

**Panasonic**

 **HDR** ig+

 **SUPER  
BRIGHT  
PLUS**

**Smart TV**  
•••••  
**HomeOS**

**Shinobi ULTRA**  
**4K**  
**HDR**

 **HXC**  
PROCESSOR

 **DOLBY**  
VISION • ATMOS

 **HEXA**  
CHROMA DRIVE  
**PRO**

# ANNUAL REPORT 2020

Panasonic AVC Networks India Co. Ltd.  
Address : C-52, Phase-II, Noida-201 305, U.P., India  
CIN: U74899DL1996PLC077330  
Tel.: 91-120-4024500



**A Better Life, A Better World**

**BOARD OF DIRECTORS**

**Shri Isshin Kinugawa**  
*Chairman & Managing Director*

**Shri Tsuyoshi Yoto**  
Director

**Shri Toru Shinohara**  
Director

**Shri Yasunari Anan**  
Director

**Shri Yasho Verdhana Verma**  
Independent Director

**Smt. Kanchan Vohra**  
Independent Director

**COMPANY SECRETARY**

**Shri Neeraj Khanna**  
Company Secretary

**CHIEF FINANCIAL OFFICER**

**Shri Kenji Kobayashi**  
Chief Financial Officer  
(till 31.10.2020)

**CORPORATE OFFICE CUM FACTORY**

C-52, Phase-II, Noida  
Distt-Gautam Budh Nagar  
Uttar Pradesh-201305

**REGISTERED OFFICE**

D-13/4, Okhla Industrial Area  
Phase -II New Delhi -110020

**SHARE TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
D-153A, 1st Floor, Okhla  
Industrial Area Phase-I, New Delhi-110020

**HOLDING COMPANY**

**Panasonic Corporation**  
1006, Kadoma City, Osaka, Japan

**STATUTORY AUDITORS**

**S. R. DINODIA & Co. LLP**  
K-39 Connaught Place New Delhi -110001

**COST AUDITORS**

**M.K Kulshrestha & Associates**  
S-1, 314, Gyan Khand-1, Indirapuram  
Ghaziabad -201014, Uttar Pradesh

**SECRETARIAL AUDITORS**

**Abhishek Lamba and Associates**  
D-16, 4th Floor, Chhatarpur Enclave,  
Phase - 1, New Delhi - 110 074

**INTERNAL AUDITORS**

**Sandeep Ahuja & Co.**  
23/7, Old Rajinder Nagar, New Delhi - 110060

**BANKERS**

**MUFG Bank**  
New Delhi

**Citi Bank N.A.**  
New Delhi

**Standard Chartered Bank**  
New Delhi

**ICICI Bank Ltd.**  
Noida

**State Bank of India**  
Noida

## **Basic Business Philosophy**

### **Basic Management Objective**

Recognizing our responsibilities as industrialists, we will devote ourselves to the progress and development of society and the well-being of people through our business activities, thereby enhancing the quality of life throughout the world.

### **The Company Creed**

Progress & development can be realized only through the combined efforts and cooperation of each employee of our company. United in spirit, we pledge to perform our corporate duties with dedication, diligence and integrity.

## **PAVCI Business Philosophy**

### **Mission of PAVCI**

Contribution to the progress and development of the Indian Society and Enhancement of the quality of Indian People's life through Visual Product Business.

## **BASIC PRINCIPLE**

### **Customer First**

## **BUSINESS OBJECTIVES**

- Establish PAVCI to the satisfaction of the customers with the wisdom of many.
- Establish Dynamism in the PAVCI with youthful and challenging spirit.
- Serve the Society with the highest quality product which PAVCI can be proud of throughout India and the World.

## **SLOGAN OF PAVCI FOR 2019-20**

# **Cross Value Innovation**

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## BOARD'S REPORT

Dear Share holders,

Your directors take immense pleasure in presenting their report with the financial statements for the Financial Year ended March 31, 2020.

**FINANCIAL PERFORMANCE**

The summary of the financial performance of Panasonic AVC Networks India Company Limited ("**Company**") in comparison to the previous Financial Year performance is as follows:

(₹ Lakhs)

Particulars	2019-20	2018-19
Gross Sales	16,186.78	44,304.11
Other operating Income	-	-
Profit/(Loss) before tax	1,383.78	666.42
MAT Credit entitlement	-	-
Deferred Tax	239.70	(13.31)
Tax Expense – Current Tax	(12.04)	251.35
Profit/(Loss) after Tax	(1611.41)	428.38
Earnings per share (unit in Rs.)	(3.22)	0.86

During the Financial Year 2019-20, your Company has achieved sales volume of Rs. 16,186.78 Lakhs. Due to discontinued Televisions (TVs) production your Company have incurred a loss of Rs. 1611.41 Lakhs. The Earnings per share for the Financial Year 2019-20 is (3.22).

**DIVIDEND**

In view of the losses incurred by the Company, Board of Directors ("**Board**") of your Company has decided not to recommend any dividend for the Financial Year 2019-20.

**TRANSFER TO RESERVE**

The Board of your Company, has decided not to transfer any amount to the Reserve for the year under review.

**OPERATIONS REVIEW**

During the Financial Year 2019-20, your Company has consolidated its position in the market despite various challenges faced in both internal and external environment. Your Company believes in inclusive growth that aims at enhancing the competitiveness of the businesses while simultaneously advancing the economic and social conditions of the communities in which it operates. Your Company continued its strong focus on cost control and operational efficiencies.

**SHARE CAPITAL**

During the year under review, there was no change in the Company's authorized, issued, subscribed and paid-up equity share capital. As on March 31, 2020, the authorised share capital of the Company was Rs. 1,10,00,00,000/- (Rupees One Hundred and Ten Crores Only) and the paid up Share Capital of the Company was Rs. 50,00,00,070/- (Rupees Fifty Crore Seventy Only)

**REDUCTION OF SHARE CAPITAL**

During the Financial Year, the shareholders of the Company approved the proposal for reduction of share capital of the Company on March 30, 2020 via postal ballot, 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 shareholders of the Company (other than Panasonic Corporation, Japan i.e. the promoter shareholder of the Company. Matter relating to the said capital reduction is currently pending with National Company Law Tribunal and the Order is awaited.

**SECRETARIAL STANDARDS**

Pursuant to the provisions of Section 118 of the Companies Act, 2013 ("Act"), the Company has complied (wherever possible) with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India.

**DEPOSITS**

During the Financial Year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules 2014.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has adopted proper and effective Internal Control Systems for ensuring orderly and efficient conduct of its Business, including adherence to the Company's policies, the safeguarding its assets, the prevention and detection of fraud, the accuracy and the completeness of the accounting records and the timely preparation of reliable Financial Disclosures.

The Internal Control – Integrated Framework is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. The framework requires a company to identify and analyze risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness. Auditors have access to the records and information of the Company.

The Board and the management periodically review the findings and recommendations of the Auditors and take necessary corrective actions whenever required. A qualified and independent Audit Committee of the Board reviews the internal audit reports and the adequacy of internal controls. The internal control system provides for well Documented Policies, Guidelines, Authorizations and Approval Guidelines.

**CHANGE IN NATURE OF BUSINESS**

There was no change in nature of business of the Company during the Financial Year 2019-20.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT AFTER THE BALANCE SHEET DATE**

During the Financial Year 2019-20, the Company had discontinued its TVs production unit after analyzing its business situation and suggested various ways to save the value of the stakeholders of the Company.

**SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY**

During the year under review, the Company does not have any Subsidiary/ Joint venture/ Associate company.

**SIGNIFICANT AND MATERIAL ORDERS**

During the year under review, there was no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

In terms of provision of Section 186 of the Act, the Company has not provided any loans and/or guarantees or made any investments during the Financial Year 2019-20.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The human resource agenda of your Company primarily consists in achieving sustainable and responsible growth by building the right capabilities in the organization. We continue to focus on Progressive Employees related policies and creating an inclusive work culture for Employee Development. During the year under review, Industrial Relations at our plant location remained harmonious. Your Company emphasizes on the safety & engagement of people working in its premises. Structured safety meetings & recognition events were held through the year.

**CONSERVATION OF ENERGY, FOREIGN EXCHANGE EARNINGS AND OUTGO AND TECHNOLOGY ABSORPTION**

A statement giving details of Conservation of Energy Technology Absorption and Foreign Exchange Earning and Outgo as required under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules 2014 is annexed to this report as an **Annexure-1**.

**DISCLOSURES ON REMUNERATION OF DIRECTORS KEY MANAGERIAL PERSONNEL AND EMPLOYEES OF THE COMPANY**

Disclosure pertaining to remuneration and other details as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subsequent amendments thereto is annexed to this Directors' Report as **Annexure -2**.

**ENVIRONMENT, ENERGY, OCCUPATIONAL HEALTH AND SAFETY**

Your Company upholds Safety, Health and Environment as non-negotiable values. Your Company is committed to a clean and healthy environment and has been maintaining surroundings free from pollution and considered the Environment, Health and Safety as prime issues to be addressed. As a significant Employer and a Manufacturer, your Company Ensures Occupational Safety, Employment standards, Production safety, and Environmental protection, your Company maintains strict safety, health, environmental protection and quality control programs to monitor and control these operational risks. An environment of safe work, safe behavior and safe travel is achieved through implementation and internalization of your Company's vision of an injury free organization. Your company's safety approach not only includes employees and assets but also the communities that it operates in and we believe in providing our employees with safe and healthy environment free of occupation injuries and illness. Your Company has a robust system of recording and investigating safety incidents and also learning from safety incidents are cascaded top down for mitigation of risk, so as to avoid the repeat of incident. Your Company also focuses on energy conservation, waste management, recycling of waste water and green initiatives. We believe that a sustainable Organization can be built only with the highest standards of performance on economic, social and environmental parameters.

**INTERNAL FINANCIAL CONTROL SYSTEM**

According to Section 134(5)(e) of the Act the term Internal Financial Control (IFC) means the policies and procedures adopted by a company 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.

Your Company has a well-placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Company's IFC system also comprises due compliances with Company's policies and Standard Operating Procedures (SOP's).

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board. During the year the Internal Auditors have also been engaged for providing assistance in improvising IFC framework (including preparation of Risk & Control Matrices for various processes) and deployment of Self-Assessment Tool.

**Adequacy of Internal Financial Controls with reference to the financial statements**

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company which should be adequate and shall operate effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report.

**To ensure effective Internal Financial Controls the Company has laid down the following measures:**

- All operations are executed through operating procedures in all functional activities for which key manuals have been put in place. The manuals are updated and validated periodically.
- All legal and statutory compliances are ensured on a monthly basis and non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately. Any regulatory amendment is updated periodically in the system.
- The Company's Books of Accounts are maintained to ensure correctness/ effectiveness of all transactions, integrity and reliability of reporting.
- The Company has a comprehensive risk management framework.
- The Company has in place a well-defined Whistle Blower Policy/ Vigil Mechanism.
- The Company has a system of Internal Business Reviews. All departmental heads discuss their business issues and future plans in monthly review meetings. They review their achievements vs. BP in monthly review meetings.
- Compliance of secretarial functions is ensured by way of secretarial audit.
- Compliance relating to cost records of the company is ensured by way of cost audit.
- The Internal Auditors have also been engaged for providing assistance in improvising IFC framework (including preparation of Risk & Control Matrices for various processes) and deployment of Self-Assessment Tool.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL****Inductions, Re-appointments, Retirements & Resignations**

During the Financial Year 2019-20, the Board of directors of your Company fulfill all the applicable requirements of Section 149 & 164 of the Act and have submitted necessary declarations as sought by the Act. Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations of Independence as provided in Section 149(7) of the Act, along with Rules framed thereunder. All the Independent Directors appointed during the year possess the integrity, expertise and experience (including the proficiency).

During the year under review, the Non-Executive Directors of the Company held no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company. The sitting fees paid to the Independent Directors are within the ceiling limit as provided in the Companies Act 2013.

Particulars of Directors and Key Managerial Personnel ("KMP") who were appointed or have resigned during the year:

S. No.	Name of Directors / KMP's	Designation	DIN / PAN	Appointment / Cessation / Change in Designation	Date of Appointment / Cessation/ Change in Designation
1.	Mr. Toshiharu Tsutsui	Non-Executive Director	07918997	Cessation	30/04/2019
2.	Mr. Tsuyoshi Yoto	Additional Director	08502986	Appointment	01/05/2019
3.	Mr. Akira Toyoshima	Additional Director	06556484	Appointment	01/05/2019
4.	Mr. Kunio Omura	Whole-Time Director & Chief Financial Officer	06857552	Cessation	31/05/2019
5.	Mr. Kenji Kobayashi	Chief Financial Officer	HHDPK2492F	Appointment	01/06/2019
6.	Mr. Masaaki Hirano	Director	06961963	Cessation	31/08/2019
7.	Mr. Toru Shinohara	Additional Director	08222071	Appointment	01/09/2019
8.	Mr. Tsuyoshi Yoto	Director	08502986	Change in Designation	25/09/2019
9.	Mr. Toru Shinohara	Director	08222071	Change in Designation	25/09/2019
10.	Mr. Akira Toyoshima	Director	06556484	Change in Designation	25/09/2019

S. No.	Name of Directors / KMP's	Designation	DIN / PAN	Appointment / Cessation / Change in Designation	Date of Appointment / Cessation/ Change in Designation
11.	Mr. Akira Toyoshima	Director	06556484	Cessation	12/12/2019
12.	Mr. Rajiv Bajaj	Company Secretary	AAHPB5250A	Cessation	16/12/2019
13.	Ms. Monica Suri	Independent Director	07031853	Cessation	16/12/2019
14.	Mr. K. B. Kapur	Independent Director	01523967	Cessation	21/12/2019
15.	Mrs. Kanchan Vohra	Additional Director (in Independent capacity)	03597614	Appointment	27/12/2019
16.	Mr. Yasho Verdhan Verma	Additional Director (in Independent capacity)	06389278	Appointment	27/12/2019
17.	Mr. Manish Surolia	Company Secretary	CXSP53801A	Appointment	27/12/2019
18.	Mr. Yasunari Anan	Additional Director	08666068	Appointment	10/01/2020
19.	Mr. Manish Surolia	Company Secretary	CXSP53801A	Cessation	20/03/2020

The Board placed on record their appreciation for the help, guidance and contribution made by the Directors/ KMPs during their tenure on the Board.

Mr. Yasunari Anan was appointed as an Additional Director of the Company w.e.f from January 10, 2020 to hold the office till the date of ensuing Annual General Meeting ("AGM"). On the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board considered and recommended the appointment of Mr. Yasunari Anan as Non- Executive Director in the ensuing AGM.

Mrs. Kanchan Vohra and Mr. Yasho Verdhan Verma, who were appointed as an Additional Directors (in independent capacity) of the Company w.e.f from December 27, 2019, holds office till the date of ensuing AGM. On the recommendation of the NRC, the Board, subject to the approval of the shareholders, has appointed them as Independent Director for a term of five consecutive years i.e. upto December 26, 2024. In the opinion of the Board, Mrs. Kanchan Vohra and Mr. Yasho Verdhan Verma fulfil the conditions specified in the Act and the rules made thereunder and are independent to the management and accordingly, the Board recommends their appointment.

Pursuant to the provisions of Section 152(6) the Companies Act, 2013 Mr. Isshin Kinugawa and Mr. Tsuyoshi Yoto, Directors of the Company will retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment. The Board recommends their re-appointment to the shareholders.

The Brief resume, nature of expertise, details of directorships held in other companies by the Directors proposed to be appointed/ re-appointed, along with shareholding in the Company, as stipulated under Secretarial Standard - 2, is appended to the Notice of the ensuing AGM.

#### **NOMINATION AND REMUNERATION POLICY**

The Remuneration policy of the Company comprising the Appointment and Remuneration of the Directors, KMP's and Senior Executives of the Company including criteria for determining Qualifications, Positive Attributes, Independence of a Director & other related matters. We affirm that the Remuneration paid to the Directors is as per the terms laid down as per the NRC. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their Remuneration including criteria for determining qualifications, positive attributes, Independence of a Director and other matters provided under sub-section (3) of Section 178 relating to the remuneration for the Directors, KMP's, and other employees, as required by the rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The copy of the said policy is given as an **Annexure-3** to this report.

#### **AUDITORS AND AUDITORS REPORT**

##### **STATUTORY AUDITORS**

Pursuant to Section 139 of the Act, M/s. S.R. Dinodia & Co. LLP, Chartered Accountant (Firm Registration No. 001478N/N500005) were appointed as the Company's Statutory Auditors by the shareholders in the AGM held on September 20, 2017, to hold office till conclusion of the AGM to be held in the year 2022. They had confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

##### **Auditors' Report**

The Board has duly examined the Statutory Auditors' report to the accounts, for the Financial Year 2019-20, which is self-explanatory. There is no qualification, observations, adverse remarks or disclaimer in the Auditors Report.

Further, the Auditors have not reported any fraud u/s 143(12) of the Act.

##### **COST AUDITORS**

M. K. Kulshrestha & Associates, Cost Auditors (Firms Registration Number: 100209), have submitted their report for the Financial Year 2019-20. The Report of the Cost Auditors for the Financial Year 2019-20 does not contain any qualification, reservation, disclaimer or adverse remark.

Since your Company is not manufacturing any products during the current Financial Year 2020-21, the requirement to appoint Cost Auditors is not applicable on the Company and considering the same your Company is under the process of making application to Central Government for seeking exemption from the applicability of cost audit on the Company.



**COST RECORDS**

During the Financial year under review, maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act and the prescribed cost records have been made and maintained by the Company.

**SECRETARIAL AUDITORS**

In terms of Section 204 of the Companies Act 2013 and rules made there under, the Board, on the recommendation of the Audit Committee has approved the appointment of M/s. Abhishek Lamba and Associates, Practicing Company Secretaries (FCS: 10489) to conduct the Secretarial Audit for the Financial Year 2019-20.

