

# Panasonic

## Panasonic AVC Networks India Co. Ltd.

C-52, Phase-II, Noida -201 305, Distt. Gautam Budh Nagar (U.P.) INDIA

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Email : [pavci@in.panasonic.com](mailto:pavci@in.panasonic.com), CIN : U74899DL1996PLC077330

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### POSTAL BALLOT NOTICE

Dear member(s),

Pursuant to the provisions of Section 110 of the Companies Act, 2013 (“**Act**”) read with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and other applicable laws, rules and regulations, Panasonic AVC Networks India Company Limited (the ‘**Company**’) hereby seeks your approval by way of **special resolution** through postal ballot or through e-voting in respect of the following special business.

Detailed explanatory statement setting out the material facts concerning the resolution and instructions for voting is annexed to the notice of postal ballot (the ‘**Notice**’).

The Board of Directors of the Company, at its meeting held on February 24, 2020, appointed Mr. Abhishek Lamba (C.P. No. 13754) of M/s. Abhishek Lamba and Associates, Company Secretaries, as the Scrutinizer (‘**Scrutinizer**’) for conducting the postal ballot and e-voting process in a fair and transparent manner.

Members have the option to vote either by postal ballot or through e-voting. Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed in the postal ballot form and return the same duly completed in the enclosed prepaid self-addressed envelope. Postal ballot form, if sent by courier or by registered post or speed post at the expense of the member(s), will also be accepted.

The duly completed postal ballot form should reach the Scrutinizer not later than by Indian time 5:00 p.m. on Monday, March 30, 2020 to be eligible for being considered, failing which it will be strictly considered that no reply has been received from the member.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section “Instructions for Member’s voting electronically are as under”. References to postal ballot(s) in this postal ballot notice include votes received electronically. The Scrutinizer will submit his report to the Managing Director of the Company after completion of scrutiny of the postal ballots (including e-voting). The results shall be declared on or before Thursday, April 02, 2020. The results will also be displayed on the notice board of the Company at its registered office and on the website of National Securities Depository Limited (NDSL) at i.e. [www.nsdl.com](http://www.nsdl.com).

#### **Special Business:**

##### Reduction of Share Capital 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 Section 66 and other applicable provisions, if any, of the Companies Act, 2013 read with rules, circulars, notifications, if any made there under, (including any statutory modification, amendment or re-enactment thereof for the time being in force), and the applicable provisions of the Memorandum and Articles of Association of the Company and pursuant to the relevant provisions of the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and subject to the confirmation by the Hon’ble National Company Law Tribunal (“**NCLT**”) and subject to such other consents, approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such terms, conditions or modifications as may be prescribed or imposed by the NCLT or by any other statutory or regulatory authority(ies), while granting such approvals, consents or permissions and which may be agreed to or accepted by the Board of Directors of the Company, the consent of the members of the Company by way of a special resolution be and is hereby accorded for reduction of the subscribed equity share capital of the Company from INR 50,00,00,070 (Rupees fifty crores and seventy) divided in 5,00,00,007 (five crore and seven) equity shares of INR 10/- (Rupees ten) each to INR 47,62,74,390 (Rupees forty seven crores sixty two lakhs seventy four

thousand three hundred and ninety only) divided into 4,76,27,439 (four crore seventy six lakhs twenty seven thousand four hundred and thirty nine only) equity shares of INR 10/- (Rupees ten) each by paying off, cancelling and extinguishing, in aggregate, 23,72,568 (twenty three lakhs seventy two thousand five hundred sixty eight only) equity shares of INR 10 (Rupees ten) each held by the public members of the Company i.e. members other than Panasonic Corporation, Japan viz. promoter member of the Company (“**the Public Shareholders**”) (“**Capital Reduction**”).

**RESOLVED FURTHER THAT** upon the Capital Reduction being confirmed by the NCLT and becoming effective and operative, and/ or the receipt of such other approvals as may be required, the Public Shareholders of the Company as on the ‘Record date’ to be determined by the Board, for the purposes of determining the names of the registered holders of the equity shares of the Company, shall be paid, for the equity shares held by them and which are cancelled and extinguished, a sum of INR 27/- (Rupees Twenty Seven Only) per equity share of INR 10/- each, so cancelled and extinguished, without any further act or deed by the Public Shareholders (including but not limited to surrendering of share certificates with transfer forms).

