



Panasonic

TRANSCRIPT

of

33rd

ANNUAL GENERAL MEETING

of

**Panasonic Appliances India
Company Limited**



PARTICIPANTS:

- Mr. K. Subramanian** - Chairman of this Meeting
Independent and Non-Executive Director
Also, the Chairman of the Audit Committee,
Nomination and Remuneration Committee,
Corporate Social Responsibility Committee, and
Stakeholders' Relationship Committee of the Company
- Mr. T. Ganesan** - Managing Director and member
- Mr. Ajit Gopal Nambiar** - Independent and Non-Executive Director
- Mr. Jayaprakash Kalappan** - Chief Financial Officer & Company Secretary
- Mr. Ken Nakayama** - Representative, M/s. Panasonic Corporation, Japan
Chief, Cooking Business Unit,
Kitchen Appliances Business Division
- Mr. S. Nachiappan** - Partner, M/s. BSR & Co. LLP,
Chartered Accountants, Statutory Auditors
- Mr. P.V. Anand** - Representative, M/s. BSR & Co. LLP,
Chartered Accountants, Statutory Auditors
- Mr. K. Vairamutthu** - Partner, M/s. Venkatesh & Co.,
Chartered Accountants, Internal Auditors
- Ms. H. Disha** - Representative, M/s. M Alagar & Associates,
Company Secretaries, Secretarial Auditors
- Mr. D. Saravanan** - Representative, M/s. M Alagar & Associates,
Company Secretaries, Scrutinizer for AGM

Shareholders and moderators from NSDL



The 33rd Annual General Meeting started at 10:00 AM (IST) and concluded at 10:30 AM (IST)

Mr. Jayaprakash Kalappan Good morning, Dear Shareholders,

I welcome you all, on behalf of your Company, Panasonic Appliances India Company to its 33rd Annual General Meeting, which is being held through Video Conferencing today.

At the outset, I will take you through certain points regarding the participation and voting at this meeting.

All the members are requested to mute their mobile phones during proceedings. Members are encouraged to join the meeting through their computers, laptops with headphones-on for better experience and use internet with high speed to avoid any disturbance during the meeting.

The registered office of the company situated at Chennai, shall be deemed to the venue of this AGM and the proceedings of the AGM shall be deemed to be made thereat to transact the business as mentioned in the Notice.

The Company has received request from the members as speaker in the AGM today. Members have been provided a specific links to log in to the meeting and shall allow them to speak once the Chairman directs the same.

The members who have not voted through remote e-voting can cast their votes through e-voting facilities during this AGM.

Now, I request Mr. K. Subramanian, Chairman to conduct the proceedings of this meeting.

Mr. K. Subramanian Is quorum present?

Mr. Jayaprakash Kalappan Yes Sir. Quorum present.

Mr. K Subramanian The requisite quorum being present, now I call the meeting to order.

First of all, it is a pleasure to introduce my colleague directors, we have Mr. T. Ganesan, Managing Director of the Company he is participating from Chennai, Mr. Ajit Gopal Nambiar, Independent Director of the Company he is participating from Bangalore.



In view of their other occupation, Mr. Masayuki Sasage, Non-Executive Director of the Company and Mr. Yoshiteru Oshima, Additional Director of the Company are not able to attend the AGM.

Mr. Ken Nakayama, Representative of Panasonic Corporation Japan he is participating from Japan, the Statutory Auditors M/s. B S R & Co. LLP, the Internal Auditors M/s. Venkatesh & Co, the Secretarial Auditors and Scrutinizer for AGM, M/s. M. Alagar & Associates, Company Secretaries and their representatives are present in the AGM.

Mr. K Subramanian

Dear Shareholders,

Good morning. It is our pleasure to meet with you all, although virtually and on this occasion may I on behalf of the Board of Directors and the Management of the Company, welcome you to the 33rd Annual General Meeting of your Company.

It has been a challenging year as the Covid-19 contagion ravaged socio-economic development globally. Your Company took all precautionary measures to ensure health and safety of its employees and its workers. This helped in running the business operation to near normalcy in this pandemic situation. The business and result of first half of the financial year was not satisfactory. However, the Company has performed well in the second half and made its recovery after it resumed its operations. As nearly 80-88% of employees in various sectors in India opted for work from home, the employees perhaps preferred to prepare their food in their home itself. Consequently, your Company's products were sold very well in the second half of the financial year.

Still, as you are all aware, there are some restrictions and difficulties for business operation across all places, and stability of many businesses will take some more time to come back to normal. This situation makes economic forecast and planning difficult for all countries and therefore such forecasts and planning is challenging for your Company also. However, your Company is still striving hard to overcome the adverse situation. We are very confident that with the cooperation of all stakeholders, your



Company will be successful in steering to greater heights during the years to come.