The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Secretarial Audit Report in Form MR-3 is annexed as an **Annexure-4** to this report. The Board has taken note of the observations and remarks mentioned by the secretarial Auditors in its report which are inadvertent and unintentional on the part of the Company. Your Board is determined for the compliance of all the laws applicable on the Company and is taking necessary measures to comply with the observations mentioned in the Secretarial Audit Report in time bound manner.

The Board has re-appointed M/s. Abhishek Lamba and Associates, Practicing Company Secretaries, New Delhi, as Secretarial Auditors of the Company for Financial Year 2020-21.

**INTERNAL AUDITORS**

In terms of Section 138 of the Companies Act 2013 read with Rule 13 of the Companies(Accounts) Rules 2014 on the recommendation of Audit Committee, the Board of Directors has re-appointed, M/s. Sandeep Ahuja & Co., Chartered Accountants, New Delhi as an Internal Auditors of the Company for the Financial Year 2020-21.

The Report of the Internal Auditors for the Financial Year 2019-20 does not contain any qualification, reservation, disclaimer or adverse remark.

**KEY MANAGERIAL PERSONNEL (KMPs)**

As on 31st March, 2020, the Company has following KMPs:

Name of the KMPs	Designation
Mr. Isshin Kinugawa	Managing Director
Mr. Kenji Kobayashi	Chief Financial Officer
Mr. Kunio Omura	Whole-Time Director & Chief Financial Officer (Upto 31/05/2019)
Mr. Rajiv Bajaj	Company Secretary (upto 16/12/2019)
Mr. Manish Surolia	Company Secretary (From 27/12/2019 to 20/03/2020)

**BOARD OF DIRECTORS**

As on 31st March, 2020, the Board of the Company comprised of six Directors including a Managing Director, three Non-Executive Directors and two Non-Executive Independent Directors. The Chairman of the Board is a nominee of the Holding Company. The Composition of Board is in conformity with the provisions of Act and status of the Board as on date of Board's Report:

Name of the Directors	Designation
Mr. Isshin Kinugawa (DIN 07785797)	Managing Director/ Chairman (w.e.f. 01/04/2017)
Mr. Tsuyoshi Yoto (DIN 08502986)	Non- Executive Director (w.e.f. 01/05/2019)
Mr. Toru Shinohara (DIN 08222071)	Non- Executive Director (w.e.f. 01/09/2019)
Mr. Yasho Verdhhan Verma (DIN 06389278)	Independent Director (w.e.f. 27/12/2019)
Mrs. Kanchan Vohra (DIN 03597614)	Independent Director (w.e.f. 27/12/2019)
Mr. Yasunari Anan (DIN 08666068)	Non-Executive Director (w.e.f. 10/01/2020)
Mr. Kenji Kobayashi	Chief Financial Officer (CFO)

The Board of your Company met 6 (Six) times during the year under review. The details of Board meetings and the number of the Directors present at each meeting are provided in the **Annexure-5** to the report. All statutory and material information is made available to the Board to ensure adequate disclosures and transparent decision making process.

Further, in the opinion of the Board independent directors appointed during the year contains that integrity, expertise and experience (including the proficiency) as required for the guidance and governance of the Company.

**AUDIT COMMITTEE**

As per the provisions of Section 177 of the Act, the Audit Committee has been re-constituted w.e.f. December 27, 2019 by the Board of Directors of your Company. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013. The Audit Committee consists of the three Directors.

1. Mr. Y. V. Verma (Independent Director) - Chairman
2. Mrs. Kanchan Vohra (Independent women director) – Member
3. Mr. Isshin Kinugawa (Managing Director) - Member

**NOMINATION AND REMUNERATION COMMITTEE**

As per the provision of Section 178(1) of the Act, NRC has been reconstituted on December 27, 2019 by the Board of Directors of your Company.

**Terms of reference** – Salient functions of the NRC includes, recommending to the Board about appointment and removal of the directors, key managerial personnel (KMPs), senior management personnel (SMPs); carry out evaluation of every director's performance and recommend to the Board a policy pertaining to remuneration for director(s), KMPs, SMPs and other employees.

**Composition** – The NRC consists of three Directors:

1. Mr. Tsuyoshi Yoto - Chairman
2. Mrs. Kanchan Vohra - Member
3. Mr. Yasho Verdhan Verma - Member

**STAKEHOLDER RELATIONSHIP COMMITTEE**

As per the provision of Section 178(5) of the Act, Stakeholder Relationship Committee ("SRC") has been reconstituted on December 27, 2019 by the Board of the Company.

**Composition** – The SRC consists of four Directors:

1. Mr. Tsuyoshi Yoto - Chairman
2. Mrs. Kanchan Vohra - Member
3. Mr. Y. V. Verma - Member
4. Mr. Isshin Kinugawa - Member

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

As per the provision of Section 135 of the Act, Corporate Social Responsibility ("CSR") Committee has been reconstituted on December 27, 2019 by the Board of the Company.

**Composition** – The CSR Committee consists of three Directors:

1. Mr. Isshin Kinugawa - Chairman
2. Mrs. Kanchan Vohra - Member
3. Mr. Y. V. Verma - Member

**ANNUAL & EVENT BASED DISCLOSURES**

During the Financial Year 2019-20, all the disclosures required as per Section 184, 164 and 149(7) of the Act were duly received from the Directors.

**POLICY TO PREVENT SEXUAL HARASSMENT AT WORK PLACE**

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandate under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" the Company has in place a formal policy for prevention of sexual harassment of its women employees.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, your Company has constituted Internal Complaints Committee to redress Complaints received regarding sexual harassment during the period. The following is a summary of sexual harassment complaints received and disposed off during the year:

Number of Complaints received	NIL
Number of Complaints disposed off	NIL

**EXTRACT OF ANNUAL RETURN**

In terms of provisions of Section 92 and Section 134(3)(a) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extract of Annual Return of the Company in Form MGT-9 is annexed herewith as **Annexure-6** to this report.

**RISK MANAGEMENT POLICY**

Development and implementation of Risk Management Policy

In terms of provisions of Section 134(3)(n) of the Act the Company has devised Risk management policy including identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company, the evaluation of risks, monitoring and minimization of identifiable risks. This policy applies to all areas of the Company's operations and inter-alia includes Customer Service, Human Resources, Reputation and Brand, Financial, Business Processes and Systems, Strategy, Corporate Governance and Compliance, Information and Security.

Further, there is no identification of risks which in the opinion of the Board may threaten the existence of the Company.

**RELATED PARTY TRANSACTIONS**

All related party transactions entered into by your Company during the Financial Year 2019-20 were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, KMP's or other designated persons which may have a potential conflict with the interest of the Company.

An Omnibus approval of the Audit Committee was obtained for all the Related Party Transactions for the Financial Year 2019-20. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is annexed to this report in **Annexure-7**.

**BOARD EVALUATION**

One of the key functions of the Board is to monitor and review the Board evaluation framework. In compliance with the provisions of the Act, the NRC has approved the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors.

The process provides that the performance evaluation shall be carried out on an annual basis. During the year, the Directors completed the evaluation process, which included evaluation of the Board as a whole, Board Committees and individual Directors.

**CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, your Company at the Board meeting held on March 23, 2018 has approved a Policy on CSR and CSR Committee has been formed.

The Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. Your Company was required to spend INR 23.88 Lakhs during the Financial Year 2019-20 towards its CSR obligations and the Company was planning to incur the CSR expenditure in the last week of March, 2020, however in March, 2020 due to the pandemic COVID-19, a nationwide Lockdown was declared due to which your Company was not able to spend the amount. Therefore, the aforesaid expenditure was duly incurred by your Company in the beginning of September, 2020. The Annual Report on CSR is annexed with this report as **Annexure-8**.

**WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) of the Act read with the Rule 7 of the Companies (Meetings of Board & its Powers) Rules, 2014, the Board had approved the policy on Vigil Mechanism/Whistle Blower. This enables stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

Your Company hereby affirms that no Director/ Employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the Financial Year under review.

**TRANSFER OF UNPAID DIVIDEND TO IEPF**

The MCA has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. Further amendments in the Act and the Rules have also been notified by the MCA. As per these Rules, dividends which are not encashed / claimed by the shareholders for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the Demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The shareholders whose dividend/ shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>

**Status of Unpaid/Unclaimed Dividend:**

S.No.	Year	Due for Transfer to IEPF	Current Status
1.	2009-10	Nov -2017	Transferred to IEPF
2.	2010-11	Nov -2018	Transferred to IEPF
3.	2011-12	Nov -2019	Transferred to IEPF
4.	2012-13	Nov -2020	Eligible for transfer to IEPF
5.	2014-15	Nov -2022	Not eligible for transfer to IEPF
6.	2015-16	Nov -2023	Not eligible for transfer to IEPF
7.	2016-17	Nov -2024	Not eligible for transfer to IEPF
8.	2017-18	Nov -2025	Not eligible for transfer to IEPF
9.	2018-19	Nov-2026	Not eligible for transfer to IEPF
10.	2019-20	Nov-2027	Not eligible for transfer to IEPF

In the Current Financial Year 2020-21, the Company will transfer 7,76,932 (Rupees Seven Lakhs Seventy Six Thousand Nine Hundred Thirty Two) of unpaid/ unclaimed dividend pertaining to Financial Year 2012-13 to Investor Education and Protection Fund.

**Status of Concerned Equity Shares:**

S.No.	Year	Due for Transfer to IEPF Authority	Current Status
1.	2009-10	Nov -2017	Transferred to IEPF
2.	2010-11	Nov -2018	Transferred to IEPF
3.	2011-12	Nov -2019	Eligible for transfer to IEPF
4.	2012-13	Nov -2020	Eligible for transfer to IEPF
5.	2014-15	Nov -2022	Not eligible for transfer to IEPF
6.	2015-16	Nov -2023	Not eligible for transfer to IEPF
7.	2016-17	Nov -2024	Not eligible for transfer to IEPF
8.	2017-18	Nov -2025	Not eligible for transfer to IEPF
9.	2018-19	Nov-2026	Not eligible for transfer to IEPF
10.	2019-20	Nov-2027	Not eligible for transfer to IEPF

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134 of the Act, the Directors, to the best of their knowledge and belief, 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 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.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external consultants and the reviews performed by management and the relevant Board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2019-20.

**ACKNOWLEDGMENTS**

The Directors acknowledge the invaluable support extended to the Company by the shareholders, financial institutions, and bankers. The Directors appreciate and value the contributions made by every member of the Panasonic family worldwide.

Your Directors also place on record their gratitude to the Government of India particularly the Income Tax Department, the Customs and excise Departments, Ministry of Corporate Affairs and other government agencies for their assistance, encouragement & cooperation they extended to the Company.

**For and on behalf of the Board of Directors  
Panasonic AVC Networks India Company Limited**

Date: 03.12.2020

Place: Delhi

Sd/-  
**Isshin Kinugawa**  
Managing Director  
DIN: 07785797

## Annexure-1

## INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO IN TERMS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) THE COMPANIES (ACCOUNTS) RULES, 2014

## CONSERVATION OF ENERGY

Figures in "000"

## RESEARCH AND DEVELOPMENT

Electricity	2019-20	2018-19
Purchase Unit (MWH)	1,192.24	1,584.15
Total Amount (K INR.)	9,700.18	13,006.12
Average Rate/ Kwh (Rs.)	8.14	8.21
HSD- High speed diesel	2019-20	2018-19
Quantity (kl), Consumption	11.09	19.84
Total Cost (K INR.)	715.94	1,238.82
Average Rate/ Ltr (Rs.)	64.57	62.44
Consumption /Unit Production	2019-20	2018-19
Actual Production (Qty)	77,080	221,639
Electricity MWH/Unit)	0.0155	0.0071
HSD (KL/Unit)	0.0001	0.0001

Your company involved in complete evaluation of new LED TV models samples to make product more robust and reliable, which are intended to serve broad objectives of public interest, best quality and eco- friendly product.

## 1) Specific areas in which R&amp;D is carried out by the company

Keeping in mind the Future of LED TV in Indian Market, we strive to enhance the Best Quality Product for Indian Markets with Latest Smart features along with Product Safety as defined by Bureau of Indian standard, we will be recognizing the requirements of the customers while working on the development of the new products and customer satisfaction is our main priority.

During the financial year 2019-20 main focus of your Company was on high end 4K LED TV with exclusive USPs (Unique Selling Points) like-Best Picture Quality by using Multiple HDR "High Dynamic Range" format support (HDR10, HDR10+) using Hexa Chroma drive processor, 4K dimming, with Super Bright IPS Panel Plus, Best Sound Quality by using Box Speaker with Dolby Audio (Dolby Atmos) including two way Bluetooth connectivity by which customer can enjoy TV sound wirelessly with external Bluetooth supported speakers. Customize home screen called MHS (My Home screen) for Internet App access to enjoy online 4K contents through pre-install VoD apps like Prime Video, Youtube and Netflix. Internet connectivity can be done through LAN input (Ethernet) or through Built-in Wi-Fi. Other features like Web Browser, Media Player, Screen Mirroring, Smart Speaker (Alexa/Google home) connectivity App, Home theatre connectivity through ARC makes your LED TV more user friendly. Flexible switch Pedestal and Smart Design with Narrow Bezel in glossy Black Front cabinet makes TV perfect for Customer choice according to their preference.

This Year 2020-21 despite of COVID-19 situation, your Company has aggressively support for complete evaluation of New Model Samples to keep new range of Smart/4K LED TV for domestic market. All the models evaluated as per the Company guidelines timely and launched in market.

In the year 2019-20, Company has introduced 4K LED TVs models with Cutting Edge Technology with latest updated feature like i.e. "Dolby vision, HDR10+" for Picture and "Dolby Atmos" Technology with support from Malaysia R&D (PAVCKM), Super Bright plus IPS panels with Best picture Quality, Home Theater like Sound, Smart and Sleek Silver design bezel with good aesthetics by changes in Bezel Design, Leg type Pedestal design.

Year 2019-20 For India Market (10 numbers 4K models and 2 Carry models as below)

Category	Screen Size	Total Models	HD	FHD	4K
LED TV	65"	3	-	-	3
	55"	3	-	-	3
	49"	2	-	-	2
	43"	3	-	1	2
	32"	1	1	-	
Total		12	1	1	10

# Carry FS Series Models: TH-32FS600D, TH-43FS600D

**2) Benefits derived as a result of R & D activity**

In Year 2019-20 the Company enthusiastically focused on research initiatives in LED TV as these research initiatives not only enables cost reduction through effective process improvement but also value addition through sustained innovative & customized products in line with customers' requirements in domestic market.

This Year 2020-21, your company focused on overall Panasonic Brand LED TV by detail evaluation of New Model samples as per Company guidelines, and support for Local Parts Development.

**3) Future plan of action**

Next year more focus will be given to overall Panasonic Brand LED TV by detail evaluation of New Models (Basic models to 4K models) as per Company guidelines to make the product more robust and best quality in market.

**(d) Expenditure on Research & Development**

Revenue Expenditure Rs. 27.87 Lakhs

Capital Expenditure Nil

Total Rs. 27.87 Lakhs

R & D expenditure as a percentage of total revenue is 0.17 %.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

Your Company understands the requirement of technology innovation for Electronic industry. Your Company has agreement of technological assistance with Panasonic Corporation, Japan and is also supported by R&D Facilities of PAVCKM, Malaysia.

Your Company has consistently improved its design compatibility, process development and capabilities.

**FOREIGN EXCHANGE EARNING AND OUTGOINGS**

(₹ Lakhs)

	2019-20	2018-19
<b>Earnings</b>	85.65	323.19
<b>Expenditure</b>		
On Capital Goods	0	15.65
On Raw Material	9,204.27	31,047.48
On Others	358.13	3,493.23

For and on behalf of the Board of Directors  
Panasonic AVC Networks India Company Limited

Date: 03.12.2020

Place: Delhi

Sd/-  
**Isshin Kinugawa**  
Managing Director  
DIN: 07785797

**Annexure-2****A. Statement of Employee in terms of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name of Employee	Designation	Annual Remuneration	Permanent / Contractual Employees	Nature of Employment	Qualification	Experience (pavci)	Date of Joining	Age (Date of Birth)	% of Equity Shares	Relative of Director/ Manager
Pankaj Jain	Sr. GM	45,61,802	Permanent	Procurement	B.Com,MBA	25	17-07-1995	27-03-1970	Nil	No
Rajni Kapoor	Sr. GM	44,15,761	Permanent	Finance &Accounts	M.Com, ICWAI, MBA	25	11-01-1995	22-03-1970	Nil	No
Puran Singh	GM	36,75,081	Permanent	Production /HR GA &Utility	B.Tech	2	23-07-2018	31-12-1975	Nil	No
Vinod Sati	DGM	28,68,508	Permanent	Engineering /ODM	B.Tech	2.5	15-01-2018	10-06-1979	Nil	No
Praveen Kumar Agnihotri	Sr. Manager	19,44,162	Permanent	Finance & Accounts	B.Com, LLB	26	1-08-1994	05-07-1966	Nil	No
Sharwan Prajapat	Sr. Manager	17,93,166	Permanent	Engineering /ODM	Bachelor of Engineering	2	23-04-2018	20-12-1982	Nil	No
Praduman Kapoor	Sr. Manager	15,83,412	Permanent	Procurement/ General Affairs	Diploma in Mechanical	3	22-05-2017	05-07-1977	Nil	No
Vishwa Bandhu Nigam	Sr. Manager	15,02,258	Permanent	Finance & Accounts	B.Com, PGDBM, Diploma in Computers	13	12-02-2007	24-07-1975	Nil	No
Vineet Sharma	Manager-II	14,74,450	Permanent	Engineering /ODM	Diploma in Electronics and Communication	2	10-04-2018	06-12-1982	Nil	No
Yoginder Maheshwari	Manager-II	13,11,815	Permanent	Finance & Accounts	B.Com, ICWA	14	17-04-2006	25-02-1975	Nil	No

- B. Details of employee who if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees and if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and 50 thousand rupees per month: NIL
- C. Details of employee who was in receipt of remuneration in excess of remuneration drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children not less than 2% of the equity shares of the company: NIL

For and on behalf of the Board of Directors  
Panasonic AVC Networks India Company Limited

Date:03.12.2020  
Place: Delhi

Sd/-  
Isshin Kinugawa  
Managing Director  
DIN: 07785797

**Annexure-3****NOMINATION AND REMUNERATION POLICY AND EVALUATION OF THE BOARD****Introduction:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

**Definitions**

- a) **"Board"** means Board of Directors of the Company.
- b) **"Directors"** mean Directors of the Company.
- c) **"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- d) **"Company"** means Panasonic AVC Networks India Company Limited.
- e) **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- f) **"Key Managerial Personnel"** (KMP) means- (i) Managing Director (ii) Whole Time Director (iii) Chief Financial Officer; (iv) Company Secretary.
- g) **"Senior Management"** means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

**Objectives**

The objective and purpose of this policy are:

- a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
  - b) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies of Panasonic AVC Networks India Company Limited.
  - c) To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
  - d) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
  - e) To retain, motivate and promote talent and to ensure long term sustain ability of talented managerial persons and create competitive advantage.
  - f) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
  - g) Formulation of the criteria to evaluate the performance of Independent Directors and the Board.
- In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors.