**RESOLVED FURTHER THAT** subject to the confirmation of the Capital Reduction by the NCLT and such Capital Reduction becoming effective and operative, without any further act or deed by the Public Shareholders or their nominees (including but not limited to surrendering of share certificates with transfer forms and / or sending appropriate instructions to the Depository Participants), the shares held by the Public Shareholders shall stand cancelled, extinguished and rendered invalid.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall include any committee constituted for the purpose or any Director of the Company to be delegated in this regard) and Company Secretary of the Company be and are hereby, jointly and severally, authorised to take all necessary steps and do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, expedient, usual or proper, in the best interest of the Company and its members in connection with and relating to the Capital Reduction, including any directions for settling any question or doubt or difficulty whatsoever that may arise, for the purpose of giving effect to the Capital Reduction, or to any modification thereof, and as the Board of Directors may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, including but not limited to:

1. Verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, record and perfect all deeds, declarations, instruments, affidavits, applications, petitions, objections, notices and writings whatsoever as may be usual, necessary, proper or expedient and all type of documents, petitions, affidavits and applications in relation to the matter aforesaid;
2. Accept service of notices or other processes which may from time to time be issued in connection with the matter aforesaid;
3. Produce all documents or other evidences in connection with the matters aforesaid and all and any of other proceedings incidental thereto or arising thereat;
4. Make, prepare and submit any applications, petitions, appeals and judges summons before the NCLT, and/or any court, tribunal, or all relevant authorities and respond to the appropriate authorities;
5. File applications/petitions, and affidavits and/or other legal documents with the NCLT, as may be required for confirmation of the Capital Reduction by the NCLT and the Capital Reduction becoming effective and operative, and/or any other regulatory authorities for obtaining their approval;
6. Engage advocates, counsels and any other consultants, advisors, declare and file all pleadings, reports and sign and issue public advertisements and notices in connection with the matters aforesaid;
7. Make any alterations/changes, modification or amendments in the application/petition as may be expedient or necessary, including any alteration, modification or amendment required to be made for complying with the requirements or conditions imposed by the NCLT and/or any other appropriate authorities, if any;
8. Pass such accounting entries and/or making such other adjustments in the books of account, as are considered necessary to give effect to the above resolution upon the Capital Reduction becoming effective and operative;
9. Provide necessary declarations/ certificates in relation to Capital Reduction capturing the true and factual aspects of the Company;

10. Obtain approvals from such other authorities and parties including creditors, lenders, as may be considered necessary to the said resolution;
11. Comply with all the necessary formalities, compliances and disclosures in this regard and to file the necessary forms or documents with the relevant authorities, including the Registrar of Companies and digitally sign the same;
12. Open an account in the name of Company, as may be decided, for the purpose of discharging the consideration for the Capital Reduction and to deposit the amount to be paid to the Members *in lieu* of the cancellation and extinguishment of the equity shares of the Company held by such Members pursuant to the Capital Reduction in their bank account;
13. Discharge the payment due to the Members of the Company *in lieu* of the cancellation and extinguishment of the equity shares of the Company held by such Members pursuant to the Capital Reduction, in accordance with applicable laws, by payment through cheque, pay order/warrant or demand draft, electronic transfer of funds NEFT / RTGS / IMPS;
14. Call for the bank account details of the members of the Company for discharging consideration;
15. Fix a record date for the Capital Reduction and determine the names of registered holders of equity shares held by the members;
16. Do all such acts, deeds, matters and things as may be deemed necessary, expedient, usual or proper and to settle any question or difficulty that may arise; and
17. Delegate any or all of the powers conferred upon it by this resolution to any committee of directors, any other director(s), and/or officer(s) of the Company.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby, jointly and severally, authorized to execute a copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned or required.”