Review of Performance

During the financial year under review, your Company has reported net sales of ₹252 Crore. The Company performance was affected by the outbreak of Covid-19 for almost all months in the current year and factory operation was suspended for more than 45 days in the first quarter. In spite of such unprecedented events, the Company has achieved its highest-ever profit of ₹10.5 Crore, which is 4.2% of net sales.

The Company has also wiped out its entire accumulated losses, which had been incurred in the earlier financial years and ended up with the net positive surplus of ₹5.4 Crore at the end of the financial year.

The Company has increased its focus on cost reduction measures, at its manufacturing facility, offices and branches. And it focuses on strengthening the Internal Financial Controls through various counter measures.

The Export sales of the Company have been projected at the rate of growth of 8% year on year. As your Company has become the hub for manufacture of electric rice cookers for Panasonic Corporation, to cater to the demand across the globe the export sales is expected to raise further in the next five years. We have planned to introduce new models of Mixer Grinder and Rice Cooker, which would add further value to the sales and significant amount of marginal profit.

I express my thanks to the shareholders for their continued faith in the Company. I thank Panasonic Corporation Japan for their support and continue guidance. I thank also the bankers who have been very supportive. I thank also my colleagues on the Board for their assistance and contribution.

I must particularly mention the dedicated work done by all the employees of the Company under these very difficult circumstances.



I take this opportunity to request all of you to take care of yourself and families during this critical time and wish you all the best for a very happy and healthy new year.

Thank you.

Mr. K Subramanian

The Notice convening the Annual General Meeting, the Director's Report, the Audited Accounts for the Financial Year ended 31st March 2021 have already been circulated through electronic mail and therefore with your kind permission I take them as read.

As per Statutory Auditors Main Report, there are no qualifications, no reservation, adverse remark or disclaimer. But, the Statutory Auditors in their Report on Internal control has observed the below material weakness, without qualifying their opinion on the financial statements for the financial year ended March 31, 2021.

I request Mr. Jayaprakash can brief it further.

Mr. Jayaprakash Kalappan

Thank you, Chairman sir.

In the Audit report on Internal Financial Control, the Auditors have qualified certain qualifications. I would like to read out that.

- 1) The Company did not have an appropriate internal control system surrounding pricing for purchase of materials and moulding parts, and vendor evaluation at frequent intervals which could potentially result in financial losses.
- 2) The Company did not have an appropriate internal control system for marketing schemes to be applied to each customer, factors considered for its basis and business case which could potentially result in inappropriate benefits given to specific customers.
- 3) The Company did not have an appropriate internal control system for daily attendance tracking of sales field manpower supplied by vendors for marketing and sales incentives paid to them which could potentially result in excessive payments being made to such vendors.

The management has evaluated the implications of the hereinabove mentioned observations in the Auditor's report and concluded that there are no material misstatements in the financial statements of the current or past



years in this regard. Further the management is in the process of strengthening these controls related to the aforesaid processes.

However, there are no comments on the financial transactions or matters, which have an adverse effect on the functioning of the Company.

Mr. Jayaprakash Kalappan

The Register of Directors and Key Managerial Personnel and their shareholding as per Section 170 of the Companies Act, 2013 and the Register of contracts or arrangements in which directors are interested as per Section 189 of the Companies Act, 2013 is available electronically for members' inspection on your Company's website under Investor tab.

Mr. K. Subramanian

Before I read out the Resolutions, I now request the Managing Director, Mr. T. Ganesan, Managing Director of the Company to make a brief on the performance of the Company and its immediate future.

Mr. T Ganesan

Thank you, Chairman sir.

Good morning.

Dear Shareholders, Chairman, and my dear colleagues.

First, I take this opportunity to extend my sincere thanks and gratitude for your continued strong support in the fiscal year 20-21.

As you all are aware the fiscal year 20-21, we all gone through tough challenging situation posed by the Covid-19 pandemic outbreak, which not only affected the India. It is global crisis and which has resulted a lock-down across the globe as well in India. This is to restrict the "flatten the curve" of the infection to the spread around the human, which is for the safety and well-being of the people.

And the lockdown made millions of citizens to stay at their homes and temporarily to shut down the businesses. The businesses in India and globally has started constantly grappling with an unprecedented change due to pandemic Covid-19

This nationwide lockdown due to covid-19 pandemic has put a halt in the factory operations for more than 2 months, commercial activities across



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India and globe, the supply chain logistic has delayed, big retail malls and local chain stores has dented the business, because of lock-down.

However, with the strong efforts and resilience shown by your company, has resulted in positive financial results, which is ₹10.58 crores and which is one of the highest ever in your company history as Profit.

