India Private Limited	4,810,942	5,996,550
Panasonic Manufacturing Philippines Corporation	605,077	480,223
Panasonic Corporation of North America	587,741	376,762
Panasonic Singapore	162,896	118,577
Panasonic A.P.Sales (Thailand) Co. Ltd.	60,357	202,283
Panasonic Marketing Sales Taiwan Co. Ltd.	-	12,414
Rent paid		
Panasonic India Private Limited	1,062,000	335,000
Royalty paid		
Panasonic Corporation	25,587,331	21,683,380

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

Amount in ₹

Nature of transaction	Year ended March 31, 2019	Year ended March 31, 2018
Brand license fees paid		
Panasonic Corporation	13,886,378	12,249,311
Remuneration paid		
Mr. Hidenori Aso	2,651,520	2,790,722
Mr. Jayaprakash Kalappan	4,173,059	-
Mr. Subhanarayan Muduli	608,274	-
Mr. Ramachandran Kunnath	-	4,051,882

The following table provides the details of the balances that have been with the related parties at the end of the relevant financial years:

Nature of transaction	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Panasonic Logistics Asia Pacific	55,418,273	36,485,307
Panasonic India Private Limited	7,250,523	2,447,754
Panasonic Corporation Home Appliances Company	1,977,247	-
Panasonic Malaysia Sdn. Bhd.	72,023	-
Panasonic Procurement Malaysia Sdn. Bhd.	69,120	-
Panasonic Marketing Middle East & Africa FZE	23,570	-
Panasonic Consumer Service Group Texas	23,432	-
Panasonic Singapore	10,506	86,571
Panasonic Vietnam Co. Ltd.	4,838	-
Panasonic A.P.Sales (Thailand) Co. Ltd.	4,700	-
Trade payables		
Panasonic Corporation	29,652,419	31,642,866
Panasonic India Private Limited	8,974,533	2,919,912
Panasonic Consumer Electronics Company	2,740,716	-
Panasonic Corporation of North America	83,592	80,883
Panasonic A.P.Sales (Thailand) Co. Ltd.	47,855	-
Panasonic Taiwan Co. Ltd	1,011	-
Panasonic Manufacturing Philippines Corporation	-	384,105

- C. During the current year, the Company has purchased used fixed assets amounting to ₹ 17,164,179 (Outstanding as at March 31, 2019) from Panasonic Appliances Rice Cooker (Hangzhou) Co. Ltd., China through an agent SIAM MEISEI Co. Ltd., Thailand (MEISEI). Considering the specialized nature of the used machinery purchased, the Company was unable to establish that the transaction is at arm's length. In accordance with section 188 of the Companies Act, 2013 read along with the rules made therein, the Company is required to obtain shareholders' approval through an ordinary resolution either prior to the transaction or a ratification within three months from the date of transaction, failing which the transaction is voidable at the option of the shareholders. However, due to certain administrative delays the Company obtained a ratification of the transaction from the Shareholders post the stipulated time. The Company, basis the opinion from their legal counsel has determined that this transaction is valid, as the shareholders did not exercise their option to make it voidable.

Panasonic *APPLIANCES INDIA COMPANY LIMITED*

Notes to financial statements for the year ended March 31, 2019

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

40. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations

	Year ended March 31, 2019	Year ended March 31, 2018
Net profit for calculation of EPS	70,084,492	2,127,515
Weighted average number of equity shares	12,014,245	9,832,000
Basic EPS (in ₹)	5.53	0.22
Diluted EPS (in ₹)	5.83	0.22
Face value per share (in ₹)	10	10

41. Transfer pricing

The Company has entered into international transactions with related parties. For the year ended March 31, 2018, the Company has obtained an Accountant's report from a chartered accountant in respect of international/domestic transactions with related parties as required by the relevant provisions of the Income Tax Act, 1961 and the same has been filed with tax authorities. For the current year, the Company confirms that it has maintained documents as prescribed by the Income Tax Act, 1961, to prove that these international/domestic transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

42. The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2019.

43. Prior period comparatives

Previous year's figures have been regrouped/reclassified, wherever necessary to conform to current year's classification.