By the order of the Board  
For **Panasonic AVC Networks India Company Limited**

**Isshin Kinugawa**

Managing Director

DIN: 07785797

Address: Flat No C-643 First Floor

New Friends Colony

New Delhi-110025

Place: Gurugram

Date: 24/02/2020

**Notes:**

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts thereto is annexed hereto. Notice shall also be available on the notice board of the Company at its registered office and on the website of National Securities Depository Limited (NSDL) at i.e. [www.nsdl.com](http://www.nsdl.com).
2. The postal ballot Notice along with the postal ballot form is being sent to directors, auditor and to all the members of the Company whose name appears in the register of members/list of beneficial owners, as received from National Securities Depository Limited (“NSDL”)/Central Depository Services (India) Limited (“CDSL”) as on Friday, February 21, 2020 (“**Cut-off Date**”). Each member’s voting rights shall be reckoned in proportion to his/her share of the paid-up equity share capital of the Company as on cut-off date, which will only be considered to avail the facility of remote e-voting / postal ballot. A person who is not a member as on cut-off date shall treat this notice for information purpose only.
3. Pursuant to the provisions of the Companies (Management and Administration) Rules, 2014, notice of the postal ballot may be served on the members through electronic transmission. Members who have registered their e-mail IDs with depositories or with the Company are being sent, notice of postal ballot through e-mail and members who have not registered their e-mail IDs will receive notice of postal ballot along with postal ballot form through courier/speed post along with a postage-prepaid self-addressed envelope. Members who have received postal

ballot notice by e-mail and who wish to vote through physical ballot form may download the postal ballot form from <http://www.skylinerta.com/>.

4. Kindly note that the members can opt for only one mode of voting i.e. either by way of postal ballot form or through remote e-voting. In case members cast their vote through both modes, then voting through remote e-voting shall prevail and voting done through postal ballot form shall be treated as invalid.
5. The votes must be accorded by recording the assent in the Column 'FOR' or dissent in the column 'AGAINST' by putting the tick (✓) mark in the column provided for assent or dissent. Postal ballot form bearing (✓) in both the columns will render the form invalid. The assent or dissent received in any other form shall not be considered valid.
6. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
7. The period for voting through postal ballot and remote e-voting starts from Sunday, March 01, 2020 at Indian time 09:00 am and ends on Monday, March 30, 2020 at Indian time 5:00 pm.
8. Members are requested to return the form duly completed so as to reach the Scrutinizer, Abhishek Lamba and Associates, Company Secretaries, D-16, 4<sup>th</sup> Floor, Chhatarpur Enclave, Phase – 1, New Delhi – 110 074, not later than Indian time 5:00 pm on Monday, March 30, 2020. Envelopes containing postal ballot form(s), if deposited in person or sent by courier or registered/speed post at the expense of the members will also be accepted. If any postal ballot form is received after Indian time 5:00 pm on Monday, March 30, 2020, it will be considered that no reply from the member has been received. E-voting shall be disabled by NSDL for voting beyond the said date & time.
9. There will be only one postal ballot form for every folio irrespective of the number of joint holder(s). In case of joint holding, the postal ballot form should be completed and signed by the first named member or his duly authorized attorney registered with the Company and in his absence, by the next named member.
10. In case of shares held by body corporate, companies, trusts, societies etc. the duly completed postal ballot form should be accompanied by a certified true copy of the board resolution/authority letter.
11. A member need not use all the votes or cast all the votes in the same way.
12. Incomplete, unsigned or incorrect postal ballot forms will be rejected. The Scrutinizer's decision on the validity of a postal ballot will be final and binding.
13. Resolution passed by the members through postal ballot/remote e-voting is deemed to have been passed as if the same has been passed at a general meeting of the Company.
14. Voting through Electronic means:

**Instructions for Member's voting electronically are as under:**

- i. The Company has engaged NSDL for providing remote e-voting services through the e-voting platform of NSDL. In this regard, your demat account/folio number has been enrolled by the Company for your participation in voting on resolutions placed by Company on e-voting system. The process of login to e-voting website is given below:
- ii. Open the attached PDF file "**Panasonic AVC Networks India Co. Ltd.**" giving your Client ID (in case you are holding shares in demat mode) or folio no. (In case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
- iii. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>.
- iv. Click on "Shareholder - Login".
- v. Put User ID and password as initial password noted in ballot form and Click Login.
- vi. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. **Note new password**
- vii. Home page of remote "e-voting" opens. Click on e-voting: —Active voting cycles.

- viii. Select "EVEN" of **Panasonic AVC Networks India Co. Ltd.**
- ix. Now you are ready for "e-voting" as "Cast Vote" page opens.
- x. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
- xi. Members can cast their vote online from March 01, 2020 (9:00 A.M.) till March 30, 2020 (5:00 P.M.).
- xii. Kindly note that vote once casted cannot be modified. For EVEN, you can log-in any number of times on e-voting platform of NSDL till you have voted on all the resolutions or till the end date of voting period.