In overall we could achieve sales of ₹252 Crores which is 80% versus our Business Plan and which is 92% versus fiscal year 2019-20 under the challenging touch situation, faced due to the Covid-19.

During the fiscal year, the first half really, we have dented badly, as there is no operation for the first two months. So, which we could do the export market alone. We could do perform only 60% of the sales achievement versus the Business Plan However, the Covid-19 infection rate started settling down, we could back strongly in the second half, which we could do 97% versus BP in terms of the sales and 124% versus last year. Out of which export alone contributed 108% and out of which, 138% comes from the SAARC countries export market.

During this period, our achievement is eCom business. Because many of the lock-down has pushed the people to remain in the house. Making this opportunity, we could grow very strongly and achieve sales about 172% in eCom business during the second half of the year. This overall performance resulted in a net achievement of ₹10.58 crores as Profit.

And during the fiscal year, you company FY 20 your company has brought the successfully models through new Mixie introduction of AV 600 Watts. Nearly this product is coming to the market from Panasonic after 7 years. The initiative taken by in-house R&D capability as well we brought a bigger capacity cooker, which is 2.8 Litre into the Domestic market. These two significantly contributed and well accepted in the market, which resulted ₹4.5 crores in terms of sales value, which generated towards the marginal profit. And it is well accepted across India and through touch challenges we could manage the sales, this is one of the contributing factors, which help the sales strongly in the second half.



Other than the new products, the company has taken the measures in controlling the fixed cost through our various cost buster activities across the company including factory, branches, logistics, travel, which is resulted to boosting the fixed cost reduction to help to achieving the profit. Also, the overall control, which reduce the bank interest and borrowing, and market collections significantly 100% over, we could consistently able to do and these are all the factors, which helped the company to reach a highest ever profit in the company history.

Going forward your company also made strong road map towards future growth by making your company into Global hub for electric rice cooker manufacturing as well this being export over 50 countries. So this pick-up, we are only leading cooker manufacturing hub for Panasonic in a global market. As well as we are making the different product ranges in cooker and mixie by creating innovation and value addition into the product, which is more suited to Indian taste and deliciousness of the Indian food base. This will enhance, going forward for the futuristic growth and innovative product to more suited to the Indian market other than the global export market, which we are exporting over 50 countries very strongly, which is about 33% on overall sales.

I once again thanks to all the shareholders for their continued support to our Company.

I also extend my gratitude and thanks to Panasonic Headquarters and Board of directors for their strong support, guidance and timely advice, which resulted in company get the successful results during the fiscal year 20-21.

And my sincere thanks to all my colleagues for the dedicated hard work, strong will, never quit attitude as a team to regain your company into a healthy financial position in fiscal year 20-21, though we faced the touch challenge posed by covid-19 pandemic.



Once again thank you for all your strong support and take care of you and your family as well. Once again thanks for the same. My advance wishes for a happy and prosperous new year. Thank you.

Mr. K Subramanian

Thank you Mr. Ganesan.

I now request Company Secretary to list out the Resolutions and on the basis of the Resolutions, you can ask for any questions and clarifications and this shall be also replied by Managing Director and CFO suitably.

Mr. Jayaprakash Kalappan

Thank you, Chairman sir. I am going to read out the Resolution, what we pass this AGM.

The First Resolution. It is the ordinary resolution, to consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021, together with the Reports of the Board of Directors and the Auditors thereon.

Second Resolution. To appoint a director in place of Mr. T. Ganesan (DIN: 08377223), Managing Director, who retires by rotation and, being eligible, offers himself for re-appointment. This is also the ordinary resolution.

Third Resolution. To approve the Remuneration of Mr. T. Ganesan (DIN: 08377223), Managing Director and Key Managerial Personnel of the Company. This is also the ordinary resolution.

The last and fourth Resolution. To approve the appointment of Mr. Yoshiteru Oshima (DIN: 09121165), as Non-Executive Director of the Company, by way of ordinary resolution.

Thank you, Chairman sir.

Mr. K Subramanian

Thank you. I now ask the Company Secretary to list out the questions and Mr. Ganesan and Mr. Jayaprakash will answer it suitably.

Mr. Jayaprakash Kalappan

Thank you, Chairman sir.

We have received request from one of the members as speaker in the AGM today. Mr. Aspi Bamanshaw Bhesania. His DP ID. is IN303655 and his Client ID is 10213155.



With the permission of Chairman, I now invite Mr. Aspi Bhesania who has registered himself as speaker to express his views and ask questions.

Mr. K. Subramanian

Please go-ahead.

Moderator of NSDL

Speaker Sir, you can unmute and able to speak now.