As per our report of even date attached

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

S. Sethuraman
Partner
Membership No: 203491

Place: Chennai
Date: June 5, 2019

for and on behalf of the Board of Directors of
Panasonic Appliances India Company Limited
CIN: U30007TN1988PLC016184

Ganesan Thiagarajan
Managing Director
DIN: 08377223

Subramanian Krishnaswamy
Director
DIN: 00019088

Jayaprakash Kalappan
Chief Financial Officer
PAN: ALZPK6505C

Place: Chennai
Date: June 5, 2019

Ken Nakayama
Executive Director
DIN: 08377188

Ajit Gopal Nambiar
Director
DIN: 00228857

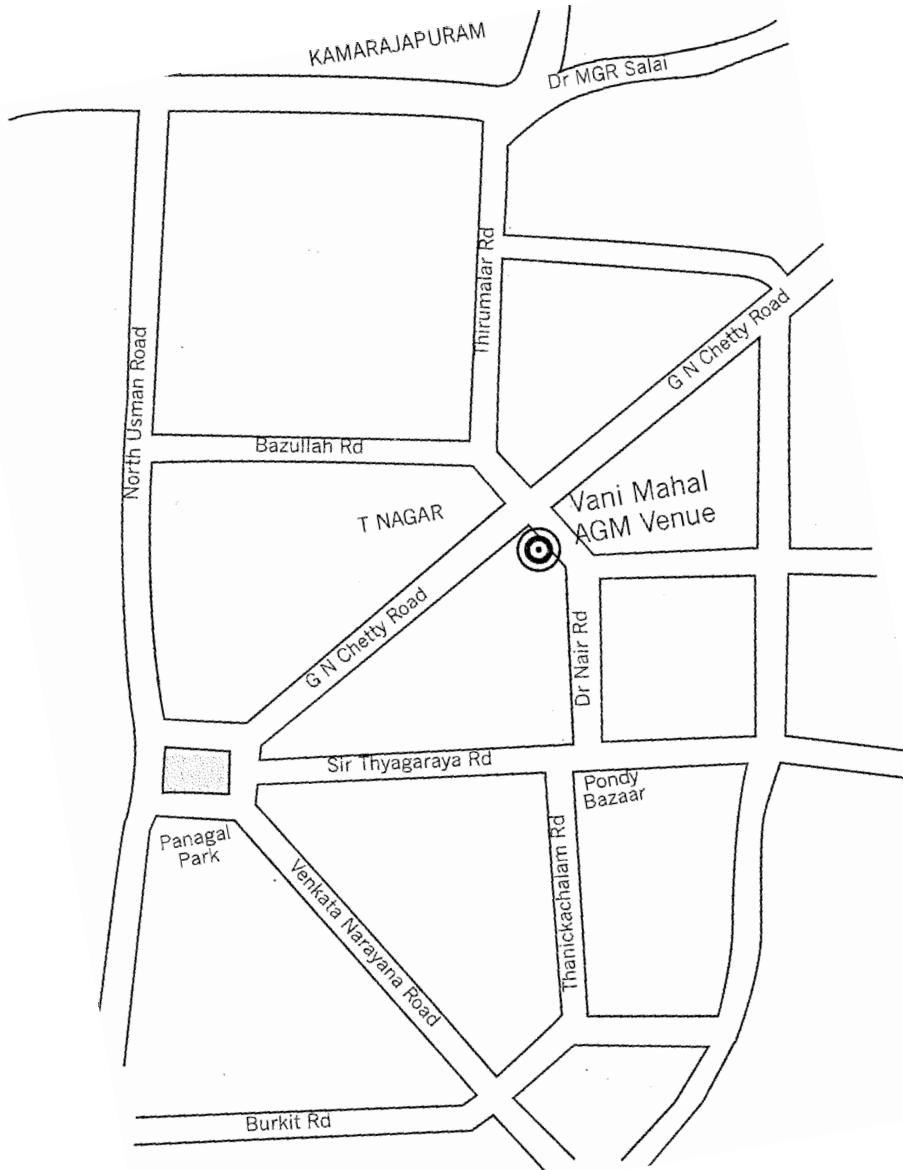
Subhanarayan Muduli
Company Secretary
Membership No.: A41513

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AGM HALL ROUTE MAP

PANASONIC APPLIANCES INDIA CO.LTD AGM VENUE

Thursday, September 26, 2019 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 COMPANY LIMITED

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