**Effective Date:**

This policy shall be effective from the date of adoption by the Board of Directors of the Company.

**Constitution of the Nomination and Remuneration Committee:**

S.No.	Name	Chairman/Member
1.	Mr. Tsuyoshi Yoto	Chairman
2.	Mrs. Kanchan Vohra	Member
3.	Mr. Yasho Verdhana Verma	Member

The Nomination and Remuneration Committee comprises of following Directors:

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

**Chairman**

- a) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- c) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or any other member of the committee authorised by him.

**Applicability**

The Policy is applicable to:

- a) Directors (Executive and Non-Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel



**Appointment Of Director, Key Managerial Personal, Senior Management And Other Employees****(i) Directors (other than Independent Directors), Key Managerial Personnel and Senior Management:****Appointment**

- a) Subject to the terms and conditions of Company's policy, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend him/her to the Board of Directors.
- b) The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years unless his appointment is approved by Special Resolution after he attains the age of seventy years.
- c) A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

**Tenure of Appointment:**

The Company shall not appoint or re-appoint any person as its Managing Director or Whole Time Director for a term exceeding five years at a time and no re-appointment shall be made earlier than one year before the expiry of term.

**(ii) Independent Directors****Appointment**

Appointment of Independent Directors is subject to the compliance of provisions of Section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder.

**Tenure of Appointment**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company.

Provided that no Independent Director shall hold office for more than two consecutive terms of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided further that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

**Removal and retirement of directors, key managerial personnel and senior management personnel****Removal**

The Committee may recommend to the Board, the removal of a Director, KMP and Senior Management Personnel for any misconduct or for any disqualification as specified in the Companies Act, 2013 and rules made thereunder or under any other applicable Act, rules and regulations.

**Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**Remuneration of the directors, key managerial personnel, senior management and other employees****(i) Remuneration to Directors (other than Independent Directors/non-executive Director), Key Managerial Personnel and Senior Management****Fixed pay:**

The Directors, Key Managerial Personnel and Senior Management shall be eligible for a monthly remuneration or at a specified percentage of the net profits of the company or at partly by one way and partly by the other as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, etc. shall be decided and approved by the Board or approved by the shareholders and Central Government, wherever required.

**Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Directors, Whole-time Director in accordance with the provisions of Schedule V of the Act.

**Excess remuneration:**

If any Director including any Managing Director or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, he shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the shareholders by way of special resolution.

**Insurance:**

Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying them against any liability in respect of negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**Sitting Fees:**

A Director may receive fees for attending meetings of Board or Committee thereof subject to the condition that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Provided that the sitting fees shall not constitute the part of percentages as laid down under the provisions of Act.

- a) The remuneration and commission to be paid to the Directors including Managing Directors and Whole-time Director shall be in accordance with the percentage or conditions laid down as per the provisions of Act.
- b) All fees / compensation, if any paid to non-executive directors, shall be fixed by the Board of Directors and shall require previous approval of shareholders in general meeting. The shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to non-executive directors, in any financial year and in aggregate.
- c) The Remuneration of a Director shall be inclusive of the remuneration paid to such director for the services rendered in any other capacity but if the services rendered are of a professional nature and the director possesses the requisite qualification for the practice of the profession, then it shall not be included.

**(ii) Remuneration to Independent Director****Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limits as per the applicable provisions of the Companies Act, 2013.

**Sitting Fees:**

The Independent Directors may receive fees for attending meetings of Board or Committee thereof.

Provided that the sitting fees shall not constitute the part of percentages as laid down under the provisions of Companies Act, 2013.

Provided further that for Independent Directors, the sitting fees payable to them shall not be less than the sitting fees payable to other directors.

**Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**Reimbursement of Expenses:**

The Independent Directors may charge reimbursement of expenses for participation in the Board Meeting and for conducting separate meetings of the Independent Directors.

**(iii) Remuneration to other Employees**

Apart from the Directors, Key Managerial Personnel and Senior Management, the remuneration for the rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

**Evaluation of the Performance**

The Committee shall evaluate the performance of each Directors of the Company with reference of the authority given in the provisions of section 178 of the Companies Act, 2013 and based on their functions as mentioned in the Code of Conduct of the Directors and the criteria for the evaluation of the performance.

Based on the evaluation, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company.

Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated.

**Review and Amendment**

- a) The Nomination and Remuneration Committee or the Board may review this Nomination and Remuneration Policy and Board Diversity Policy as and when it deems necessary.
- b) The Nomination and Remuneration Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to these Policies, if it thinks necessary.

These Policies may be amended or substituted by the Nomination and Remuneration Committee or by the Board as and when required and also by the Compliance Officer/ Company Secretary where there is any statutory changes necessitating the change in the policy.

**For and on behalf of the Board of Directors  
Panasonic AVC Networks India Company Limited**

Sd/-

**Isshin Kinugawa**  
Managing Director  
DIN: 07785797

Date: 03.12.2020  
Place: Delhi

Form No. MR-3  
SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2020  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Panasonic AVC Networks India Company Limited**  
D-13/4, Okhla Industrial Area,  
Phase – II, New Delhi - 110020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Panasonic AVC Networks India Company Limited [CIN: U74899DL1996PLC077330] (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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not Applicable)**
- (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 following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **(Not Applicable)**
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The labour laws, as informed and certified by the management of the Company, which are specifically applicable to the Company based on their sector/businesses are:
  - (a) The Factories Act, 1948;
  - (b) The Industrial Dispute Act, 1947;
  - (c) The Payment of Wages Act, 1936;
  - (d) The Minimum Wages Act, 1948;
  - (e) The Employees State Insurance Act, 1948
  - (f) The Employees Provident Fund and Misc. Provision Act, 1952;
  - (g) The Payment of Gratuity Act, 1972;
  - (h) The Payment of Bonus Act, 1965;
  - (i) The Contract Labour (Regulation and Abolition) Act, 1970;
  - (j) The Maternity Benefit Act, 1961;
  - (k) The Employees Compensation Act, 1923;
  - (l) The Industrial Employment (Standing Orders) Act, 1946;
  - (m) The Apprentices Act, 1961;
  - (n) The Equal Remuneration Act, 1976; and

- (o) The Child Labour Act, (Prohibition & Regulation) Act, 1970;
- (vii) The environmental laws, as informed and certified by the management of the Company, which are specifically applicable to the Company based on their sector/businesses are:
- The Environment (Protection) Act, 1986;
  - The Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008;
  - The Water (Prevention & control of Pollution) Act, 1974;
  - The E- Waste (Management & Handling) Rules, 2016;
  - Air (Prevention & control of Pollution) Act, 1981;
  - The Batteries (Management and Handling) Rules, 2010; and
  - The Manufacture, Storage & Import of Hazardous Chemical (Amendment) Rules, 2000.
  - The Noise Pollution (Regulation & Control) Rules, 2000;
  - Factory Act, 1948;
  - Motor Vehicle Act, (Amendment Rules, 2017);
  - The Ozone Depleting Substances (Regulation & Control) Rules, 2014 (Regulations 2016);
  - Plastic Waste Management Amendment Rules 2018;
- (viii) We have also examined compliance with the applicable clauses of the following:
- Electricity Rules- Bee Guideline;
  - RoHS Compliance as per Japan Guidelines; and
  - IT related laws.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India related to board and general meetings.

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

- The Company has initiated the process of seeking the approval of Board for filing the application for condonation of delay u/s 460 of the Act w.r.t. E-form MGT-14 for the appointment of Internal Auditor and re-appointment of Managing Director;*
- The Company has initiated the process for compliance of provisions of section 124 and rules made thereunder, including but not limited to transfer of shares and publication of notice in newspapers pertaining to FY 19-20;*
- The Company has substantially complied with the Secretarial Standards issued by The Institute of Company Secretaries of India related to board and general meetings.*

#### **We further report that**

The board of directors of the Company is duly constituted as per the provisions of the Act and amendments made there under. The changes in the composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the Act. *During the financial year, the Stakeholder Relationship Committee was reconstituted on December 27, 2019 to comply with section 178 of the Act.*

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent within the prescribed time 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.

All the decisions were carried with requisite majority. The members of the board have not expressed dissenting views on any of the agenda items during the financial year under review.

**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 Company has following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

- The Board of directors in its meeting held on December 27, 2019 approved to discontinue the TV production line of the Company;
- The Board of directors in its meeting held on December 27, 2019 approved the slump sale APIN board production unit to Panasonic India Private Limited;
- The Board of directors in its meeting held on February 24, 2020 authorized the reduction of 23,72,568 equity shares of INR Rs. 10 each, which was subsequently approved by shareholders of the Company by postal ballot on March 30, 2020. The application for reduction of equity share capital is pending with the National Company Law Tribunal;

Place: Delhi  
Date: 03.12.2020

Sd/-  
Abhishek Lamba & Associates  
ACS No. FCS 10489  
C P No.: 13754  
UDIN: F010489B001379219

Note:

1. This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.
2. Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.
3. This report is limited to the statutory compliances on laws / regulations / guidelines listed in our report which have been complied by the Company up to the date of this report pertaining to FY 2019-2020. We are not commenting on the statutory compliances whose due dates are extended by regulators from time to time due to COVID-19 or still there is time line to comply with such compliances.

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**Annexure - A**

To,  
The Members,  
Panasonic AVC Networks India Company Limited  
D-13/4, Okhla industrial area,  
Phase – II, New Delhi - 110020

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 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 accounts 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 management. Our examination was limited to the verification of procedures on 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.

Place: Delhi  
Date: 03.12.2020

Sd/-  
Abhishek Lamba & Associates  
ACS No. FCS 10489  
CP No.: 13754  
UDIN: F010489B001379219

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**Annexure-5**

Schedule & Attendance of Board & Committee Meetings in F.Y. 2019-20			
Date	Number of Board Meeting	No. of Directors Present	No. of Leaves granted
23/04/2019	105th	5	1
21/08/2019	106th	4	2
12/12/2019	107th	4	2
27/12/2019	108th	5	0
27/12/2019	109th	5	0
24/02/2020	110th	4	1

For and on behalf of the Board of Directors  
Panasonic AVC Networks India Company Limited

Sd/-  
Isshin Kinugawa  
Managing Director  
DIN: 07785797

Date: 03.12.2020

Place: Delhi

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## ANNEXURE-6

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2020

*[Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2015]*

I	REGISTRATION AND OTHER DETAILS :				
i	CIN	U74899DL1996PLC077330			
ii	Registration Date	March 19, 1996			
iii	Name of the Company	Panasonic AVC Networks India Company Limited			
iv	Category/Sub-category of the Company	Manufacturing Company			
v	Address of the Registered office & contact details	D-13/4, Okhla Industrial Area, Phase-II, New Delhi-110020, India Tel:+91-120-4024500 Email Id: Neeraj.khanna@in.panasonic.com			
vi	Whether listed company	No			
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited, D-153 A  1st Floor  Okhla Industrial Area, Phase-I  New Delhi-110020. Tel. : +91 11 40450193-97			
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY				
S. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company		
1	Manufacturing of LED TV		77.84		
III	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES				
S. No.	Name & Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% Shares Held of	Applicable Section
1	Panasonic Corporation, Japan	Foreign Company	Holding	95.25	2(46)



IV	Share holding pattern(Equity Share Capital Breakup as percentage of Total Equity)								
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
<b>A. Promoters</b>									
<b>(1) Indian</b>	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	1,94,62,121	2,81,65,318	4,76,27,439	95.25	1,94,62,121	2,81,65,318	4,76,27,439	95.25	0
d) Banks/FI									
e) Any other...									
<b>SUB TOTAL (A) (2)</b>	1,94,62,121	2,81,65,318	4,76,27,439	95.25	1,94,62,121	2,81,65,318	4,76,27,439	95.25	0
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	1,94,62,121	2,81,65,318	4,76,27,439	95.25	1,94,62,121	2,81,65,318	4,76,27,439	95.25	0

<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	4,000	200	4,200	0.01	4,000	200	4,200	0.01	0.00
b) Banks/FI	1,800	14,200	16,000	0.03	1,800	14,200	16,000	0.03	0.00
	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	11,900	11,900	0.02	0	11,900	11,900	0.02	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>5,800</b>	<b>26,300</b>	<b>32,100</b>	<b>0.06</b>	<b>5,800</b>	<b>26,300</b>	<b>32,100</b>	<b>0.06</b>	<b>0.00</b>
<b>(2) Non Institutions</b>									
a) Bodies corporate	86,283	22,400	1,08,683	0.22	86,502	22,400	1,08,902	0.22	0.00
i) Indian	100	13500	13600	0.03	100	13500	13600	0.03	0.00
ii) Overseas									
b) Individuals	10,68,909	6,00,480	16,69,389	3.34	10,66,509	5,01,375	15,67,884	3.14	-0.20
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	4,59,359	0	4,59,359	0.92	4,59,583	0	4,59,583	0.92	0.00

ii) Individuals shareholders holding nominal share Capital in excess of Rs. 1 Lac									
c) Others (specify)	64,263	0	64,263	0.13	62,763	0	62,763	0.13	0.00
NRI, HUF, Corp Bodies etc.	19,474	5,700	25,174	0.05	19,474	5,500	24,974	0.05	0.00
<b>SUB TOTAL (B)(2):</b>	0	0	0	0.00	0	0	0	0.00	0.00
	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	0	0	0	0.00	200	0	200	0.00	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>D. IEPF</b>	0	0	0	0.00	102562	0	102562	0.21	0.21
<b>Grand Total (A+B+C)</b>	2,11,66,309	2,88,33,698	5,00,00,007	100.00	2,12,65,614	2,87,34,393	5,00,00,007	100.00	0.00

(ii) SHAREHOLDING OF PROMOTERS								
S. No.	Shareholders Name	at the beginning of the year			at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	Panasonic Corporation, Japan	4,76,27,439	95.25		4,76,27,439	95.25	-	-
	Total	4,76,27,439	95.25	-	4,76,27,439	95.25	-	-

(iii) CHANGE IN PROMOTERS SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)					
S. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	4,76,27,439	95.25	4,76,27,439	-
	Date wise increase/decrease in Promoters Shareholding during the	NIL	NIL	NIL	NIL

	year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
	At the end of the year	4,76,27,439	95.25	4,76,27,439	-

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)					
S. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
	Aggregate of top 10 shareholders	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	4,63,899	0.93	4,63,899	0.93
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
	At the end of the year (or on date of separation, if separated during the year.)	4,24,127	0.85	4,24,127	0.85

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL					
S. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
	For Each of the Directors & KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	-	-	-	-
	At the end of the year	-	-	-	-

**V INDEBTEDNESS**

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

	(Rs. in lakhs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year.	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Indebtedness at the end of the financial year				

i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
	(Rs.in Lakhs)			
<b>A.</b>	Remuneration to Managing Director, Whole Time Director and/or Manager:			
S. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	Gross salary	Mr. Isshin Kinugawa	Mr. Kunio Omura Whole Time Director (upto 31/05/2019)	-
	a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	23.92	3.60	27.52
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	14.14	2.44	16.58
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			-
	as % of profit	-2.36	-0.37	-2.74
2	others (specify)			-
	<b>Total (A)</b>	<b>38.06</b>	<b>6.04</b>	<b>44.10</b>

<b>B.</b>	Remuneration to other directors:					
	(Rs. in Lakhs)					
S. No.	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	Ms. Monica Suri (upto 16/12/2019)	Mr. K.B. Kapur (upto 23/12/2019)	Mrs. Kanchan Vohra (from 27/12/2019 to 31/03/2020)	Mr. Yasho Verdhhan Verma (from 27/12/2019 to 31/03/2020)	
	(a) Fee for attending board meetings	0.30	0.30	0.90	0.90	2.40
	(b) Commission			-	-	
	(c) Others, please specify For attending Audit Committee Meetings	0.10	0.10	0.60	0.60	1.40
	<b>Total (1)</b>	0.40	0.40	1.50	1.50	3.80
2	Other Non-Executive Directors			-	-	-
	(a) Fee for attending board meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-

	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	0.40	0.40	1.50	1.50	3.80

C.		Remuneration to Key Managerial Personnel other than MD/Manager/WTG:					(Rs. in Lakhs)
S. No.	Particulars of Remuneration	Key Managerial Personnel					
1	Gross Salary	Mr. Kunio Omura (Chief Financial Officer ) (upto May 31, 2019)	Mr. Kenji Kobayashi (Chief Financial Officer) (from June 01, 2019 to March 31, 2020)	Mr. Rajiv Bajaj (Company Secretary) (upto 16/12/2019)	Mr. Manish Surolia (Company Secretary) (from 27/12/2019 to March 20, 2020)	Total	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	187.35	59.57	-	246.92	
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	24.65	-		24.65	
	(c) Others, specify	-	-	-		-	
	Total	-	212.00	59.57		271.57	