**Note: e-Voting shall not be allowed beyond said time i.e. March 30, 2020, 5:00 P.M.**

- xiii. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [abhishek.lamba@corp-nexus.com](mailto:abhishek.lamba@corp-nexus.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- xiv. In case of any queries or grievances relating to e-voting, the members/ beneficial owners may contact Mr. Khan Mohammad Ubed, Compliance Officer, D-153 A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase – I, New Delhi-110 020 through email at [compliances@skylinerta.com](mailto:compliances@skylinerta.com) or on 011-40450193.
- 15. The Scrutinizer shall after the conclusion of voting unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than seventy- two hours of the conclusion of voting on Monday, March 30, 2020, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Managing Director or any person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 16. The result of the postal ballot (including remote e-voting) would be announced by the Managing Director or a person authorized by him on Thursday, April 02, 2020 on or before Indian time 5:00 pm at the registered office of the Company situated at D-13/4 Okhla Industrial Area, Phase-II, New Delhi-110020. The resolution(s), if approved by the requisite majority, shall be deemed to have been passed on Monday, March 30, 2020, being the last date specified for receipt of duly completed postal ballot forms/e-voting.
- 17. The said results along with the Scrutinizer's report would be displayed at the notice board of the Company at its registered office and will hosted on the website of NSDL i.e. [www.nsdl.com](http://www.nsdl.com).

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The proposed reduction of the equity share capital of Panasonic AVC Networks India Company Limited ('Company') is being undertaken in accordance with the provisions of Section 66 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder ('Act') and specifically the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ('Reduction Rules'), which permits the Company to undertake a reduction of its share capital.

During the Financial Year 2007-08, Panasonic Corporation, Japan (earlier known as Matsushita Electric Industrial Co. Ltd, Japan), a promoter of the Company made an offer to acquire outstanding publicly held shares of the Company and delist the shares of the Company under SEBI (Delisting of Securities) Guidelines 2003 after seeking approval of the Members of the Company. Following the closure of the Delisting Offer and in accordance with the Delisting Regulations, the Company applied for delisting of its shares from BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') and pursuant to the same, the shares of the Company were delisted from BSE and NSE on December 14, 2007

Post delisting, Company's equity shares could not be traded on any of the stock exchanges in India. Since there is no trading platform available for the shares, the members have lost marketability of their holding in the Company. This prevents the members, especially the public shareholders, from realizing the optimal value and returns on their investments in the Company.

The current issued, subscribed and paid-up equity share capital and shareholding pattern of the Company as on February 21, 2020 is as under

Name of the Member	Number of shares	% Holding
Panasonic Corporation, Japan	4,76,27,439	95.25%
Other (Public) Members	23,72,568	4.75%

As on February 21, 2020, the entire public shareholding amounting to 4.75% of the total paid-up equity share capital of the Company is held by 4864 (four thousand eight hundred sixty four) members ('Public Members'). Amongst these Public Members, majority of the members hold substantially less number of shares on an individual holding basis thereby evidencing that the shareholding is widely scattered. The detailed breakup of current shareholding of the Company in terms of number of shares held by the members is enumerated in the table below:

Shareholding Nominal Value	Number of Members	% to Total Numbers	Shareholding Amount (in Rs.)	% to Total Amount
Up To 5,000	4263	87.63	82,39,940	1.65
5001 To 10,000	361	7.42	31,86,220	0.64
10001 To 20,000	119	2.45	19,42,850	0.39
20001 To 30,000	41	0.84	10,74,640	0.21
30001 To 40,000	23	0.43	8,43,750	0.17
40001 To 50,000	24	0.49	11,34,740	0.23
50001 To 1,00,000	20	0.41	14,38,330	0.29
1,00,000 and Above	14	0.29	48,21,39,600	96.43
<b>Total</b>	<b>4865</b>	<b>100</b>	<b>50,00,00,070</b>	<b>100.00</b>

The main business of the Company was production of TV and supplying the same to its group companies for the sale of those TVs in the market under the "Panasonic" brand. The market conditions are not very conducive to the operations of the Company and keeping in mind the slowing pace of demand for the TV manufactured by the Company, the management of the Company has recently decided to stop its TV production.

