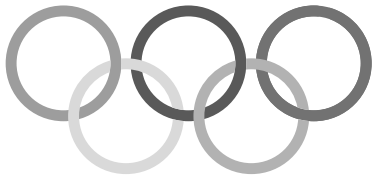
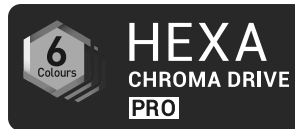


Worldwide
Olympic Partner

Panasonic



ANNUAL REPORT 2019



Panasonic AVC Networks India Co. Ltd.

C-52, Phase-II, Noida-201 305, U.P., India
Tel.: 91-120-4024500 Fax : 91-120-4024571

Panasonic

A Better Life, A Better World

BOARD OF DIRECTORS

Shri Isshin Kinugawa
Chairman & Managing Director

Shri Tsuyoshi Yoto
Director

Shri Akira Toyoshima
Director

Shri Toru Shinohara
Director

Shri K. B. Kapur
Director

Smt. Monica Suri
Director

COMPANY SECRETARY

Shri Rajiv Bajaj
*Sr. Associate Director &
Company Secretary*

CHIEF FINANCIAL OFFICER

Shri Kenji Kobayashi
Chief Financial Officer

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,
Ghaziabaad -201014, Uttar Pradesh*

SECRETARIAL AUDITORS

Gaurav Sharma & Associates
*Flat No 310, Gaur Ganga Apartment,
Tower B Near Vaishali Metro Station,
Vaishali, Sec-4, Ghaziabad-201010
Uttar Pradesh*

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.*
- *Manufacture the highest quality product which PAVCI can be proud of throughout India and the World.*

SLOGAN OF PAVCI FOR 2018-19

CROSS VALUE INNOVATION

Index

❖ Directors' Report	1-7
❖ Annexures to the Directors' Report	8-14
❖ Independent Auditors' Report	15-19
❖ Balance Sheet	20
❖ Profit & Loss Account	21
❖ Schedules forming part of the Accounts	22-47
❖ Cash Flow Statement	48-49
❖ Notice of 24 th Annual General Meeting of the Company	50-54
❖ Annexure to the Notice	54-55
❖ Route Map	56

DIRECTORS REPORT

Your directors take immense pleasure in presenting their report with the financial statements for the financial year ended 31st March, 2019.

FINANCIAL PERFORMANCE

The summary of financial performance of PAVCI in comparison to the previous year performance is as follows:-

	Rs. In lakhs'	
	2018-19	2017-18
Gross Sales	44,304.11	44,415.28
Other operating Income	-	100.17
Profit/(Loss)before tax	666.42	1363.49
MAT Credit entitlement	-	-
Deferred Tax	(13.31)	(54.60)
Tax Expense – Current Tax	251.35	516.34
Profit/(Loss) after Tax	428.38	901.75
Earnings per share	0.86	1.80

During the year 2018-19 your company has been able to take its sales volume to Rs. 44,304.11 Lakhs'. Please note that, we have been able to maintain profits to Rs. 428.38 Lakhs'. The Earnings per share for the financial year 2018-19 is Rs. 0.86.

DIVIDEND

The Board of Directors of your company are pleased to recommend a dividend of Rs. 0.60 per equity share of the face value of Rs. 10 each @6 %, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure / Record Date.

An amount of Rs. 5,891,295 would be paid as dividend distribution tax on the dividend.

TRANSFER TO RESERVE

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

OPERATIONS REVIEW

During the financial year 2018-19, your Company has consolidated its position in the market despite various challenges faced in both internal and external environment. The market is likely to grow in the years to come. 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. Your Company remained encouraged and confident of achieving its long term objectives of sustainable and profitable growth. Going Further, You Company is confident of strong growth in the medium to long term.

During the year 2019-20, Your Company shall with Disciplined Strategy, Prudent Approach, Agile Execution and Committed Team shall focus on better Growth strategy for capturing the Indian market. Your Company is working to improve its performance and create better Brand Value for Panasonic Group Globally.