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES					
Type	Section of the Companies Act	Brief Description	Details of Penalties/Punishment/Compounding Of Offences	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY: NIL					
Penalty					
Punishment					
Compounding					
B. DIRECTORS: NIL					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT: NIL					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors  
Panasonic AVC Networks India Company Limited

Date: 03.12.2020  
Place: Delhi

Sd/-  
Isshin Kinugawa  
Managing Director  
DIN : 07785797

## ANNEXURE-7

## FORM NO. AOC -2

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

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

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

S. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	NIL
2.	Nature of contracts/arrangements/transaction	NIL
3.	Duration of the contracts/arrangements/transaction	NIL
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
5.	Justification for entering into such contracts or arrangements or transactions'	NIL
6.	Date of approval by the Board	NIL
7.	Amount paid as advances, if any	NIL
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

**2. Details of the material contracts or arrangements or transactions at Arm's length basis:**

Sr. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Panasonic AVC Networks Vietnam Co. Ltd., Vietnam
		Fellow Subsidiary
		Panasonic AVC Networks Kuala Lumpur Malaysia SDN. BHD, Malaysia
		Fellow Subsidiary
		Panasonic Corporation, Japan
		Holding Company
		Panasonic Home Appliances Refrigerator (WUXI) Co. LTD., China
		Fellow Subsidiary
		Panasonic Hong Kong Co. Ltd., Hong Kong
		Fellow Subsidiary
		Panasonic Management (Thailand) Co., LTD., Thailand
		Fellow Subsidiary
		Panasonic Procurement Asia Pacific Pte. Ltd., Singapore
		Fellow Subsidiary
		Panasonic Procurement Malaysia SDN. BHD., Malaysia
		Fellow Subsidiary
		Panasonic Taiwan Co. Ltd., Taiwan
		Fellow Subsidiary
		Panasonic Vietnam Co. Ltd., Vietnam
		Fellow Subsidiary
		Panasonic India Pvt. Ltd., India
		Fellow Subsidiary
		Panasonic Energy India Co. Ltd.
		Fellow Subsidiary
		Panasonic Factory Solutions Singapore Pte. Ltd.
		Fellow Subsidiary
		Panasonic AVC Networks Czech, S.R.O.
		Fellow Subsidiary
		Panasonic South Africa (PTY) Ltd.
		Fellow Subsidiary
		Panasonic Asia Pacific Pte. Ltd., Singapore
		Fellow Subsidiary
2	Nature of contracts/arrangements/transaction	Purchase and Sale/Supply of Goods/services and trading of goods
3	Duration of the contracts/arrangements/transaction	01.04.2019 – 31.03.2020
4	Salient terms of the contracts or arrangements or transaction including the value, if any	SALE of LED TV, Printed Circuit Board, spare parts. PURCHASE of Raw material, capital goods, samples. SERVICES of technical support, testing. OTHER EXP of Royalty, patent, R&D fee, After Sale services expenses, reimbursement of expenses etc.
5	Date of approval by the Board	21st August, 2019
6	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors  
Panasonic AVC Networks India Company Limited

Date: 03.12.2020  
Place: Delhi

Sd/-  
Isshin Kinugawa  
Managing Director  
DIN: 07785797

## Annexure-8

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies(Corporate Social Responsibility) Rules, 2014]

- The main objective of the CSR Policy is to lay down guidelines for the Company to make CSR as one of the key focus are as to adhere to progress strategy that focus is on making a positive contribution to society through high impact, sustainable programs. The Policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

S. No.	Name of the Member
1	Mr. Isshin Kinugawa - Chairman
2	Mrs. Kanchan Vohra
3	Mr. Y. V. Verma

- The Composition of the CSR Committee :

Financial Year	Net Profit/Net Loss (-)(Rs. In Lakhs)
F.Y. 16-17	1,533.58
F.Y. 17-18	1,376.38
F.Y. 18-19	672.27
Total net profit for 3 years	3,582.23
Average net profit of the company for last three financial yeas	1,194.08

- Average net profit of the company for last three financial year :
- Prescribed CSR Expenditure(two per cent of the amount as in item 3 above):-23.88 Lakhs
- Details of CSR spent during the financial year in INR :
  - Total amount to be spent for the financial year: ₹ 23.88 Lakhs
  - Amount unspent, if any: ₹23.88 Lakhs

S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount pent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to to there porting period	Amount spent : Director through implementing agency*
Not Applicable							

- Manner in which the amount spent during the financial year is detailed below :
- Provide reason for not spending the CSR expenditure: The Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. Your Company was required to spend INR 23.88 Lakhs during the Financial Year 2019-20 towards its CSR obligations and the Company was planning to incur the same at the end of the March, 2020, however in March, 2020 due to the pandemic COVID-19, a nationwide Lockdown was declared due to which your Company was not able to spend the amount. However the aforesaid expenditure was duly incurred by your Company in the beginning of September, 2020.

CSR Committee declares that the implementation and monitor in go FCSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors  
Panasonic AVC Networks India Company Limited

Sd/-  
Isshin Kinugawa  
Managing Director  
DIN: 07785797

Date: 03.12.2020



**Independent Auditor's Report****To The Members of Panasonic AVC Networks India Co. Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **Panasonic AVC Networks India Co. Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014, as amended, ("AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Emphasis of Matter**

Attention is invited to note 25 and 26 of the financial statements regarding assets which have been classified as held for sale and discontinued operations for the reasons as stated in the said notes. Our opinion is not modified in respect of this matter.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's 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 during the course of our 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.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is 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 financial position, financial performance and cash flows of the Company in accordance with the AS and other accounting principles generally accepted in India. 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, the board of directors is 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 the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are 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 auditor's 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 Companies Act, 2013, 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 auditor's 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 (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-A**, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure-B**.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 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 delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and according to the information and explanation given to us, the Company has paid remuneration to its directors during the year in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act.

#### For S.R. Dinodia & Co. LLP.

Chartered Accountants,

Firm's Registration Number 001478N/N500005

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

UDIN : 20083689AAAAEW2535

Place of Signature: New Delhi

Date : 29/10/2020

**Annexure 'A' To the Independent Auditors' Report of even date on the financial statements of Panasonic AVC Networks India Co. Limited**

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2020, we report that:

- i) In respect of fixed assets comprising of property, plant and equipment:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In accordance with this programme, no material discrepancies were noticed on such verification. 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 the records examined by us, the title deed/lease deed of immovable properties included in property, plant and equipment are held in the name of the Company.
- ii) The Management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on verification between the physical stocks and the book records.
- iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- iv) According to the available information and explanation provided to us, the Company has no transaction covered under the provisions of section 185 and 186 of the Companies Act, 2013 during the year. Accordingly, the provisions of clauses 3(iv) of the Order are not applicable.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under subsection (I) of Section 148 of the Act in respect of product covered and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records. Further, cost auditor has separately been appointed by the Company whose report is pending to be made available for our verification.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax or sales tax or duty of excise or service tax or value added tax, goods & service tax, duty of customs or cess and other applicable statutory dues with appropriate authorities. Further, there were no undisputed outstanding statutory dues as on the last day of the financial year concerned 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 are no dues of customs which have not been deposited with the appropriate authorities on account of any dispute. Further, according to the information and explanations given to us, except as stated below, there are no dues of income tax, service tax, sales tax, goods & service tax, duty of excise and value added tax which have not been deposited by the Company on account of any disputes:

Name of statute	Nature of dues	Amount disputed (₹ In Lakh)	Amount paid under protest (₹ In Lakh)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty (including penalty)	146.82	8.76	2001-02	CESTAT, Allahabad
Central Excise Act, 1944	Excise duty (including penalty)	44.41	3.00	2000-02	High Court, Allahabad
Central Excise Act, 1944	Excise duty (including penalty)	28.64	2.15	2011-14	Commissioner Central Excise (Appeals)
Central Excise Act, 1944	Excise duty	46.73	-	October 1997 to December 1998	Commissioner Central Excise (Appeals)
Central Excise Act, 1944	Excise duty (including penalty)	0.74	0.13	2015-16	Commissioner Central Excise (Appeals)
Finance Act, 1994	Service Tax (including penalty)	44.68	-	1997-2000	High Court, Allahabad
Finance Act, 1994	Service Tax (including penalty)	47.06	3.53	2007-2018	Commissioner (Appeals), Noida

Name of statute	Nature of dues	Amount disputed (₹ In Lakh)	Amount paid under protest (₹ In Lakh)	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax (including penalty)	386.27	14.49	2011-2016	Commissioner (Appeals), Noida
Finance Act, 1994	Service Tax (including penalty)	110.03	-	2016-18	Commissioner (Appeals), Noida
Income Tax Act, 1961	Income Tax	1,147.74	178.00	AY 2015-16	ITAT
Income Tax Act, 1961	Income Tax	1,785.57	217.69	AY 2016-17	CIT (A)
Income Tax Act, 1961	Income Tax	1,271.55	223.97	AY 2017-18	CIT (A)
Central Sales Tax 1956/Tamilnadu General Sales Tax, 1959	Sales Tax	12.34	12.34	2003-04 2006-07	Commercial Tax Officer
West Bengal Value Added Tax Act, 2003	Sales Tax	18.50	9.00	2014-15	Commissioner Appeals, Sales Tax
UPGST Act, 2017	GST (including penalty)	2.86	2.86	2019-20	Additional Commissioner Appeal, Noida.

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks/financial institutions. However, the Company has no loans or borrowings payable to government and no dues payable to debenture-holders during the year.
- ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. The Company has not taken any term loan during the year. Accordingly, the provisions of paragraph 3(ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid (and)/ provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- xii) The Company is not a Nidhi company hence the provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of paragraph 3 (xv) of the order are not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

**For S.R. Dinodia & Co. LLP.**

Chartered Accountants,

Firm's Registration Number 001478N/N500005

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

UDIN : 20083689AAAAEW2535

Place of Signature: New Delhi

Date : 29/10/2020

**Annexure 'B' to the Independent Auditors' Report of even date on the financial statement of Panasonic AVC Networks India Co. Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **Panasonic AVC Networks India Co. Limited ("the Company")** as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls With reference to Financial Statements**

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

**Inherent Limitations of Internal Financial Controls 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 control 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.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on "the internal control 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.

**For S. R. Dinodia & Co. LLP.**

Chartered Accountants,  
Firm's Registration Number 001478N/N500005

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

UDIN : 20083689AAAAEW2535

Place of Signature: New Delhi

Date : 29/10/2020

**Balance Sheet as at March 31, 2020**

(₹ in lakh, unless otherwise stated)

Particulars	Notes	As At March 31, 2020	As At March 31, 2019
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	5,000.00	5,000.00
Reserves and surplus	4	203.95	2,177.01
		<u>5,203.95</u>	<u>7,177.01</u>
<b>Non current liabilities</b>			
Long-term provisions	5	0.32	23.51
		<u>0.32</u>	<u>23.51</u>
<b>Current liabilities</b>			
Trade payables :	6		
- Total outstanding dues of micro and small enterprises		-	55.20
- Total outstanding dues of creditors other than micro and small enterprises		1,182.17	4,059.75
Other current liabilities	7	441.48	1,391.05
Short-term provisions	5	655.01	870.82
		<u>2,278.66</u>	<u>6,376.82</u>
<b>TOTAL</b>		<b><u>7,482.93</u></b>	<b><u>13,577.34</u></b>
<b>Non-current assets</b>			
Property, plant and equipment			
Tangible assets	8	446.16	703.56
Intangible assets	9	0.30	1.24
Capital work-in-progress	8A	-	20.19
Deferred tax assets (net)	10	301.79	541.48
Long-term loans and advances	11	830.12	115.18
Other non-current assets	12	-	219.04
		<u>1,578.37</u>	<u>1,600.69</u>
<b>Current assets</b>			
Inventories	13	440.35	2,192.85
Trade receivables	14	485.69	2,274.56
Cash and bank balances	15	4,603.92	6,622.60
Short-term loans and advances	11	248.04	880.75
Other current assets	16	126.56	5.89
		<u>5,904.56</u>	<u>11,976.65</u>
<b>TOTAL</b>		<b><u>7,482.93</u></b>	<b><u>13,577.34</u></b>
<b>Significant accounting policies</b>	2		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached

**For S R Dinodia & Co. LLP**

Chartered Accountants

Firm's Registration Number: 001478N/N500005

**For and on behalf of the Board of Directors of****Panasonic AVC Networks India Co. Limited**

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

Place of Signature: New Delhi

Date : 29/10/2020

Sd/-

**(Isshin Kinugawa)**

Chairman and Managing Director

DIN: 07785797

Place: Noida

Date: 29/10/2020

Sd/-

**(Kenji Kobayashi)**

Finance Director and

Chief Financial Officer

Place : Noida

Date: 29/10/2020

Sd/-

**(Neeraj Khanna)**

Company Secretary

M. No. : A56723

Place : Noida

Date: 29/10/2020

**Statement of Profit and Loss for the year ended March 31, 2020**

(₹ in lakh, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Continuing Operations</b>			
<b>Revenue from operations</b>			
Revenue from Operations	17	1,913.37	1,893.07
Other income	18	337.63	316.55
<b>Total revenue</b>		<b>2,251.00</b>	<b>2,209.62</b>
<b>Expenses</b>			
Purchase of stock-in-trade	19	814.05	920.47
Changes in inventories of finished goods, work in progress and stock-in-trade	20	126.09	1.62
Employee benefits	21	651.68	499.23
Finance costs	22	0.35	7.52
Depreciation and amortisation	23	102.96	236.92
Other expenses	24	447.96	539.21
<b>Total expenses</b>		<b>2,143.09</b>	<b>2,204.97</b>
<b>Profit/(loss) before tax</b>		107.91	4.65
Tax expense			
Current tax		-	1.72
Income tax adjustment related to earlier years		(12.04)	4.39
Deferred tax charge/(release)	10	(17.94)	(0.09)
<b>Profit/(loss) from continuing operations</b>		<b>137.90</b>	<b>(1.37)</b>
<b>B. Discontinued Operations</b>	26		
Profit/(Loss) from discontinued operations before tax (refer note 26.3)		(1,549.33)	661.77
Tax expense on profit/(loss) from discontinued operations		257.64	232.02
Gain on disposal of assets attributable to the discontinued operations (Refer Note 26.1)		57.65	-
<b>Profit/(Loss) from discontinued operations</b>		<b>(1,749.31)</b>	<b>429.75</b>
<b>C. Profit/(Loss) for the year from total operations</b>	(A+B)	<b>(1,611.41)</b>	<b>428.38</b>
<b>Earnings per share (of ₹ 10 each):</b>	27		
Basic and diluted earnings per share from continuing operations		0.28	(0.00)
Basic and diluted earnings per share from total operations		(3.22)	0.86

**Significant accounting policies**

2

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

As per our report of even date attached

**For S R Dinodia & Co. LLP**

Chartered Accountants

Firm's Registration Number: 001478N/N500005

**For and on behalf of the Board of Directors of****Panasonic AVC Networks India Co. Limited**

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

Place of Signature: New Delhi

Date : 29/10/2020

Sd/-

**(Isshin Kinugawa)**

Chairman and Managing Director

DIN: 07785797

Place: Noida

Date: 29/10/2020

Sd/-

**(Kenji Kobayashi)**Finance Director and  
Chief Financial Officer

Place : Noida

Date: 29/10/2020

Sd/-

**(Neeraj Khanna)**

Company Secretary

M. No. : A56723

Place : Noida

Date: 29/10/2020



**Cash Flow Statement for the year ended March 31, 2020**

(₹ in lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash Flow from Operating Activities</b>		
Profit/(loss) for the year	(1,611.41)	428.38
Adjustments for :		
Tax expenses (continuing and discontinued operations)	227.65	238.04
Depreciation and amortisation	139.14	308.50
Unrealised foreign exchange loss (gain)	(1.84)	38.36
Finance costs	3.14	35.69
provision for slow moving inventory	-	132.40
provision for slow moving inventory written back	(241.47)	-
Liabilities no longer required written back	-	(59.72)
Interest income	(233.07)	(256.17)
Loss/(profit) on sale of property, plant and equipment	(59.21)	(0.66)
	<b>(165.64)</b>	<b>436.44</b>
<b>Operating profit before working capital changes</b>	<b>(1,777.07)</b>	<b>864.82</b>
Adjustments for :		
Decrease/(Increase) in inventories	2,029.93	(496.19)
Decrease/(increase) in trade receivables	1,790.30	(1,604.04)
Decrease/(increase) in loans and advances and other assets	(27.84)	(139.91)
Increase/(Decrease) in trade payables	(2,932.78)	1,061.79
Increase/(Decrease) in other liabilities and provisions	(1,131.60)	688.91
	<b>(271.99)</b>	<b>(489.44)</b>
<b>Cash generated from operating activities before taxes</b>	<b>(2,049.06)</b>	<b>375.38</b>
Adjustment for :		
Income tax paid	(144.59)	(226.40)
<b>Net cash generated from operating activities (A)</b>	<b>(2,193.65)</b>	<b>148.99</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment (including CWIP)	(8.93)	(150.10)
Increase/ (Decrease) in capital creditors	(2.50)	(107.06)
Proceeds from sale of property, plant and equipment	110.22	1.58
Bank deposits (having original maturity of more than three months)	(1,014.18)	986.79
Earmarked balances with a bank - dividend account	1.65	5.31
Interest received	230.44	257.62
<b>Net cash generated (used in)/ provided by investing activities (B)</b>	<b>(683.31)</b>	<b>994.13</b>
<b>C. Cash Flow from Financing Activities</b>		
Finance charges paid	(3.14)	(35.69)
Dividend paid	(301.65)	(525.31)
Corporate dividend tax	(61.65)	(106.91)
Proceeds from short term borrowings	-	18,231.73
Repayment of short term borrowings	-	(18,231.73)
<b>Net cash used in financing activities (C)</b>	<b>(366.45)</b>	<b>(667.91)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(3,243.41)</b>	<b>475.21</b>



**Cash Flow Statement for the year ended March 31, 2020**

(₹ in lakh, unless otherwise stated)

**Cash and cash equivalents at the beginning of the year**

Cash in hand

Balances with scheduled banks

- on current accounts

- on fixed deposits (demand deposits or deposits having  
original maturity of 3 months or less)

503.65

377.54

6,100.00

5,750.91

**Cash and cash equivalents at the end of the year****3,360.24****6,603.65****Components of cash and cash equivalents**

Cash in hand

Balances with scheduled banks

- on current accounts

3,360.24

503.65

- on fixed deposits (demand deposits or deposits having  
original maturity of 3 months or less)

-

6,100.00

**3,360.24****6,603.65**

**Notes:** The above cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 "Cash Flow Statements" as specified under section 133 of the Companies Act, 2013, read with Rules, as applicable, of the Companies (Accounts) Rule 2014.