Keeping the current situation of business, it appears difficult to service a large capital base of the Company. The management also believes that there will not be any further capital requirement for the operations of the Company.

After detailed deliberations on all the aforesaid aspects, the Board of Directors of the Company was of the view that the reduction of share capital in accordance with Section 66 of the Companies Act, 2013 is the best available approach, considering the interests of the Public Members, the need to provide a liquidity option for their otherwise illiquid shares, paying off the paid-up capital in excess of the Company's requirements and the operational and administrative flexibilities for the Company.

Accordingly, subject to the receipt of the requisite approval of the Members and confirmation by the Hon'ble National Company Law Tribunal ('NCLT') and such other approvals as may be required, it is proposed to reduce the issued, subscribed and paid-up equity share capital of the Company from INR 50,00,00,070 (Rupees fifty crores and seventy) divided in 5,00,00,007 (Five crore and seven) equity shares of INR 10 (Rupees ten) each to INR 47,62,74,390 (Rupees forty seven crores sixty two lakhs seventy four thousand three hundred and ninety) divided into 4,76,27,439 (Four crore seventy six lakhs twenty seven thousand four hundred and thirty nine) equity shares of INR 10 (Rupees ten) each by paying off, cancelling and extinguishing, in aggregate, 23,72,568 (Twenty three lakh seventy two thousand five hundred sixty eight) equity shares of INR 10 (Rupees ten) each held by the Public Members of the Company (other than Panasonic Corporation, Japan i.e. the promoter shareholder of the Company) (the 'Capital Reduction').

As per Section 66 of the Act, the said resolution approving the Capital Reduction has to be passed by the Members of the Company as a Special Resolution.

## Consideration

In order to arrive at a fair value of the shares of the Company, and in order to maintain fairness and transparency, the Company had engaged two independent valuers to undertake the fair valuation of the equity shares of the Company:

- a) BDO Valuation Advisory LLP, a registered valuer having its office situated at The Ruby, Level 9, North West Wing, Senapati Bapat Marg, Dadar (West), Mumbai-400028 ('**BDO**'); and
- b) RBSA Capital Advisors LLP a SEBI registered Category – I Merchant Banker, having its office situated at 2nd Floor, IAPL House, 23 South Patel Nagar, New Delhi – 110 008 ('**RBSA**')

Both the valuers had issued their respective valuation reports determining the fair value of the equity shares of the Company which may be considered for the purpose of arriving at a price at which an exit can be offered to the Public Members. BDO had arrived at a per share valuation of INR 21.65/- *vide* its valuation report dated February 24, 2020 while RBSA had arrived at a per share valuation of INR 26.27/- *vide* its valuation report dated February 24, 2020.

After due consideration and detailed deliberations in relation to the valuation set out in both the valuation reports, the audit committee in its meeting held on February 24, 2020 had approved and proposed to the Board of Directors of the Company for their consideration, a per share value of INR 27/- (Rupees twenty seven only) to be paid to the Public Members pursuant to the Capital Reduction. The Board of Directors had also, in their meeting held on February 24, 2020 agreed with this valuation. Therefore, the Board has proposed to reduce the equity share capital of the Company by way of cancelling and extinguishing 23,72,568 (Twenty three lakhs seventy two thousand five hundred and sixty eight) equity shares of INR 10 (Rupees ten) each of the Company held by the Public Members by paying an amount of INR 27/- (Rupees Twenty Seven only) per equity share so extinguished.

## Effective Date of Reduction

After the members have passed the requisite resolution through postal ballot, the Company will file the requisite application with the NCLT in accordance with the provisions of Section 66 and other applicable provisions of the Act and the Reduction Rules, seeking confirmation of the Capital Reduction. Pursuant to Section 66(5) of the Act, this resolution will be effective from the date of registration of the NCLT order approving the Capital Reduction by the Registrar of Companies, Delhi to that effect.

## Payment to Public Shareholders

The Company shall, upon the receipt of confirmation of the proposed Capital Reduction by the NCLT and upon the Capital Reduction becoming effective and operative, deposit the whole of the consideration of INR 640,59,336/- (Rupees Six crore forty lacs fifty nine thousand three hundred thirty six only) in a separate bank account.