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 of Directors 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.

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 EARNING AND OUTGO AND TECHNOLOGY ABSORPTION

The required information as per the requirements of Section 134 (3) (m) of the Act is given in the Annexure 'A' to this report.

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. Our 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.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013:

- i. In the preparation of annual accounts the applicable accounting standards have been followed along with proper explanation.
- ii. 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 financial year and of the profit and loss of the Company for that period;
- iii. 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 preventing and detecting fraud and other irregularities;
- iv. That the annual accounts have been on a going concern basis.
- v. 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.
- vi. The internal financial controls are adequately followed and working properly.

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 2018-19.

Internal Financial Control System

According to Section 134(5) (e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the 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.

The 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 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 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

During the FY 2018-19, the Board of Directors of your company fulfils all the applicable requirements of section 149 & 164 of the Companies Act, 2013 and have submitted necessary declarations as sought by the Companies Act, 2013. Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations regarding declaration of Independence as provided in Section 149(6) of the Companies Act, 2013, along with Rules framed thereunder. There has been no change in the circumstances affecting their status as Independent Directors of the Company. 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.

During the year, Whole-Time Director & CFO, Mr. Kunio Omura (DIN 06857552) resigned from the Board and Mr. Tsuyoshi Yoto (08502986) appointed as Non-Executive Director on the Board. Further, Mr. Kenji Kobayashi has been appointed as Chief Financial Officer of the Company in compliance with section 203 of the Companies Act, 2013.

Two Non-Executive Directors of the Company i.e. Mr. Toshiharu Tsutsui (DIN 07918997) and Mr. Masaaki Hirano (DIN 06961963) have resigned from their Directorship. Hence, pursuant to the provisions of section 152(6) of the Companies Act, 2013, No director is eligible / liable to retire by rotation at the Annual General Meeting of this year.

KEY MANAGERIAL PERSONNEL

1. Mr. Isshin Kinugawa : Managing Director
2. Mr. Kunio Omura : Whole Time Director & Chief Financial Officer (Upto 31.05.2019)
3. Mr. Kenji Kobayashi : Chief Financial Officer (From 01.06.2019)
4. Mr. Rajiv Bajaj : Company Secretary

REMUNERATION POLICY

As of March 31st 2019, the board had six members, two of them were Executive or Whole Time Director and two were Independent Director while the other two were Representative Directors of our Parent Company, which is Panasonic Corporation Situated in Osaka, Japan. The Remuneration policy of the Company comprising the Appointment and Remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining Qualifications, Positive Attributes, Independence of a Director & other related matters. The Remuneration policy has been adopted by Nomination and Remuneration Committee of the Company and fully commensurate with the applicable sections of the Companies Act, 2013.

There has been no change in the policies since last financial year. We affirm that the Remuneration paid to the directors is as per the terms laid down as per Nomination and Remuneration Committee.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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, key managerial personnel, and other employees, as required by the rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

AUDITORS REPORT

There are no qualification remarks in the Auditors Report.

AUDITORS

Statutory Auditors

Under Section 139 of the Companies Act 2013 and the Rules made thereunder, it is mandatory to rotate the Statutory Auditor on completion of maximum term permitted under the provisions of the Companies Act 2013. Your company has appointed S.R. DINODIA & CO. LLP (FRN-001478N/N500005), Chartered Accountant as auditor in the AGM held on 26th September, 2017 so of the company to hold office till conclusion of the AGM in the year 2022. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. The board of directors of your company is empowered to fix remuneration of the Statutory Auditor.

Cost Auditors

Pursuant to section 148(3) of the Companies Act, 2013 M/s M.K Kulshrestha have been appointed as the Cost Auditors of the Company for conducting audit of cost records maintained by the Company during the Financial Year 2018-19. The Cost Audit Report for the FY 2018-19 would be filed with the Central Government within the prescribed time of 180 days from the close of the financial year. Cost Audit Report is annexed herewith to this report.