As per our report of even date attached

**For S R Dinodia & Co. LLP**

Chartered Accountants

Firm's Registration Number: 001478N/N500005

**For and on behalf of the Board of Directors of****Panasonic AVC Networks India Co. Limited**

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

Place of Signature : New Delhi

Date: 29/10/2020

Sd/-

**(Isshin Kinugawa)**

Chairman and Managing Director

DIN: 07785797

Place: Noida

Date: 29/10/2020

Sd/-

**(Kenji Kobayashi)**Finance Director and  
Chief Financial Officer

Place : Noida

Date: 29/10/2020

Sd/-

**(Neeraj Khanna)**

Company Secretary

M. No. : A56723

Place : Noida

Date: 29/10/2020

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**Notes to the financial statements for the year ended March 31, 2020**

(₹ in lakh, unless otherwise stated)

**Note 1 : Background**

Panasonic AVC Networks India Co. Limited ('the Company') is in the business of manufacturing and trading of electronic items (LCD/LED TVs, Mounted printed circuit board for air conditioner, washing machines & refrigerators and related spare parts) at its unit located at Noida, Uttar Pradesh. The Company is a subsidiary of Panasonic Corporation, Japan.

**Note 2 : Significant accounting policies**

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

**i. Basis of preparation of financial statements**

The financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual and going concern basis. GAAP includes accounting standards as specified under the section 133 of the Companies Act, 2013 read with Rules, as applicable, of Companies (Accounts) Rules, 2014 and other pronouncements of the Institute of Chartered Accountants of India. The financial statements are presented in Indian rupees rounded off to nearest lakh.

**ii. Use of estimates**

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

**iii. Current and non-current assets**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle ;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at-least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for atleast 12 months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

**iv. Property, plant and equipment****Tangible Assets**

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment 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; 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 under construction are disclosed as capital work-in-progress.

Depreciation on the following property, plant and equipment (except leasehold land) is provided on the written value method on a pro-rata basis. Depreciation rates are determined based on management's estimate of the economic useful lives of the asset which are higher or lower than the indicative rates specified under schedule II to the Companies Act, 2013.

Property, plant and equipment	Schedule II-useful life	Estimated useful life
Computers	3 years	3 years
Plant and equipment	5/10/15 years	4/8/10 years
Dies and moulds	8 years	1 year
Furniture and fixtures	10 years	10 years
Vehicles	8 years	4 years
Factory Building	30 years	29 years
Non- factory Building	60 years	59 years

Leasehold land is amortised on a straight line basis over the period of the lease. i.e. 83 years.

Property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognized in the Statement of Profit and Loss.

#### **Intangible fixed assets**

##### **Acquired intangible assets**

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

Intangible assets are amortized in the Statement of profit and loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortized on straight line basis. In accordance with the applicable Accounting Standard, the Company follows a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. However, if there is persuasive evidence that the useful life of an intangible asset is longer than ten years, it is amortized over the best estimate of its useful life. Such intangible assets that are not yet available for use are tested annually for impairment.

Intangible assets comprise computer software only, which are being amortized over a period of 3 years.

Amortization method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

#### **v. Impairment**

Property, plant and equipment and intangible assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

#### **vi. Operating leases**

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

Assets given by the Company under operating lease are included in property, plant and equipment. Lease income from operating leases is recognised in the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as expenses. Initial direct costs incurred specifically for an operating lease are deferred and recognised in the Statement of Profit and Loss over the lease term in proportion to the recognition of lease income.

#### **vii. Inventories**

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, and stores and spares are carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase, costs 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 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 costs necessary to make the sale.

The proportionate amount of additional duty of customs paid on finished goods imported for trading and lying unsold as at the year-end has been included in the value of the finished goods stock whenever paid.

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 it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

#### viii. 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 recognized 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.

##### (i) Superannuation fund

Under the superannuation scheme, a defined contribution plan, the Company pays fixed contributions into a separate trust and has no obligation to pay further amounts. The trust has taken up a policy with the Life Insurance Corporation of India. Benefits are paid by Life Insurance Corporation of India to the vesting employees on retirement, death, incapacitation or termination of employment. Contributions paid by the Company to the superannuation trust are charged to the Statement of Profit and Loss.

##### (ii) Provident Fund and Employees State Insurance Scheme

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 expense in the Statement of Profit and Loss during the period in which the employee renders the related service. In addition, some employees of the Company are covered under the Employees State Insurance Scheme, which is also defined contribution scheme recognised and administered by the Government of India.

#### **Defined benefit plans**

##### **Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established as trust which has taken up a group policy with Life Insurance Corporation of India. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

#### **Other long term employee benefits**

##### **Compensated absences**

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize 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 utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company makes annual contributions to Life Insurance Corporation of India. 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.

**ix. Revenue recognition**

Revenue from sale of goods in the course of ordinary activities is recognized when property in the goods or all significant risks and rewards of their ownership are transferred to the customer which generally coincides with delivery of goods to the customers in accordance with the contract terms and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

In view of the nature of services rendered, revenue from services is recognised on an accrual basis, as per the terms of the agreement with the customers, and when no significant uncertainty exists regarding the collection of the consideration. The amount recognised as revenue is exclusive of sales tax, value added taxes (VAT), service tax, Goods and Services Tax (GST) and is net of returns.

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

Dividend income is recognised when the right to receive payment is established.

**x. Foreign exchange transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date. The resultant exchange differences are recognised in the Statement of Profit and Loss.

Premiums / discounts arising at the inception of the forward exchange contracts, which are covered under Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates", entered into to hedge foreign currency risks are amortised as expense / income over the life of the contract. Exchange difference on such a contract is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rate changes.

Derivative contracts are marked to market and provision for loss/gain, if any, is recognised in the Statement of Profit and Loss.

**xi. Royalty**

Payment of technical assistance and trade mark fees in the form of royalty on the sale of products is being accounted for on accrual basis as per technical assistance and trade mark agreement with Panasonic Corporation, Japan.

**xii. Provisions**

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.

**xiii. Contingent liabilities and contingent assets**

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 recognized 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 recognized in the period in which the change occurs.

**xiv. Income taxes**

Income-tax expense comprises 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 the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognized in the Statement of Profit and Loss except that tax expense related to items recognized directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. 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 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 supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each 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 Alternate 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 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.

**xv. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposit with banks, other short term highly liquid investments with original maturities of three months or less.

Notes to the financial statements for the year ended March 31, 2020

## Note 3 : Share capital

(₹ in lakh, unless otherwise stated)

	As at March 31, 2020		As at March 31, 2019	
	Shares (In Nos)	Amount	Shares (In Nos)	Amount
Authorized				
Equity shares of Rs. 10 each (March 31, 2019 ₹10 each)	5,00,00,007	5,000.00	5,00,00,007	5,000.00
5% Non cumulative redeemable preference shares of ₹ 10 each (March 31, 2019 : ₹ 10 each)	5,99,99,993	6,000.00	5,99,99,993	6,000.00
	<u>11,00,00,000</u>	<u>11,000.00</u>	<u>11,00,00,000</u>	<u>11,000.00</u>
Issued, subscribed and paid up				
Equity shares of ₹ 10 each fully paid up (March 31, 2019: ₹10 each)				
Outstanding at the beginning and at the end of the year	5,00,00,007	5,000.00	5,00,00,007	5,000.00
	<u>5,00,00,007</u>	<u>5,000.00</u>	<u>5,00,00,007</u>	<u>5,000.00</u>

Note: During the year, pursuant to the provisions of section 66 and other applicable provisions, if any, of the Companies Act, 2013 read with rules and pursuant to the relevant provisions of the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, the shareholders by way of special resolution through postal ballot have approved reduction of the subscribed equity share capital of the Company by paying off, cancelling and extinguishing, in aggregate, 2372568 equity shares of ₹ 10 each held by public members. The same is pending for approval by National Company Law Tribunal ("NCLT").

## a) Rights, preferences and restrictions attached to equity shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each holder of the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

## b) Rights, preferences and restrictions attached to preference shares

Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend is not declared for a financial year, the entitlement for that year lapses. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights. Non cumulative preference shareholder acquires voting rights on par with an equity shareholder if the dividend on preference shares has remained unpaid for a period of not less than two years or for any three years during a period of six years ending with the financial year preceding the meeting. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares

## c) Equity shares held by ultimate holding company/ holding company and/ or their subsidiaries/ associates.

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Panasonic Corporation, Japan, the holding company (equity shares of ₹ 10 each fully paid up)	4,76,27,439	4,762.74	4,76,27,439	4,762.74
	<u>4,76,27,439</u>	<u>4,762.74</u>	<u>4,76,27,439</u>	<u>4,762.74</u>

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

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of total share in the class	Number of shares	% of total share in the class
Panasonic Corporation, Japan, the holding company (equity shares of ₹ 10 each)	4,76,27,439	95.25%	4,76,27,439	95.25%
	<u>4,76,27,439</u>	<u>95.25%</u>	<u>4,76,27,439</u>	<u>95.25%</u>

Notes to the financial statements for the year ended March 31, 2020

**Note 4: Reserves and surplus**

(₹ in lakh, unless otherwise stated)

	As At March 31, 2020	As At March 31, 2019
General reserve		
At the beginning and at the end of the year	472.75	472.75
Surplus (Profit and Loss balance)		
Balance at the beginning of the year	1,704.26	1,902.80
Add: Profit (loss) for the year	(1,611.41)	428.38
Less: Appropriations		
Dividend Paid ( ₹ 0.60 per share (March 31, 2019 ₹ 1.04 per share)	300.00	520.00
Dividend tax and surcharge	61.65	106.91
Balance at the end of the year	(268.80)	1,704.26
<b>Total</b>	<b>203.95</b>	<b>2,177.01</b>

**Note:** The Board of Directors recommended a final dividend of ₹Nil (March 31, 2019: ₹ 0.60) per share (nominal value of ₹ 10 per share) for the financial year 2019-20. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these financial statements. The total estimated dividend to be paid is ₹Nil (March 31, 2019: ₹ 361.67 lakh including dividend distribution tax of ₹Nil (March 31, 2019: ₹ 61.67 lakh).

**Note 5 : Provisions**

	Long-term		Short-term	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Provision for employee benefits				
Compensated absences	0.32	23.51	1.83	8.84
Gratuity (refer to note 36)	-	-	-	46.06
	0.32	23.51	1.83	54.90
Other provisions				
Warranties and after sale service (refer note 'a' below)	-	-	606.12	716.05
Provision for litigation (refer note 'b' below)	-	-	47.06	47.06
Provision for tax (net of advance tax of ₹. Nil (March 31, 2018: ₹ 206.92 lakh)	-	-	-	52.81
	-	-	653.18	815.92
	0.32	23.51	655.01	870.82

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Notes to the financial statements for the year ended March 31, 2020

The Company has adopted Accounting Standard 29 'Provisions, Contingent Liabilities & Contingent Assets' as notified by the Companies (Accounting Standards) Rules, 2006. Accordingly, the following disclosure has been made :

**(a) Warranties and after sale service:**

(₹ in lakh, unless otherwise stated)

	As At March 31, 2020	As At March 31, 2019
Provisions for warranties and after sale service*		
At the beginning of the year	716.05	669.38
Additions during the year	606.12	716.05
Utilization during the year	(484.89)	(544.01)
Reversal during the year	(231.16)	(125.37)
At the end of the year	<b>606.12</b>	<b>716.05</b>

\* The Company is liable towards warranty claims made by end users of its products. A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. It is expected that most of this cost will be incurred over the warranty period, which extends upto 12 months.

Provision for warranty includes an amount of ₹ Nil (March 31, 2019: ₹ 36.03 lakh). This incremental warranty provision has been recognized on account of expected failure beyond normal warranty (referred as 'epidemic warranty'). It is necessary to carry forward such provision in view of anticipated future claim based on market feedback.

**(b) Provision for litigation \*\*:**

	As At March 31, 2020	As At March 31, 2019
At the beginning of the year	<b>47.06</b>	-
Additions during the year	-	<b>47.06</b>
Utilization during the year	-	-
Reversal during the year	-	-
At the end of the year	<b>47.06</b>	<b>47.06</b>

\*\* Provision for litigation represents pending disputes with central goods and services tax authority in respect of penalty on wrong availment of input service tax on GTA services. Timing of outflow will depend upon timing of decision of cases. Although the company is contesting the cases at the relevant forum, the management believes that the outflow of resources embodying economic benefits is probable and has accordingly, created a provision towards the obligation that may arise.

**Note 6: Trade payables**

	As At March 31, 2020	As At March 31, 2019
Total outstanding dues of micro and small suppliers**	-	55.20
Total outstanding dues of creditors other than micro and small suppliers	1,182.17	4,059.75
	<b>1,182.17</b>	<b>4,114.95</b>

\*\* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. For dues to micro and small suppliers as at year end, determined on the basis of information received and available with the Company, refer note 29.

**Note 7: Other current liabilities**

	As At March 31, 2020	As At March 31, 2019
Capital creditors	-	2.50
Security deposits received	1.25	1.25
Payable to employees	284.94	428.96
Unclaimed dividend *	17.30	18.95
Forward contract payable	-	28.41
Statutory liabilities		
- Tax deducted at source	66.76	181.76
- Goods and Services Tax	67.94	713.42
- Others	3.29	15.80
	<b>441.48</b>	<b>1,391.05</b>

\* There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Notes to the financial statements for the year ended March 31, 2020

**Note 8: Property, plant and equipment (tangible assets)**

(₹ in lakh, unless otherwise stated)

Description	Gross Block				Accumulated Depreciation				Net Block
	As At 1 April 2019	Additions	On Disposal/ Adjustments	As At March 31, 2020	1 April 2019	For the year	On Disposal/ Adjustments	31 March 2020	As At March 31, 2020
Leasehold land	307.58	-	-	307.58	80.77	3.74	-	84.51	223.07
Buildings	1,145.53	-	3.22	1,142.32	977.65	12.02	2.52	987.15	155.16
Plant and machinery	3,817.54	17.99	3,185.86	649.67	3,583.65	91.26	3,054.79	620.12	29.55
Dies and moulds	142.38	11.14	53.49	100.03	140.50	10.08	50.56	100.02	0.01
Furniture and fixtures	188.68	-	57.68	130.99	125.48	15.93	44.10	97.31	33.68
Vehicles	66.95	-	-	66.95	57.05	5.21	-	62.26	4.69
<b>Total</b>	<b>5,668.66</b>	<b>29.13</b>	<b>3,300.25</b>	<b>2,397.54</b>	<b>4,965.10</b>	<b>138.24</b>	<b>3,151.97</b>	<b>1,951.38</b>	<b>446.16</b>

Note :

1. Disposal/adjustments under gross block and accumulated depreciation Includes ₹2,421.51 lakh and ₹2,334.55 lakh respectively w.r.t. disposal of assets under slump sale (refer Note 25)
2. Disposal/adjustments under gross block and accumulated depreciation Includes ₹869.82 lakh and ₹808.50 lakh respectively w.r.t. asset classified as held for sale on discontinuance of television business (refer Note 25 and Note 26).