Subject to the ensuing paragraphs, the consideration to be paid to the Public Members *in lieu* of the extinguishment of the equity shares held by them shall be discharged by way of direct bank transfer in the bank accounts of the Members, as per the details available with the Company or through a bank draft / demand draft that will be prepared in the name of the Member. In case of joint holders, the payment shall be made in the name of the first member. It will be paid to those members whose name will appear as a registered equity shareholder as on the date which will be determined by the Board ('**Record Date**'), within such number of days and subject to such approvals, if any, as may be permissible under applicable law or as may be directed by the NCLT, on the Capital Reduction becoming effective.

In case the KYC details have not been submitted yet or there is any change in it, the Public Members of the Company are requested to send it to the Company at its registered office and/or to Skyline Financial Services Pvt. Ltd., the Registrar & Share Transfer Agent of the Company ('**RTA**') having its office at D-153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi-110 020, Tel.: 011-26812682, 40450193 to 97, their recent bank account details, (including IFSC code), PAN, along with their recent addresses and self-attested proofs. The consideration payable to the Public Members of the Company, on the Capital Reduction becoming effective, will be processed as per the details registered with the RTA and available on the Record Date.

In case, the consideration payable to the Public Members, on Capital Reduction becoming effective and operative, remains unpaid or unclaimed for any reason, the Company may retain such consideration in a separate bank account for a period of 7 (seven) years on behalf of the Public Members, subject to applicable statutory enactment(s), and release the same on completion of necessary formalities by such members. After the said period, the amount outstanding and lying in the separate bank account shall be transferred to the Investor Education and Protection Fund or may be appropriated in a manner as may be permitted under the applicable provisions of the Act.

## **Payment to non-resident Public Members**

To the extent the exit price is payable to non-resident Public Members of the Company, the Company may need to file Form FC-TRS with the Reserve Bank of India as provided under the Foreign Exchange Management Act, 1999 and the guidelines therein, as amended from time to time.

## **Tax Implication**

The Public Members should consider their own tax position and pay appropriate tax (as may be applicable) on the amount received from the Company upon reduction of equity share capital.

## **Effect of proposed capital reduction**

Under the Capital Reduction, the equity shares of the Company that are held by the Public Members will be extinguished and the Company will make payments to such members at the Offer Price for each share so extinguished and also pay the Dividend Distribution Tax (DDT) amount to the relevant authorities. The Capital Reduction of the Company will be subject to the approval of the Tribunal and such other authorities, as the case may be

As a result of the Capital Reduction, the issued, subscribed and paid-up equity share capital of the Company will be reduced to an amount of INR 47,62,74,390 (Rupees forty seven crores sixty two lakhs seventy four thousand three hundred and ninety).

## **General**

The Board of Directors of the Company at their meeting held on February 24, 2020, had approved the Capital Reduction as per the terms set out in the Resolution.

Article 61 of the Articles of Association of the Company provides for the reduction of capital of the Company in any way authorized by the applicable law. It would be necessary to obtain the approval of the Members of the Company by passing a Special Resolution for the Capital Reduction under Section 66 of the Act and such reduction of equity share capital would have to be confirmed by the NCLT as provided under Section 66 of the Act and the Reduction Rules.

The Capital Reduction will not cause any prejudice to any of the creditors of the Company. The creditors of the Company are in no way affected by the proposed Capital Reduction, as there is no reduction in the amount payable to any of the creditors. Further, the proposed Capital Reduction will not have any impact on the operations of the Company or the ability of the Company to honour its commitment or to pay its debts in the ordinary course of business.

The Company has not accepted any deposits and is therefore not in arrears in the repayment of any deposits or interest payable thereon.

No investigation / proceedings are pending under Section 210 to Section 229 or any other provisions of the Act against the Company.

A copy of the Memorandum of Association and Articles of Association of the Company as amended from time to time, copies of Valuation Reports issued by BDO and RBSA are available for inspection at the registered office of the Company during 11.00 a.m. to 5.00 p.m., on any working day till the date of closure of time period of postal ballot.

The Board of Directors of the Company is of the view that this resolution is in the best interests of the Company, its shareholders and therefore, recommends the passing of the Special Resolution as set out in the notice.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested in the resolution.

By the order of the Board  
For **Panasonic AVC Networks India Company Limited**

**Isshin Kinugawa**

Managing Director

DIN: 07785797

Address: Flat No C-643 First Floor

New Friends Colony

New Delhi-110025

Place: Gurugram

Date: 24/02/2020