Secretarial Auditors

Pursuant to section 204 of the Companies Act, 2013 the Board has appointed M/s Gaurav Kumar Sharma & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith to this Report. The Secretarial Audit Report does not contain any major qualification, reservation or adverse remark.

Secretarial Auditor has pointed the delay in filing of forms related to IEPF, which happened due to delay in reconciliation of Unpaid/Unclaimed Dividend Data and data of unpaid Shareholders with our Bankers and Registrar & Transfer Agent.

Internal Auditors

During the year under review, M/s Sandeep Ahuja & Co., Chartered Accountants, New Delhi carried out the internal audit exercise and submitted their report.

BOARD OF DIRECTORS:

During the year under review, the Board of Directors of the company comprised of six Directors including a Managing Director, a Deputy Managing Director, two 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 Companies Act, 2013 and status of the Board of Directors as on date of Director's Report:

1. **Mr. Isshin Kinugawa (DIN 07785797) : Managing Director/Chairman**
2. **Mr. Kunio Omura (DIN 06857552) : Whole-Time Director & Chief Financial Officer (upto 31.05.2019)**
3. **Mr. Tsuyoshi Yoto (DIN 08502986) : Non-Executive Director (from 01.05.2019)**
4. **Mr. Masaaki Hirano (DIN 06961963) : Non-Executive Director (upto 31.08.2019)**
5. **Mr. Toshiharu Tsutsui (DIN 07918997) : Non-Executive Director (upto 30.04.2019)**
6. **Mr. Akira Toyoshima (DIN 06556484) : Non-Executive Director (from 01.05.2019)**
7. **Mr. K. B. Kapur (DIN 01523967) : Independent Director**
8. **Mrs. Monica Suri (DIN 07031853) : Independent Director**
9. **Mr. Toru Shinohara (DIN 08222071) : Non-Executive Director (from 01.09.2019)**

The Board of Directors of your Company met 4 (four) times during the year under review. The details of Board meetings and the no. of the Directors present at the meeting are provided in the Annexure 'B' to the report.

All statutory and material information is made available to the Board of Directors to ensure adequate disclosures and transparent decision making process.

AUDIT COMMITTEE:

The Company complies with the provisions of sections 177 of the Companies Act, 2013. The Audit Committee consists of the three Directors:

1. **Mr. K.B. Kapur (Chairman),**
2. **Mr. Isshin Kinugawa (Member) and,**
3. **Ms. Monica Suri (Member)**

During the year Audit Committee met 2 (two) times. The details of Audit Committee meetings and the no. of Directors present at the meeting are provided in the Annexure "B" to the report.

NOMINATION AND REMUNERATION COMMITTEE:

As per the provision of section 178 of the Companies Act, 2013, Nomination and Remuneration committee has been reconstituted on 21st August, 2019 by the Board of Director of Panasonic AVC Networks India Co. Ltd.

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 – NRC of the Board of Directors comprises of one executive & two non-executive Directors, both the Non-executive Directors are Independent Directors. Composition are:

1. **Mrs. Monica Suri (Chairperson),**
2. **Mr. Masaaki Hirano (Member) (upto 31.08.2019)**
3. **Mr. Tsuyoshi Yoto (Member) (from 01.09.2019)**
4. **Mr. K. B. Kapur (Member)**

MEETINGS OF INDEPENDENT DIRECTORS:

During the year meeting of Independent Directors was held on 28th March, 2019, to review the performance of the Board as a whole on parameters of effectiveness to assist the quality, quantity and timeliness of the flow of information between the Management and the Board.

Mr. K.B. Kapur chairman of the meeting presented the views of the independent Directors on the matters related to board process and overall process of the board.

DISCLOSURES:

During the Financial Year 2018-19, all the disclosures required as per section 184, 164 and 149(7) of the Companies Act, 2013 were received from the Directors.