Description	Gross Block				Accumulated Depreciation				Net Block
	As At 1 April 2018	Additions	On Disposal/ Adjustments	As At March 31, 2019	1 April 2018	For the year	On Disposal/ Adjustments	31 March 2019	As At March 31, 2019
Leasehold land	307.58	-	-	307.58	77.02	3.75	-	80.77	226.81
Buildings	1,147.60	-	2.06	1,145.53	965.89	13.84	2.07	977.65	167.88
Plant and machinery	4,007.16	13.90	203.52	3,817.54	3,567.81	218.77	202.93	3,583.65	233.89
Dies and moulds	289.66	6.53	153.81	142.38	262.29	32.01	153.81	140.50	1.88
Furniture and fixtures	189.92	2.42	3.67	188.68	106.64	22.17	3.33	125.48	63.20
Vehicles	74.83	-	7.88	66.95	51.71	13.23	7.88	57.05	9.90
<b>Total</b>	<b>6,016.75</b>	<b>22.85</b>	<b>370.94</b>	<b>5,668.66</b>	<b>5,031.35</b>	<b>303.77</b>	<b>370.02</b>	<b>4,965.10</b>	<b>703.56</b>

**Note 8A: Capital work-in-progress**

Description	Gross Block				Accumulated Depreciation				Net Block
	As At 1 April 2019	Additions	Disposal/ Adjustments	As At March 31, 2020	1 April 2019	For the year	On Disposal/ Adjustments	31 March 2020	As At March 31, 2020
Plant and machinery	20.19	-	20.19	-	-	-	-	-	-
<b>Total</b>	<b>20.19</b>	<b>-</b>	<b>20.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
March 31, 2019	-	-	-	-	-	-	-	-	-

**Note 9: Intangible assets**

Description	Gross Block				Amortisation				Net Block
	As At 1 April 2019	Additions	Disposal/ Adjustments	As At March 31, 2020	1 April 2019	For the year	On Disposal/ Adjustments	31 March 2020	As At March 31, 2020
Software	142.90	-	3.25	139.65	141.66	0.90	3.21	139.35	0.30
<b>Total</b>	<b>142.90</b>	<b>-</b>	<b>3.25</b>	<b>139.65</b>	<b>141.66</b>	<b>0.90</b>	<b>3.21</b>	<b>139.35</b>	<b>0.30</b>

Notes to the financial statements for the year ended March 31, 2020

Note : Disposal/adjustment under gross block and accumulated depreciation represents asset classified as held for sale on discontinuance of television business (refer Note 25 and Note 26)

(₹ in lakh, unless otherwise stated)

Description	Gross Block				Amortisation				Net Block
	As At 1 April 2018	Additions	Disposal/ Adjustments	As At March 31, 2019	1 April 2018	For the year	On Disposal/ Adjustments	31 March 2019	As At March 31, 2019
Software	144.12	-	1.23	142.90	138.15	4.73	1.23	141.66	1.24
<b>Total</b>	<b>144.12</b>	<b>-</b>	<b>1.23</b>	<b>142.90</b>	<b>138.15</b>	<b>4.73</b>	<b>1.23</b>	<b>141.66</b>	<b>1.24</b>

**Note 10 : Deferred tax assets (net)**

Deferred tax assets	As At March 31, 2020	As At March 31, 2019
- Excess of depreciation/amortisation on fixed assets provided in accounts over depreciation/ amortisation under income tax law	147.00	300.67
- Provision for diminution in the value of inventories	89.61	199.47
- Expenditure covered by Section 43B of the Income Tax Act, 1961	-	26.18
- Expenditure covered by Section 40(a) of the Income Tax Act, 1961	24.75	-
- Unabsorbed Depreciation	42.71	-
- Other	11.44	15.17
<b>Gross deferred tax assets</b>	<b>315.51</b>	<b>541.49</b>
<b>Deferred tax liability</b>		
- Expenditure covered by Section 43B of the Income Tax Act, 1961	13.72	-
<b>Gross deferred tax liability</b>	<b>13.72</b>	<b>-</b>
<b>Deferred tax assets recognised (net)</b>	<b>301.79</b>	<b>541.49</b>

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Notes to the financial statements for the year ended March 31, 2020

(₹ in lakh, unless otherwise stated)

**Note 11: Loans and advances**

	Long-term		Short-term	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Loans and advances to related parties (unsecured considered good)				
- Panasonic Corporation, Japan	-	-	29.03	42.59
- Panasonic Hong Kong Co. Ltd.	-	-	-	6.45
- Panasonic India Private Limited	-	-	-	24.72
Loans and advances to parties other than related parties				
Security deposits (unsecured considered good)	33.00	31.27	-	-
Other loans and advances				
- Unsecured and considered good				
Loans to employees	5.80	16.06	6.00	9.54
Balance with statutory/ government authorities	41.48	41.48	180.59	680.13
Prepaid expenses	-	-	32.40	10.13
Advance tax (net of provision for income tax ₹ Nil (March 31, 2019: ₹ Nil))	103.82	-	-	-
Balance with income tax authorities	646.03	26.38	-	-
Advance to suppliers	-	-	0.02	63.53
Others	-	-	-	43.66
- Considered doubtful				
Balance with income tax authorities	2.31	2.31	-	-
Balance with statutory/ government authorities	21.52	21.52	23.91	23.91
	853.96	139.02	271.95	904.66
Less: Provision for doubtful advances	23.84	23.84	23.91	23.91
	<b>830.12</b>	<b>115.18</b>	<b>248.04</b>	<b>880.75</b>

**Note 12: Other non-current assets**

	As At March 31, 2020	As At March 31, 2019
(Unsecured considered good, unless otherwise stated )		
Bank deposits (due to mature after 12 months from the reporting date) (refer to note 15) *	-	212.20
Interest accrued on fixed deposits	-	6.84
	-	<b>219.04</b>

\* pledged against bank guarantee.

**Note 13: Inventories (At cost and net realizable value, whichever is lower)**

	As At March 31, 2020	As At March 31, 2019
Raw materials [includes goods in transit ₹ Nil (March 31, 2019: ₹ 660.61 lakh)]	(0.00)	1,702.85
Work-in-progress	(0.00)	1.52
Finished goods	-	0.18
Stock in trade	796.38	1,085.80
	796.38	2,790.35
Less : provision for slow moving raw material and stock in trade	(356.03)	(597.50)
	<b>440.35</b>	<b>2,192.85</b>

**Note 14: Trade receivables**

(₹ in lakh, unless otherwise stated)

	As At March 31, 2020	As At March 31, 2019
(unsecured and considered good, unless stated otherwise)		
Outstanding for a period exceeding six months from the date they were due for payment	-	-
Other receivables		
Due from related parties		
- Panasonic India Private Limited	447.31	2,274.56
- Panasonic AVC Networks KM SDN Bhd	38.38	-
	<u>485.69</u>	<u>2,274.56</u>

**Note 15: Cash and bank balances**

	Non-Current		Current	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Cash and cash equivalents:				
Cash on hand	-	-	-	-
Balance with banks				
- On current accounts	-	-	3,360.24	503.65
- On deposits (with original maturity of 3 months or less)	-	-	-	6,100.00
Other bank balances:				
Bank deposits (with original maturity of more than 3 months but less than 12 months)	-	-	1,000.00	-
Bank deposits (with original maturity of more than 12 months) *	-	212.20	226.38	-
Earmarked balances with a bank - dividend account	-	-	17.30	18.95
	<u>-</u>	<u>212.20</u>	<u>4,603.92</u>	<u>6,622.60</u>
Less: Amount disclosed under non-current assets (refer to note 12)		212.20	-	-
Total	<u>-</u>	<u>-</u>	<u>4,603.92</u>	<u>6,622.60</u>

\* pledged against bank guarantee.

**Note 16: Other current assets**

	As At March 31, 2020	As At March 31, 2019
(Unsecured considered good, unless otherwise stated)		
Property, plant and equipment held for sale (Refer Note 25)	61.36	-
Interest accrued on fixed deposits	8.53	5.89
Gratuity recoverable	41.37	-
Compensated absences recoverable	15.30	-
	<u>126.56</u>	<u>5.89</u>

(₹ in lakh, unless otherwise stated)

**Note 17: Revenue from operations**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products		
Traded goods	1,122.37	1,074.48
Total sale of products	1,122.37	1,074.48
Sale of services	791.00	818.60
<b>Total revenue from operations</b>	<b>1,913.37</b>	<b>1,893.08</b>
Break-up of revenue from sale of products :		
Traded goods		
Spare parts	1,122.37	1,074.48
	<b>1,122.37</b>	<b>1,074.48</b>
Break-up of revenue from sale of services :		
Technical support fees	791.00	818.60
	<b>791.00</b>	<b>818.60</b>

**Note 18: Other income**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on bank deposits	230.80	229.25
Interest income on income tax refund	-	25.39
Interest income on others	2.28	1.53
Gain on sale of fixed assets (net)	1.56	0.66
Excess provision written back	-	59.72
Provision for compensated absences written back (Refer Note 37)	15.57	-
Provision for gratuity written back (Refer Note 37)	87.42	-
	<b>337.63</b>	<b>316.55</b>

**Note 19: Purchase of stock-in-trade**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Spare parts	814.05	920.47
	<b>814.05</b>	<b>920.47</b>

**Note 20: Changes in inventories of finished goods, work in progress and stock-in-trade**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock		
Stock-in-trade (net of provision of ₹ 519.36 lakh (March 31, 2018: 444.65 lakh))		
- Spare parts	566.44	568.06
	<b>566.44</b>	<b>568.06</b>
Less :		
Closing stock		
Stock-in-trade (net of provision of ₹ 356 .03 lakh (March 31, 2019: 519.36 lakh))		
- Spare parts	440.35	566.44
	<b>440.35</b>	<b>566.44</b>
Net decrease/(increase) in inventory	<b>126.09</b>	<b>1.62</b>

Notes to the financial statements for the year ended March 31, 2020

**Note 21: Employee benefits**

(₹ in lakh, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus		
Contribution to provident and other funds	594.89	397.53
Staff welfare expenses	49.12	44.85
Compensated absences	7.67	10.93
	-	45.92
	<b>651.68</b>	<b>499.23</b>

**Note 22: Finance costs**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on delay in deposition of income tax,	0.35	7.52
TDS & other statutory dues		
	<b>0.35</b>	<b>7.52</b>

**Note 23: Depreciation and amortization**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment	102.09	232.19
Amortization on intangible assets	0.87	4.73
	<b>102.96</b>	<b>236.92</b>

**Note 24: Other expenses**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Power and fuel	38.86	40.47
Rent (refer to note 34)	46.10	34.46
Repairs and maintenance		
- Building	0.27	2.28
- Others	3.60	7.65
Insurance	47.90	37.63
Rates and taxes, excluding taxes on income	1.54	138.52
Traveling and conveyance	76.90	96.93
Legal and professional **	169.58	96.82
Sales promotion	1.68	1.61
Security charges	35.44	33.80
Telephone and communication	17.71	18.53
Corporate social responsibility (refer to note 43)	-	29.26
Miscellaneous expenses	8.38	1.25
	<b>447.96</b>	<b>539.21</b>

\*\* Legal and professional expense includes payment to auditors (excluding taxes)

As auditor	8.00	8.00
Statutory audit	1.00	1.00
Tax audit	1.00	1.00
Other Certification Services	0.36	0.53
Out of pocket expenses	<b>10.36</b>	<b>10.53</b>

Notes to the financial statements for the year ended March 31, 2020

(₹ in lakh, unless otherwise stated)

**Note 25 : Assets classified as held for sale**

As described in note 26 below, the Company plans to dispose of its television (TV) production business and anticipated that the disposal will be completed in near future. The directors of the Company expect, based on a valuer report, that the net realisable value of the business will be higher than the aggregate book value of the related assets. Therefore, no loss was recognised on the reclassification of the assets as held for sale as at March 31, 2020. The major classes of assets of the television (TV) production business at the end of the reporting period are as follows:

	As at March 31, 2020
Property, plant and equipment	61.36
Assets of TV production business classified as held for sale	61.36
Liabilities of TV production and customer service business classified as held for sale	-
Net assets of TV production and customer service business classified as held for sale	61.36

**Note 26 : Discontinued Operations****Note 26.1 : Disposal of Mounted Printed Circuit Board Business:**

The Company has entered into a Business Transfer Agreement (BTA) on January 21, 2020 (closing date being January 31, 2020) with Panasonic India Private Limited to sell/transfer its mounted printed circuit board business ("the Undertakings") on a 'slump sale' basis for a lump sum consideration without values being assigned to individual assets and liabilities. The disposal was completed on January 31, 2020, on which date control of the undertaking passed to the Panasonic India Private Limited. The agreed total consideration for sale of the undertaking under slump sale was ₹ 317.35 Lakh against the net assets value of ₹. 259.70 Lakh as on January 31, 2020. Consequently, profit of ₹.57.65 Lakh has been credited to the statement of profit and loss shown as an extraordinary item.

**Note 26.2 : Plan to close down television (TV) production business:**

The company was into the business of television (TV) production since many years from its plant located at Noida, Uttar Pradesh. However due to tough competition in the TV industry, due to reduction in demand and due to advancement of technology, the Management of the Company has decided to close down TV production business vide board resolution dated December 27, 2019. Finally, the company closed down its TV production business w.e.f. December 31, 2019. The Company has not recognised any losses in respect of the assets of the above undertaking which had been classified as held for sale, either at the time of classification or at the end of the reporting period (Refer Note 25).

**Note 26.3 : Analysis of Profit/Loss for the year from discontinued operations:**

Profit / (Loss) from ordinary activities	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Revenue from discontinued operations		
Revenue from Operations		
- Manufactured goods		
Televisions	12,599.69	40,979.83
Mounted Printed Circuit Board	1,533.56	1,096.30
- Traded goods		
Spare parts	131.68	313.19
- Sale of services	8.48	21.71
Other Income		
- Net gain on account of foreign exchange fluctuation	80.11	189.29
- Other non-operating income	44.49	55.90
<b>Total Revenue</b>	<b>14,398.01</b>	<b>42,656.22</b>

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Notes to the financial statements for the year ended March 31, 2020

## Expenses in respect of discontinued operations

(₹ in lakh, unless otherwise stated)

Cost of materials consumed (Net of provision ₹ Nil (March 31, 2019: ₹ 78.14 lakh)

- LCD/LED panels	-	1,287.99	
- Open cell	3,157.83	11,708.58	
- Back light unit	1,145.10	6,026.76	
- Others	<u>7,126.48</u>	<u>11,429.41</u>	<u>15,328.73</u>
			34,352.06

Purchase of stock-in-trade (Spare Parts)	110.23	320.84
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Changes in inventories of finished goods, work in progress and stock-in-trade	1.70	51.81
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## Employees benefit

- Salaries, wages and bonus	722.94	1,351.83	
- Contribution to provident and other funds	86.33	170.47	
- Staff welfare expenses	<u>48.24</u>	<u>857.52</u>	<u>68.68</u>
			1,590.98

Finance costs	2.79	28.16
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Depreciation and amortisation	36.18	71.58
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Employee Retrenchment expenses	1,662.47	-
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## Other expenses

- Stores and spares consumed	3.13	22.24	
- Power and fuel	65.30	101.61	
- Repairs and maintainance (Plant and machinery)	23.21	58.23	
- Repairs and maintainance (Others)	7.71	19.77	
- Warranty and after sale service	461.07	774.62	
- Research and development	27.87	2,736.20	
- IT & Software Support Fee	102.18	93.50	
- Royalty-technical know-how and trade mark	308.84	771.13	
- Sales promotion	500.90	536.52	
- Rates and taxes, excluding taxes on income	10.02	41.62	
- Legal and professional	127.27	-	
- Clearing and freight charges	95.63	268.91	
- Insurance	10.13	12.49	
- Traveling and conveyance	94.21	128.16	
- Training expenses	0.78	0.84	
- Miscellaneous expenses	<u>8.80</u>	<u>1,847.03</u>	<u>13.19</u>
			5,579.02

<b>Total Expenses</b>	<u>15,947.34</u>	<u>41,994.45</u>
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<b>Profit before tax from ordinary activities (discontinued operations)</b>	<b>(1,549.33)</b>	<b>661.77</b>
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## Tax Expenses:

- Current tax	-	245.23
- Deferred tax charge/(release)	257.64	(13.21)

<b>Profit/(Loss) from Discontinued Operations</b>	<u><b>(1,806.96)</b></u>	<u><b>429.75</b></u>
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# Panasonic AVC Networks India Co. Limited

## Annual Report 2020

### Notes to the financial statements for the year ended March 31, 2020

(₹ in lakh, unless otherwise stated)

Carrying amount of assets as at the balance sheet date	61.36	97.54
relating to the discontinued business to be disposed off		
Carrying amount of liabilities as at the balance sheet date	-	-
relating to the discontinued business to be settled		

#### For the year ended March 31, 2020

#### For the year ended March 31, 2019

### Net cash flow attributable to the discontinued business

Cash flows from operating activities	(1,568.00)	761.51
Cash flows from investing activities	108.66	-
Cash flows from financing activities	2.79	28.16

### Note 27: Earnings per share

#### Basic earnings per share

The calculation of basic earnings per share for the year ended 31 March 2020 was based on the Profit/ (loss) from continuing operations and total operations attributable to equity shareholders of ₹137.90 lakh (March 31, 2019 ₹-1.37 lakh) and (₹1,611.41 lakh) (March 31, 2019: ₹428.38 lakh) respectively, and weighted average number of equity shares outstanding 50,000,007 (March 31, 2019: 50,000,007)

#### Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 March 2020 was based on the profit/(loss) from continuing operations and total operations attributable to equity shareholders of ₹137.90lakh (March 31, 2019 ₹-1.37lakh) and (₹1,611.41 lakh) (March 31, 2019: ₹428.38 lakh) respectively, and weighted average number of equity shares outstanding 50,000,007 (March 31, 2019: 50,000,007) after adjustment for the effects of all dilutive potential equity shares of Nil (March 31, 2019: Nil)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Number of equity shares outstanding at the end of the year	50,000,007	50,000,007
Weighted average number of equity shares outstanding during the year	50,000,007	50,000,007
Net profit/(loss) from continuing operation after tax available for equity shareholders (₹ in Lakh)	137.90	(1.37)
<b>Basic and diluted earnings (in ₹) per share from continuing operations</b>	<b>0.28</b>	<b>0.00</b>
Net profit/(loss) from total operation after tax available for equity shareholders (₹ in Lakh)	(1,611.41)	428.38
<b>Basic and diluted earnings (in ₹) per share from total operations</b>	<b>(3.22)</b>	<b>0.86</b>

### Note 28: Contingent liabilities:

(to the extent not provided for)

Claims received but not acknowledged as debts:

	As At March 31, 2020	As At March 31, 2019
Excise duty demand (including penalty)	267.34	266.60
Port charges	18.03	18.03
Service tax (including penalty)	540.98	430.95
Sales tax	30.84	27.59
Goods and Services tax (including penalty)	2.86	-
Income tax	4,204.86	-
	<b>5,064.91</b>	<b>743.17</b>

The Company has received demands/ notices from various authorities as mentioned above. The Company is contesting these and the disputes are outstanding at various levels. Pending final settlement of these cases, the Company considers all the amounts described above as contingent liability.

**Note 29: Dues to micro and small suppliers**

(₹ in lakh, unless otherwise stated)

- a. As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007, the amount due as at the year-end due to Micro and Small enterprises as defined in Micro, Small and Medium Enterprises Act, 2006 is as given below :

Particulars	As At March 31, 2020	As At March 31, 2019
Principal amounts remaining unpaid to micro and small suppliers as at the end of the year	-	55.20
Interest amounts remaining unpaid to micro and small suppliers as at the end of the year	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

- b. This information has been compiled in respect of parties to the extent they could be identified as Micro and Small Enterprises on the basis of information available with the Management as at March 31, 2020.

**Note 30:** Estimated amount of contracts remaining to be executed on capital account [net of advances ₹Nil(March 31, 2019 ₹Nil)] and not provided for amount to ₹ Nil (March 31, 2019 ₹ 0.14 lakh).