**Mr. Aspi Bamanshaw
Bhesania**

Anyone can hear me.

Mr. Jayaprakash Kalappan

Yes. Please go-ahead.

**Mr. Aspi Bamanshaw
Bhesania**

Sir, I am speaking from Bombay. I am a shareholder in many, many years and continued to remain as shareholder. But this is the first time I am attending the AGM from Bombay. Sir, first of all, I congratulate the management for the excellent result and more you can continue to do that as well. I would like to know why only this year made profit and why not earlier.

Also, I would like congratulate the Company Secretary. Because yesterday night I sent an email and immediately I got reply from him after 11'o clock, which is appreciated. And I wish you to do continue as such a way. But also, he should also give his mobile no. So, in case of any problem, we can call and send the message.

Sir, we have three Companies of Panasonic, two listed and one unlisted. Why don't we have only one listed company, it just like Hindustan Union Lever, whatever company they acquire, everything is under listed company only. Why don't you suggest that your parent company to merge all the companies to one? Whatever companies you have in India into one listed Company.

Sir, now you made the profit, don't be hurry to give the Dividend. Because it is taxable at 30% in my hand.

And, what is the capacity and utilisation and if the capacity is fully utilised and how to propose to increase the capacity.

The auditors commented so much about don't have the proper system at all. What is the road-map for next two to three years.



Thank you very much and all the best. I am expecting you to reply all my questions.

Mr. Jayaprakash Kalappan

Thank you, Mr. Aspi. We have noted down all your questions. We could response one by one now.

Your first question is that why we can't have the one listed company in India. Presently, Panasonic Corporation is holding 95% of the shares. You know that it was unlisted earlier 2012 after that it was bought back all the shares. Panasonic appliances is the hub for home appliances in India. Therefore, we should have this kind of the structure, which need to be continued as it is.

Your other question is that how to increase the capacity utilisation, may be Managing Director could able to answer it.

Your third question is that how to control the proper system based on the auditor's qualification. Actually, we are strengthening of our internal control system very well. Due to some unprecedented event, there was some issue in the earlier years. That could be the reasons for last three years we have made the good profit through strengthening our more internal controls system, which could yield the good profit.

We shall take your suggestions and views for your company nearby growth, which help us to take the company to the next level.

Thank you very much.

I request Mr. T. Ganesan to answer the question relating to capacity utilisation.

Mr. T. Ganesan

Thank you. Currently the capacity of the factory is fully utilised for rice cooker, which is in-fact the shortage of capacity. Hence, the utilisation is over 100%. Because our current volumes are 1.2 Million and our demand is more than that. Because, we become the global hub. Towards the road map, as we explained, we are making this factory as global hub for the rice cooker manufacturing, which will cover entire globe as well for the domestic. So, for which, we planned the expansion program from this location, thereby we are looking for a futuristic approach by bringing variety of cookers ranges as well as the mixie and wet-grinders and opportunity for



other small appliances new category product as well as to make it is more-stronger, the years to come.

I hope I answered.

Mr. Jayaprakash Kalappan Thank you very much.

Now over to Chairman sir.

Mr. K Subramanian Thank you. Now, since questions and answers session over, let's proceed to voting.

I request Mr. Jayaprakash to list out the procedures.

Mr. Jayaprakash Kalappan With Chairman permission, I am reading the procedures.

Those who did not cast their vote through e-voting may now exercise their voting rights by using the same login & password, till 15 minutes from the conclusion of transaction of business, after which the AGM will stand close.

The results of e-voting will be announced upon receipt of the Report from M/s. M. Alagar & Associates, Scrutinizer of the AGM and will be announced on December 30, 2021 and will be uploaded on the website of the company along with the report of the scrutinizer.

Thank you, Chairman sir.

Mr. K. Subramanian I request Mr. Jayaprakash to propose the vote of thanks.

Mr. Jayaprakash Kalappan On behalf of all the Shareholders of the Company, I propose vote of thanks to the Chairman and to the entire Board of Directors and Auditors.

Also, I would like to thank all the Management Team and Employees of the Company for their continuous support and efforts for the better performance of the Company.

Finally thank to all the Shareholders for attending this 33rd Annual General Meeting of the Company through Video Conferencing / Other Audio-Visual Means. Thank you.

With this, 33rd Annual General Meeting of your Company comes to end.



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Wishing you a very happy and prosperous New year. Stay safe stay healthy. Thank you.

Mr. K. Subramanian

Thank you Mr. Jayaprakash.

I hereby declare the proceedings of this meeting as closed.

Thank you very much.

Mr. Ajit Gopal Nambiar

Thank you, Chairman.

Mr. T. Ganesan

Thank you.