POLICY TO PREVENT SEXUAL HARASSMENT AT WORK PLACE

As per the requirement of the of The Sexual Harassment of women at workplace (Prevention, Prohibition & Prohibition and Redressal) Act, 2013, and the rules made thereunder, your company has constituted Internal Complaint Committee for receiving complaints regarding sexual harassment

Your Company is committed to create and maintain amiable atmosphere in which employee can work together without fear of sexual harassment, exploitation or intimidation. No complaints were received by the committee during the year under review. Since the number of complaints filed

during the year was NIL, the Committee prepared a NIL complaints report. This is in compliance with section 22 of The Sexual Harassment of women at workplace (Prevention, Prohibition & Prohibition and Redressal) Act, 2013.

ANNUAL RETURN

The extracts of the annual return as provided under sub section (3) of Section 92 of the Act is given in Form No. MGT9, are available on the website of the company and can be accessed on the link <https://www.panasonic.com/in/>

RISK MANAGEMENT POLICY

Your Company has a robust Risk Management Policy. The Company through the Board of Directors oversees the risk management process which includes Risk Identification, Impact of a Risk Assessment, Effective implementation of the policy and Risk Reporting. Your company has an Elaborate Risk Management procedure and from this procedure the major risk identified are systematically addressed through mitigating actions on a continuous basis.

RELATED PARTY TRANSACTIONS

All related party transactions entered into by your Company during the financial year 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, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company.

Omnibus approval of the Audit Committee was obtained for all the Related Party Transactions for the FY 2018-19. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is annexed to this report in Annexure 'C'

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 a Formal Evaluation of the Board of the Directors was required for your Company. The Board of Directors have carried out an annual evaluation of its own performance, board committees, and individual Directors. The Board Evaluation was done on 28th March, 2019 at the meeting of Board of Directors in the presence of Company Secretary of the Company. All the Directors were present at that meeting which evaluated the Board's Performance. The Board has undergone a formal review which comprised evaluating the board effectiveness, 360 degree board evaluation and review of other related materials. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the Board Composition and structure, Effectiveness of Board Processes, information and functioning, etc.

The Board subsequently evaluated its own performance, the working of its committees (Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee). The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. In a separate meeting of independent directors, performance of non-Independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and nonexecutive directors.

CORPORATE SOCIAL RESPONSIBILITY:

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company at the Board Meeting held on March 28, 2019 reviewed Policy on CSR and confirmed that the committee is as per provisions of the Act. Committee on Corporate Social Responsibility consists of three Directors:

1. **Mr. Isshin Kinugawa (Chairman),**
2. **Mr. K. B. Kapur (Member) and**
3. **Ms. Monica Suri (Member)**

PAVCI has earmarked budget of Rs. 73.16 Lakhs for the year (2014-15, 2015-16, 2016-17 and 2017-18). Your company has made contribution in the following projects for the purpose of CSR Expenditure-

Amount in Rs.

Sr. No.	Project	Sector	Location	Amount Outlay	Amount Spent on Project	Cumulative Expenditure upto reporting date	Direct or through Agency
1.	Health Camp	Healthcare	Noida	2,579,174	2,579,174	2,579,174	Agency
2.	Donation to Hospital	Healthcare	Ghaziabad	201,820	201,820	201,820	Direct
3.	Distribution of Learning & Educational Kit to poor kids	Education	Villages of Noida, Ghaziabad	2,673,750	2,673,750	2,673,750	Agency
4.	Donation to PMNRF	Defense	PMNRF	1,861,256	1,861,256	1,861,256	Direct

(PMNRF: Prime Minister's National Relief Fund)

Projects executed by the company falls under ambit of Schedule VII of the Companies Act, 2013. Your Company has been spending the amount of CSR on some good projects identified under the ambit of law and approved by CSR Committee.