- Note 31:** a. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires the existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of the international and specified domestic transactions entered into with the associated enterprises and specified persons from April 2018 and expects such records to be in existence latest by November 2019 as required under law. The management is of the opinion that its international and specified domestic transactions are at arm's length so that 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.
- b. The Government of India has issued the Taxation Laws (Amendment) Act, 2019, which provides domestic companies, under section 115BAA, an option to pay corporate tax at reduced rates effective April 1, 2019 subject to certain conditions. The Company intends to opt for lower tax regime from assessment year 2020-21 and accordingly the impact has been considered in computing deferred tax.

**Note 32: Related party transactions**

Related party disclosures as required under Accounting Standard 18 on 'Related Party Disclosures' is given below:

- a) Related party and nature of related party relationship where control exists:  
**Ultimate Holding Company and Holding Company** Panasonic Corporation, Japan

Notes to the financial statements for the year ended March 31, 2020

b) Other related parties with whom transactions have taken place during the year:

**Key management personnel**

Mr. Isshin Kinugawa (Managing Director)  
Mr. Kunio Omura (Wholetime Director)(resigned w.e.f. May 31, 2019)  
Mr. Kenji Kobayashi (Chief Financial Officer) (appointed w.e.f. June 01, 2019)  
Mr. Rajiv Bajaj (Company Secretary)(resigned w.e.f. December 16, 2019)  
Mr. Manish Surolia (Company Secretary) (appointed w.e.f. December 27, 2019 and resigned w.e.f. March 20, 2020)

**Fellow subsidiary companies**

**Overseas fellow subsidiaries**

Panasonic Factory Solutions Singapore Pte Ltd.  
Panasonic Taiwan Co., Ltd.  
Panasonic AVC Networks Kuala Lumpur SDN. BHD. Malaysia  
Panasonic Procurement Malaysia SDN BHD  
Panasonic Asia Pacific Pte Limited  
Panasonic AVC Networks Vietnam Co. Limited  
Panasonic South Africa (PTY) Limited  
Panasonic AVC Networks Czech, S.R.O.  
Panasonic Procurement Asia Pacific Pte Ltd.  
Panasonic Management (Thailand) Co., Ltd  
Panasonic Hong Kong Co. Ltd.  
Panasonic Vietnam Co. Ltd.  
Panasonic Home Appliances Refrigerators (WUXI) Co. Ltd.

**Local fellow subsidiaries**

Panasonic India Private Limited  
Panasonic Energy India Co. Limited

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Notes to the financial statements for the year ended March 31, 2020

## C) Particulars of related party transactions:

(₹ in lakh, unless otherwise stated)

Nature of transaction	Holding Company	Key management personnel	Fellow subsidiaries	Total
Purchases of				
- Goods	4,348.44	-	5,050.00	9,398.44
	(16,217.63)	-	(13,492.92)	(29,710.55)
- Capital goods	-	-	-	-
	(-)	-	(11.72)	(11.72)
- Others	-	-	3.79	3.79
	(9.71)	-	(11.88)	(21.59)
Research and development expense	0.20	-	9.26	9.46
	(2,682.58)	-	(19.44)	(2,702.02)
After Sale Service expense	-	-	446.84	446.84
	-	-	(617.61)	(617.61)
Royalty – technical, know-how and patent	246.88	-	-	246.88
	(771.13)	-	-	(771.13)
Sale of manufactured goods (inclusive of excise)	-	-	13,957.59	13,957.59
	-	-	(41,862.06)	(41,862.02)
Sale of spares	-	-	1,254.05	1,254.05
	-	-	(1,387.67)	(1,387.67)
Sale of services	-	-	799.48	799.48
	-	-	(840.31)	(840.31)
Service Charges	-	-	8.80	8.80
	(-)	(-)	(9.60)	(9.60)
Slump sale of PCB Business (Refer Note 25)			317.35	317.35
			(-)	(-)
Reimbursement of Expenses (Paid)	67.78	-	923.18	990.96
	(1.35)	-	(963.76)	(965.11)
Reimbursement of Expenses (Received)	116.29	-	42.44	158.73
	(124.32)	-	(136.47)	(260.79)
Managerial remuneration	-	315.67	-	315.67
	-	(139.98)	-	(139.98)
IT & Software Support Fee	19.84	-	77.18	97.02
	(18.33)		(60.42)	(78.75)

Amounts in brackets represent previous year figures.

# Panasonic AVC Networks India Co. Limited

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Notes to the financial statements for the year ended March 31, 2020

## d) Details of related parties (other than Holding Company) with whom transactions exceed 10% of the class of transactions

(₹ in lakh, unless otherwise stated)

Particulars	Year ended March 31 2020	Year ended March 31 2019
<b>Purchase of goods</b>		
-Panasonic Hong Kong Co. Ltd.	1,053.06	3,515.82
-Panasonic Procurement Malaysia SDN BHD	2,561.03	7,968.48
<b>Purchase of capital goods</b>		
-Panasonic AVC Networks Kuala Lumpur SDN BHD Malaysia	-	11.72
<b>Purchase – others</b>		
-Panasonic Factory Solutions Singapore Pte Ltd	3.37	9.64
-Panasonic India Private Limited	0.42	-
-Panasonic AVC Networks Kuala Lumpur SDN BHD Malaysia	-	2.24
<b>Research and development expense</b>		
-Panasonic AVC Networks Kuala Lumpur SDN BHD Malaysia	9.26	19.44
<b>After Sale Service expense</b>		
-Panasonic India Private Limited	446.84	617.61
<b>Service Charges</b>		
-Panasonic India Private Limited	8.80	9.60
<b>Sale of manufactured goods</b>		
-Panasonic India Private Limited	13,957.59	41,862.06
<b>Sale of spares</b>		
-Panasonic India Private Limited	1,168.39	1,074.48
-Panasonic AVC Networks Kuala Lumpur SDN. BHD. Malaysia	57.52	89.59
-Panasonic AVC Networks Czech SRO	-	219.97
<b>Sale of services</b>		
- Panasonic India Private Limited	799.48	840.31
<b>Slump sale of PCB Business</b>		
- Panasonic India Private Limited	317.35	-
<b>Reimbursement of expenses (Payable)</b>		
-Panasonic India Private Limited	920.99	962.67
<b>Reimbursement of expenses (Receivable)</b>		
- Panasonic India Private Limited	39.81	135.03
<b>IT &amp; Software Support Fee</b>		
- Panasonic India Private Limited	50.99	21.38
- Panasonic Asia Pacific Pte. Ltd. (Singapore)	26.19	93.04
<b>Managerial Remuneration</b>		
- Isshin Kinugawa	38.06	36.72
- Kunio Omura	6.04	33.92
- Rajiv Bajaj *	59.57	69.34
- Kenji Kobayashi	212.00	-

\* Does not include expense in respect of gratuity, pension and compensated absences as the same is determined on an actuarial basis for the company as a whole

Notes to the financial statements for the year ended March 31, 2020

## e) Particulars of balances in respect of related party transactions

(₹ in lakh, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Receivables</b>		
-Fellow subsidiaries	<b>485.69</b>	<b>2,274.56</b>
Panasonic India Private Limited	447.31	2,274.56
Panasonic AVC Networks KM SDN Bhd	38.38	-
<b>Recoverable</b>		
-Holding Company	<b>29.03</b>	<b>42.59</b>
-Fellow subsidiaries	-	<b>31.17</b>
Panasonic Hong Kong Co. Ltd.	-	6.45
Panasonic India Private Limited	-	24.72
<b>Payables</b>		
-Holding Company	<b>326.25</b>	<b>2,001.64</b>
-Fellow subsidiaries	<b>616.94</b>	<b>1,238.23</b>
Panasonic India Private Limited	610.93	880.44
Panasonic Asia Pacific Pte. Ltd. (Singapore)	6.01	8.65
Panasonic Procurement Asia Pacific	-	7.4
Panasonic Management (Thailand) Co., Ltd.	-	19.94
Panasonic Procurement Malaysia Sdn. Bhd.	-	183.69
Panasonic Hong Kong Co. Ltd.	-	111.26
Panasonic Avc Networks Vietnam	-	5.00
Panasonic Taiwan Co. Ltd.	-	0.27
Panasonic Avc Networks Kuala Lumpur Malaysia Sdn. Bhd	-	11.48
Panasonic Factory Solutions Singapore Pte. Ltd.	-	1.63
Panasonic Vietnam Co. Ltd.	-	1.98

**Note 33: Segment information**

The Company is engaged in the business of manufacturing and trading of electronic items (LCD/LED TVs, Mounted printed circuit board for air conditioner, washing machine & refrigerators and related spare parts) and this is considered as the primary business segment. The directors of the Company consider manufacturing and trading of electronic items as single business segment as per Accounting Standard 17 of "Segment Reporting". Also, the Company is primarily operating in the single geographical location.

Basis above, the management has concluded that no separate segment disclosures are required as per Accounting standard 17 'Segment Reporting'.

**Note 34: Operating leases**

The Company has taken on lease godowns for storage of inventories, offices for branch activities, residential accommodation for employees and computers for office use, with an option of renewal at the end of the lease term and escalation clause in a few cases.

These leases are in the nature of cancellable operating leases. Lease payments amounting to ₹46.10lakh (March 31, 2019 ₹34.46lakh) have been charged to the Statement of Profit and Loss.

Notes to the financial statements for the year ended March 31, 2020

**Note 35:** The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding are as under:

(₹ in lakh, unless otherwise stated)

Purpose	As at March 31, 2020		As at March 31, 2019	
	Amount in foreign currency in lakh	Amount	Amount in foreign currency in lakh	Amount
Against underlying transactions	-	-	USD 23.11	1,632.16
	-	-	JPY 70.19	44.84
No. of contracts				
- USD	-		15	
- JPY	-		6	

**Note 36:** The Company's unhedged foreign currency exposure is given below:

Purpose	As at March 31, 2020		As at March 31, 2019	
	Amount in foreign currency in lakh	Amount	Amount in foreign currency in lakh	Amount
Recoverable	USD 0.60	44.54	USD 0.08	5.33
Payables	USD 2.61	200.86	-	-
	JPY 33.04	23.31	JPY 1077.64	688.40
	SGD 0.11	6.01	SGD 0.20	10.46

**Note 37:** Disclosure pursuant to Accounting Standard 15 on "Employee Benefits"

#### Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, Employee State Insurance and Superannuation Fund, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund, Employee State Insurance and Superannuation Fund for the year aggregated to ₹ 82.26 lakh (March 31, 2019 ₹ 99.85 lakh), ₹ 9.77 lakh (March 31, 2019 ₹ 9.72 lakh) and ₹ 43.42 lakh (March 31, 2019 ₹ 59.69 lakh) respectively.

#### Defined benefit plans

##### Gratuity

The Company operates post-employment defined benefit plans that provide for gratuity benefit and leave encashment. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Company has funded the liability towards defined benefit obligations with Life Insurance Corporation of India (LIC). Rate of return is as given by the insurance Company.

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Notes to the financial statements for the year ended March 31, 2020

**A. The Gratuity Fund**

The following table sets forth the status of the Gratuity Plan of the Company and the amounts recognised in the Balance Sheet and Statement of Profit and Loss.

(₹ in lakh, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Changes in the present value of defined benefit obligations</b>		
Projected benefit obligation at the beginning of year	602.41	646.34
Current service cost	5.04	38.13
Past service cost	-	-
Interest cost	45.78	49.12
Actuarial (gain)/loss	(110.99)	(2.77)
Benefits paid by the plan	(428.40)	(128.41)
<b>Projected benefit obligations at the end of the year</b>	<b>113.84</b>	<b>602.41</b>
<b>Changes in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	556.35	573.62
Expected return on plan assets	41.17	43.02
Contributions paid into the plan	-	72.71
Benefits paid in the plan	(428.40)	(128.41)
Actuarial (loss)/gain on plan assets	(13.92)	(4.59)
<b>Fair value of plan assets at the end of the year</b>	<b>155.20</b>	<b>556.35</b>
<b>Amount recognised in the Balance Sheet</b>		
Projected benefit obligation at the end of the year	113.84	602.41
Fair value of plan assets at the end of the year	155.20	556.35
<b>Funded status of the plans – asset/(liability)</b>	<b>41.36</b>	<b>(46.06)</b>
<b>Net asset/(liability) recognised</b>	<b>41.36</b>	<b>(46.06)</b>
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current service cost	5.04	38.13
Past service cost	-	-
Interest cost on benefit obligation	45.78	49.12
Expected return on plan assets	(41.17)	(43.02)
Net actuarial (gain)/loss recognised in the year	(97.07)	1.83
<b>Net gratuity cost</b>	<b>(87.42)</b>	<b>46.06</b>
<b>Return on plan assets</b>		
Expected return on plan assets	41.17	43.02
Actuarial gain/(losses) on plan assets	(13.92)	(4.59)
<b>Actual return on plan assets</b>	<b>27.25</b>	<b>38.43</b>
<b>Plan assets</b>		
Fund managed by Insurer	100%	100%

The principal assumption used in determining the gratuity benefit obligation is as given below:



**A. Economic Assumptions**

(₹ in lakh, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	4.80%	7.60%
Expected rate of return on assets (p.a.)	7.00%	7.40%
Salary escalation rate (p.a.)	7.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The overall expected long-term rate of return on assets is 7.00% p.a. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

**B. Historical Information**

	March 31 2020	March 31 2019	March 31 2018	March 31 2017	March 31 2016
Projected benefit obligation at the end of the year	113.84	602.41	646.33	542.80	466.19
Fair value of the plan assets at the end of the year	155.20	556.35	573.62	489.16	373.66
Net assets/(liability) recognised in the balance sheet	(41.36)	(46.06)	(72.71)	(53.64)	(92.53)
Experience adjustment arising on plan liabilities- (loss)/gain	83.87	2.76	(52.28)	(18.15)	7.63
Experience adjustment arising on plan assets- (loss)/gain	(13.92)	(4.59)	(5.29)	(1.21)	(10.26)

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Notes to the financial statements for the year ended March 31, 2020

## B. The Leave encashment Fund

(₹ in lakh, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>I. Changes in the present value obligations during the period</b>		
Present Value of obligation as at the beginning of the period	186.07	206.34
Interest cost	14.14	15.68
Current service cost	6.42	9.49
Benefits paid : (i) Directly by the employee	-	-
(ii) Payment Made out of fund	(131.06)	(39.53)
Actuarial (Gain)/loss on obligations	(34.82)	(5.91)
Present value Obligation as at the end of the period	40.75	186.07
<b>II. Changes in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	190.10	216.15
Expected return on plan assets	13.12	15.67
Contributions	-	-
Benefits paid	(131.06)	(39.53)
Actuarial (loss)/gain on plan assets	(4.87)	(2.19)
<b>Fair value of plan assets at the end of the year</b>	<b>67.29</b>	<b>190.10</b>
<b>Amount recognised in the Balance Sheet</b>		
Projected benefit obligation at the end of the year	40.75	186.07
Fair value of plan assets at the end of the year	67.29	190.10
<b>Funded status of the plans – asset/(liability)</b>	<b>26.54</b>	<b>4.03</b>
<b>Net asset/(liability) recognised</b>	<b>(26.54)</b>	<b>(4.03)</b>
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current service cost	6.42	9.49
Past service cost	-	-
Interest cost on benefit obligation	14.14	15.68
Expected return on plan assets	(13.12)	(15.67)
Net actuarial (gain)/loss recognised in the year	(29.95)	(3.73)
<b>Net Leave Encashment Cost</b>	<b>(22.51)</b>	<b>5.77</b>
<b>Return on plan assets</b>		
Expected return on plan assets	13.12	15.67
Actuarial gain/(losses) on plan assets	(4.87)	(2.19)
<b>Actual return on plan assets</b>	<b>17.99</b>	<b>13.48</b>
<b>Plan assets</b>		
Fund managed by Insurer	100%	100%

Notes to the financial statements for the year ended March 31, 2020

The principal assumption used in determining the Leave encashment obligation is as given below:

## A. Economic Assumptions

(₹ in lakh, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	4.80%	7.60%
Expected rate of return on assets (p.a.)	6.50%	6.90%
Salary escalation rate (p.a.)	7.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The overall expected long-term rate of return on assets is 6.50% p.a. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

## B. Other long term employee benefits:

The amount recognized in the Statement of Profit and Loss in respect of compensated absences is ₹(15.57) lakh (March 31, 2019 ₹ 45.92 lakh).

## C. The Company's best estimate of contribution during next year for gratuity is ₹Nil (March 31, 2019 ₹ 43.03 lakh).

## Note 38 : FOB value of export

Description	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of goods	85.65	323.19

## Note 39 : Value of imports on CIF basis

Description	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials	9,203.44	31,012.62
Stores and spares	0.83	34.86
Capital goods	-	15.65

## Note 40: Expenditure in foreign currency (on accrual basis)

Description	For the year ended March 31, 2020	For the year ended March 31, 2019
Royalty for trade mark, technical know-how and patent #	222.19	701.14
Travelling and conveyance	12.18	9.54
Research and development expenses	9.46	2,702.02
Repairs and maintenance	6.04	14.58
Communication expenses	4.89	4.75
Legal and professional	41.15	53.97
Reimbursement of Salary	60.02	-
Reimbursement of Air & Sea Freight	2.20	-
Training expenses	-	1.09
Staff welfare expenses	-	6.14
	<b>358.13</b>	<b>3,493.23</b>

# Net of tax deducted at source of ₹24.69 lakh (March 31, 2019: ₹69.99 lakh)

Notes to the financial statements for the year ended March 31, 2020

**Note 41: Percentage of materials consumed:****A. Raw Material:**

(₹ in lakh, unless otherwise stated)

Description	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Value	%	Value	%
- Imported	10,467.04	92	31,793.91	92
- Indigenous	962.37	8	2,558.15	8
<b>Total</b>	<b>11,429.41</b>	<b>100</b>	<b>34,352.06</b>	<b>100</b>

**B. Stores and spares:**

Description	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Value	%	Value	%
- Imported	0.83	27	5.41	24
- Indigenous	2.30	73	16.83	76
<b>Total</b>	<b>3.13</b>	<b>100</b>	<b>22.24</b>	<b>100</b>

**Note 42:** Amount remitted during the year ended March 31, 2020 in foreign currency on account of dividend was ₹ 285.76 lakh (March 31, 2019 ₹ 495.33 lakh).

Non Resident Shareholders (numbers)	Number of shares on which dividend was due	Year to which dividend relates
1	47,627,439	2018-19
(1)	(47,627,439)	( 2017-18)

Note : Previous year numbers are indicated in brackets

**Note 43: Corporate social responsibility**

As per Section 135 of Companies Act, 2013, the following is the detail of Corporate Social Responsibility liability of the company:

- (a) Gross amount required to be spent by the Company during the year ended March 31, 2020 is ₹23.88lakh(March 31, 2019 ₹29.17lakh).  
(b) Amount spent during the year ended March 31, 2020 is ₹ Nil (March 31, 2019 ₹29.26 lakh).

**Note 44:** During the year the Company has disposed off its mounted printed circuit board business and discontinued its television (TV) production business as stated in note 26 but has plan to continue its consumer service business in foreseeable future. Based on the fact that the Company will continue its consumer service business in foreseeable future and availability of surplus fund with the Company, these accounts have been prepared on Going concern basis.

**Note 45:** In the year ended March 31, 2017, the Government of India through Ministry of Environment, Forest and Climate Change had issued E-Waste Management Rules, 2016 (E-Waste Rules). Accordingly the Company acknowledges that there is present obligation from the sale made in past to collect E-Waste under E-Waste rules. However, the Company had limited information in relation to external factors such as consumer willingness, consumer location, compensation payable, disposal and uncertainty over availability of enough electronic and electrical equipment ('EEE') for pickup which were essential to arrive at a reliable estimate. Considering these limitations, the Company had made its best estimates required to settle the obligation i.e. cost required to comply with the E- Waste rules.

However, in earlier year one of its group company, Panasonic India Private Limited ("PI") had applied to Central Pollution Control Board vide its letter dated March 7, 2018 for obtaining EPR authorization and complying with the E-Waste Rules collectively for PI and the Company as all the products of the Company are supplied to PI. Accordingly, the Company has charged off E-Waste expenses of ₹203.43 lakh (March 31, 2019 ₹164.64 lakh) on the basis of debit note received from PI which as per management is in accordance with the provisions of E-Waste Rules.

**Note 46:** The outbreak of COVID-19 in India does not have or likely to have a significant adverse impact on the Company's operations. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due for payment.

**Note 47:** Previous year figures have been regrouped and reclassified wherever considered necessary.

**For and on behalf of the Board of Directors  
Panasonic AVC Networks India Co. Limited**

Sd/-  
**(Isshin Kinugawa)**  
Chairman and Managing Director  
DIN: 07785797  
Place: Noida  
Date: 29/10/2020

Sd/-  
**(Kenji Kobayashi)**  
Finance Director and  
Chief Financial Officer  
Place : Noida  
Date:29/10/2020

Sd/-  
**(Neeraj Khanna)**  
Company Secretary  
M. No. : A56723  
Place : Noida  
Date: 29/10/2020

**NOTICE OF 25th ANNUAL GENERAL MEETING OF THE COMPANY**

PANASONIC AVC NETWORKS INDIA COMPANY LIMITED  
 REGD. OFFICE: 13/4, OKHLA INDUSTRIAL AREA, PHASE-II, NEW DELHI-110020  
 CIN: U74899DL1996PLC077330

Notice is hereby given that 25th Annual General Meeting of the Members of Panasonic AVC Networks India Company Limited (the "Company") will be held on Tuesday, 29th December, 2020, at 11:00 A.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following businesses:

**Ordinary Business****Item No. 1****To review, consider and adopt financial statements of the Company together with the Auditors' and Board's Report thereon**

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

**"RESOLVED THAT** the Balance Sheet as on March 31, 2020 and Cash Flow Statement and Statement of profit and loss account for the financial year ended on March 31, 2020 along with notes and schedules, together with Auditors' Report and the Board's Report thereon, be and is hereby reviewed, considered and adopted".

**Item No. 2****Re-appointment of Mr. Tsuyoshi Yoto, as a Director liable to retire by rotation**

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

**"RESOLVED THAT** Mr. Tsuyoshi Yoto (08502986), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

**Special Business****Item No. 3****Approval of related party transactions for the Financial Year 2020-21**

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

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 and Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014 and amendments thereunder from time to time and other applicable provisions, if any, of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded, to the proposed Transaction(s) being/to be undertaken between the Company and group Companies for the Financial Year 2020-21.

**RESOLVED FURTHER THAT** the estimated amount of transaction(s) to be entered in the financial year 2020-21 are as under:

COMPANY NAME	NATURE OF TRANSACTION	ESTIMATED AMOUNT OF TRANSACTIONS (IN LACS) INR	BASE PRICE /CONTRACTED PRICE
1. Panasonic Corporation, Japan (Holding Company)	Reimbursement of Expenses (Hotel Expenses etc.)	10	Based on Actual
	TDS Recovery	80	
	Reimbursement of Expenses	60	
2. Panasonic Asia Pacific Pte. Ltd. (Singapore) (Fellow Company)	Expenses of IT Services reimbursement	30	As per PO/Agreement for services
3. Panasonic India Pvt. Ltd. (Fellow Company)	Spare Sales	1,000	FOB Price as mutually agreed
	Quality Support Services for ODM Business	525	Agreement for service
	Isamea Group Management fee	10	Agreement for service
	Under Warranty DOA & Parts cost reimbursement	500	Based on actual
	E-waste Collection cost reimbursement	250	Based on actual
	IT service cost	30	Agreement for service
	Shared Service Legal	36	Agreement for service
	Reimbursement of Expenses (Travelling Expenses etc.)	10	Based on actual

**RESOLVED FURTHER THAT** Board of Directors of the Company be and are hereby severally authorized to do such other acts, deeds and things as may be necessary to give effect to the foregoing resolution.”

**Item No. 4**

**Appointment of Mrs. Kanchan Vohra (DIN: 03597614) as an Independent Director**

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

“**RESOLVED THAT** that pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and any other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and recommendation of Nomination and Remuneration Committee, Mrs. Kanchan Vohra (DIN: 03597614), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on December 27, 2019 and whose term of office expires at this Annual General Meeting (AGM) proposing her candidature for the office of Director and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from December 27, 2019 upto December 26, 2024.

**RESOLVED FURTHER THAT** Directors of the Company be and are hereby severally authorized to file necessary e-form(s) with Registrar of Companies and to do all such acts, deeds and things as may be considered necessary to give effect to the above said resolution.”

**Item No. 5**

**Appointment of Mr. Yasho Verdhan Verma (DIN: 06389278) as an Independent Director**

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

“**RESOLVED THAT** that pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and recommendation of Nomination and Remuneration Committee, Mr. Yasho Verdhan Verma (DIN: 06389278), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on December 27, 2019 and whose term of office expires at this Annual General Meeting (AGM) proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from December 27, 2019 upto December 26, 2024.

**RESOLVED FURTHER THAT** Directors of the Company be and are hereby severally authorized to file necessary e-form(s) with Registrar of Companies and to do all such acts, deeds and things as may be considered necessary to give effect to the above said resolution.”

**Item No. 6**

**Appointment of Mr. Yasunari Anan (DIN: 08666068) as the Non-Executive Director of the Company**

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

“**RESOLVED THAT** pursuant to Section 161(1) and other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and recommendation of Nomination and Remuneration Committee, Mr. Yasunari Anan (DIN: 08666068), who was appointed as an Additional Director by the Board of directors with effect from 10th January, 2020 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Non-Executive Director of the Company.

**RESOLVED FURTHER THAT** Directors of the Company be and are hereby severally authorized to file necessary e-form(s) with Registrar of Companies and to do all such acts, deeds and things as may be considered necessary to give effect to the above said resolution.”

For and on behalf of the Board of Directors  
Panasonic AVC Networks India Company Limited

Sd/-  
(Neeraj Khanna)  
Company Secretary  
M. No. : A56723

Date: 03.12.2020

Place: Delhi

**NOTES:**

1. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business to be transacted at this Annual General Meeting ('AGM'), is annexed.
2. In view of the massive outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 08, 2020, General Circular No.17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 05, 2020 (collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio-visual means (OAVM), subject to compliance of various conditions mentioned therein. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Members are requested to send a scanned copy (in PDF / JPG format) of the Board Resolution authorising their representatives to attend the AGM, pursuant to Section 113 of the Act, through e-mail at [neeraj.khanna@in.panasonic.com](mailto:neeraj.khanna@in.panasonic.com).
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. The Board of Directors of the Company have engaged the services of Skyline Financial Services Private Limited and has appointed Mr. Abhishek Lamba, Proprietor at Abhishek Lamba & Associates, Company Secretaries, as the Scrutinizer for the purpose of conducting remote e-voting and venue voting process at AGM in a fair and transparent manner. The result of e-voting will be declared on or before 31st December, 2020 and will be placed on the website of the NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. In line with the MCA Circulars Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. AGM is proposed to be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.
10. Since the AGM is being held through VC/ OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by Members is not available, as provided in the MCA Circulars and hence the Proxy Form is not annexed to this Notice.
11. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
12. Institutional shareholders are encouraged to attend and vote at the AGM.

**INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING**

The remote e-voting period begins from Saturday, 26th December, 2020 at 09:00 A.M. and ends on Monday, 28th December, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

The step by step procedure for remote e-voting is mentioned below, in form of FAQs:

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 are mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is In300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [abhishek.lamba@corp-nexus.com](mailto:abhishek.lamba@corp-nexus.com) with a copy marked to [neeraj.khanna@in.panasonic.com](mailto:neeraj.khanna@in.panasonic.com) and [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [neeraj.khanna@in.panasonic.com](mailto:neeraj.khanna@in.panasonic.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [neeraj.khanna@in.panasonic.com](mailto:neeraj.khanna@in.panasonic.com).

**INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. The Skyline Financial Services Private Limited, Registrar and Share Transfer Agent, of the Company will be providing VC/OAVM Services.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Members will be required to grant access to the web-cam to enable two way video-conferencing.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting shall register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id and mobile number along with the queries to be raised/ opinion to be shared with the management at [neeraj.khanna@in.panasonic.com](mailto:neeraj.khanna@in.panasonic.com) before 25th December, 2020. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

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## Annexure to Notice

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

## Item No. 3

The Board of Directors of the Company had in its meeting approved the related party transactions for the financial year 2020-21, now approval of Members of the Company is required for the same.

Pursuant to the provisions of Section 188 and Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014 and amendments thereunder from time to time and other applicable provisions, if any, of the Companies Act, 2013, approval of the members of the Company is required, to the proposed Transaction(s) being/to be undertaken between the Company and group Companies for the Financial Year 2020-21. Accordingly, the Board recommends the passing of resolution set out in item no. 3 as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than the directors mentioned below, are in any way concerned or interested, financially or otherwise, in the resolution as set out in item no. 3 of the Notice.

Disclosures pursuant to the Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014 are as follows:

Name of Related Party	Name of the Director or Key Managerial Personnel who is related	Nature of Relationship	Nature of Transaction	Estimated Amount of Transactions (In Lacs) INR	Base Price /Contracted Price
Panasonic Corporation, Japan	-	Holding Company	Reimbursement of Expeznses (Hotel Expenses etc.)	10	Based on Actual
			TDS Recovery	80	
			Reimbursement of Expenses (Salaries etc.)	60	
Panasonic Asia Pacific Pte. Ltd. (Singapore)	-	Fellow Company	Expenses of IT Services reimbursement	30	As per PO/Agreement for services
Panasonic India Pvt. Ltd.	Mr. Toru Shinohara	Common Director and Fellow Company	Spare Sales	1,000	FOB Price as mutually agreed
			Quality Support Services for ODM Business	525	Agreement for service
			Isamea Group Management fee	10	Agreement for service
			Under Warranty DOA & Parts cost reimbursement	500	Based on actual
			E-waste Collection cost reimbursement	250	Based on actual
			IT service cost	30	Agreement for service
			Shared Service Legal	36	Agreement for service
			Reimbursement of Expenses (Travelling etc.)	10	Based on actual

## Item No. 4

The Board of Directors of the Company had appointed Mrs. Kanchan Vohra as an Additional Independent Director of the Company with effect from December 27, 2019. In accordance with the provisions of Section 161 of Companies Act, 2013, Mrs. Kanchan Vohra shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to five years.

In terms of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder, it is proposed that Ms. Kanchan Vohra be appointed as an Independent Director for a term of five consecutive years from the original date of appointment i.e., December 27, 2019 up to December 26, 2024. Brief profile of Mrs. Kanchan Vohra is enclosed herewith.

The Company has received a declaration of independence from Ms. Kanchan Vohra. In the opinion of the Board, Ms. Kanchan Vohra fulfills the conditions specified in the Companies Act, 2013, for appointment as Independent Director of the Company.

A copy of the draft Letter of Appointment for Independent Director, setting out terms and conditions of appointment of Independent Director is available for inspection at the Registered Office of the Company during any working day between 11.00 a.m. to 1.00 p.m. up to the date of AGM and will also be available for inspection by the Members electronically during the AGM. Members seeking to inspect such documents can send an email to [neeraj.khanna@in.panasonic.com](mailto:neeraj.khanna@in.panasonic.com).

The Board considers that her association would be of immense benefit to the Company and it is desirable to continue to avail her services. Accordingly, the Board recommends the passing of resolution set out in item no. 4 as an Ordinary Resolution.

Except Mrs. Kanchan Vohra and her relatives, to the extent of their shareholding, if any, none of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the resolution as set out in item no. 4 of the Notice.

Relevant details of Ms. Kanchan Vohra required to be given as per the Secretarial Standard – 2 issued by the Institute of Company Secretaries of India is enclosed.

#### **Item No. 5**

The Board of Directors of the Company had appointed Mr. Yasho Verdhan Verma as an Additional Independent Director of the Company with effect from December 27, 2019. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Yasho Verdhan Verma shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to five years.

In terms of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder, it is proposed that Mr. Yasho Verdhan Verma be appointed as an Independent Director for a term of five consecutive years from the original date of appointment i.e., December 27, 2019 up to December 26, 2024. Brief profile of Mr. Yasho Verdhan Verma is enclosed herewith.

The Company has received a declaration of independence from Mr. Yasho Verdhan Verma. In the opinion of the Board, Mr. Yasho Verdhan Verma fulfills the conditions specified in the Companies Act, 2013, for appointment as Independent Director of the Company.

A copy of the draft Letter of Appointment for Independent Director, setting out terms and conditions of appointment of Independent Director is available for inspection at the Registered Office of the Company during any working day between 11.00 a.m. to 1.00 p.m. up to the date of AGM and will also be available for inspection by the Members electronically during the AGM. Members seeking to inspect such documents can send an email to [neeraj.khanna@in.panasonic.com](mailto:neeraj.khanna@in.panasonic.com).

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, the Board recommends the passing of resolution set out in item no. 5 as an Ordinary Resolution.

Except Mr. Yasho Verdhan Verma and his relatives, to the extent of their shareholding, if any, none of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the resolution as set out in item no. 5 of the Notice.

Relevant details of Mr. Yasho Verdhan Verma required to be given as per the Secretarial Standards – 2 issued by the Institute of Company Secretaries of India is enclosed.

#### **Item No. 6**

The Board of Directors had appointed Mr. Yasunari Anan as an Additional Director effective from January 10, 2020. In terms of Section 161(1) of the Companies Act, 2013, Mr. Yasunari Anan holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting.

The Board of Directors is of the opinion that his vast knowledge and varied experience will be of great value to the Company and accordingly recommends the resolution at item no. 6 of this notice for your approval.

Relevant resolution passed at the Board Meeting and other allied documents being referred in the resolution and / or explanatory statement, are available for inspection in physical or in electronic form during business hours at the Registered Office of the Company.

None of the Directors and relatives thereof other than Mr. Yasunari Anan and his relatives are concerned or interested either financially or otherwise in the proposed resolution at item no. 6 of the notice.

Relevant details of Mr. Yasunari Anan required to be given as per the Secretarial Standards – 2 issued by the Institute of Company Secretaries of India is enclosed. The Board of Directors recommends the passing of resolution under item No. 6 for the shareholder's approval as an ordinary resolution.

**For and on behalf of the Board of Directors  
Panasonic AVC Networks India Company Limited**

**Sd/-  
(Neeraj Khanna)  
Company Secretary  
M. No. : A56723**

Date: 03.12.2020  
Place: Delhi

Information of Director seeking appointment at the forthcoming Annual General Meeting (pursuant to Secretarial Standard 2 issued by ICSI as on the date of notice).

<b>Name of the Director</b>	Mr. Yasunari Anan	Mr. Yasho Verdhan Verma	Mrs. Kanchan Vohra
<b>Directors Identification Number (DIN)</b>	08666068	06389278	03597614
<b>Date of Birth (Age in years)</b>	07/11/1967 (53 years)	11/12/1957 (63 years)	19/03/1979 (41 years)
<b>Original date of appointment</b>	10/01/2020	27/12/2019	27/12/2019
<b>Qualifications</b>	Postgraduate	BE (Mechanical), MBA, PhD (IIT Kharadpur)	B.Com and LLB
<b>Shareholding in the Company</b>	Nil	Nil	Nil
<b>Remuneration last drawn</b>	Nil	1,50,000 (Sitting fees of Rs. 60,000 for Board meetings and Rs. 90,000 for Committee meetings)	1,50,000 (Sitting fees of Rs. 60,000 for Board meetings and Rs. 90,000 for Committee meetings)
<b>No. of Board meetings attended during the year</b>	0	3	3
<b>Terms and conditions of re-appointment and remuneration</b>	As determined by the Board	As determined by the Board	As determined by Board
<b>Relationship with other Directors or KMPs</b>	None	None	None
<b>Directorships held in other companies in India</b>	1	3	Nil
<b>Membership / Chairmanship of committees in public limited companies in India</b>	Nil	Nil	Nil

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