For the FY 2018-19, the Company is in the process of finalizing the best suitable project for spending the earmarked budget of Rs. 28.86 Lakhs on CSR Activities

Details of the Implementing Agency for Organizing Health Camps: Society for human awakening, Rural Empowerment, (the “Agency”) has been selected for organizing Health Camps and for Distribution of Learning & Education Kits to children of villages who have limited access to schools under corporate social responsibility.

SHARE is an integrated Corporate Social Responsibility (CSR) implementing agency, based in Ghaziabad, Uttar Pradesh with experience and expertise in implementing customized projects on behalf of corporates with the mission, vision, practices of sustainable development and other key philosophies of the client.

The Organization was conceived in 2014 and since it's inception, **SHARE** has been working for marginalized population across the States, with the objective to integrate them into mainstream through Education, Healthcare, Livelihood Generation, & Family Planning, WASH, Road Safety, Agricultural Sustainability, Research and E-Governance programmes.

Health 'camps' are one of the strategies adopted by both government and non-government organizations. This literally means that a team of health professionals 'camp' in an area to carry out a limited health intervention. The Free Health Camps is one such special initiative to provide healthcare services to meet the immediate health care needs of the community. The objective of conducting the health camp is to create awareness of general health among the people, provide general health care services and counseling them on basic healthcare and hygiene.

Learning & Education Kits are designed in such way that children can learn & improve their basic skill. This project was designed to provide learning opportunity despite lack of resources for education in village areas.

The Agency works for Large Corporate Houses which include Japanese Multinationals.

WHISTLE BLOWER POLICY

Pursuant to section 177(9) of the Companies Act, 2013 read with the Rule 7 of the Companies (Meetings of Board & its Powers) Rules, 2014, the Board of Directors had approved the policy on Vigil Mechanism/Whistle Blower. This enable 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 have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

TRANSFER TO IEPF

The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 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 new 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/IEPFA/refund.html>.

Status of Unpaid/Unclaimed Dividend :

S.no	Year	Due for Transfer to IEPF	Due for Transfer as on or before 21.08.2019	Current Status
1	2009-10	Nov -2017	Yes	Transferred to IEPF
2	2010-11	Nov -2018	Yes	Transferred to IEPF
3	2011-12	Nov -2019	NO	Will become due in Nov-2019
4	2012-13	Nov -2020	NO	Not eligible for transfer to IEPF
5.	2014-15	Nov -2022	NO	Not eligible for transfer to IEPF
6.	2015-16	Nov -2023	NO	Not eligible for transfer to IEPF
7	2016-17	Nov -2024	NO	Not eligible for transfer to IEPF
8.	2017-18	Nov -2025	NO	Not eligible for transfer to IEPF

In the current FY 2019-20, the company will transfer Rs. 503,382 of unpaid/unclaimed dividend pertaining to FY 2011-12 to Investor Education & Protection fund. Above said amount will become due for transfer to IEPF on 29th November, 2019.

Status of Concerned Equity Shares :

S. no.	Year	Due for Transfer to IEPF Authority	Due for Transfer as on or before 21.08.2019	Current Status
1.	2009-10	Nov -2017	Yes	Transferred to IEPF
2.	2010-11	Nov -2018	Yes	In the process of transfer to IEPF Authority

3.	2011-12	Nov -2019	NO	Will become due in Nov-2019
4.	2012-13	Nov -2020	NO	Not eligible for transfer to IEPF
5.	2014-15	Nov -2022	NO	Not eligible for transfer to IEPF
6.	2015-16	Nov -2023	NO	Not eligible for transfer to IEPF
7.	2016-17	Nov -2024	NO	Not eligible for transfer to IEPF
8.	2017-18	Nov -2025	NO	Not eligible for transfer to IEPF

ACKNOWLEDGEMENTS

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

Isshin Kinugawa
(Chairman)

ANNEXURES TO THE DIRECTORS REPORT

Annexure 'A'

CONSERVATION OF ENERGY

Figures in “000”

Electricity	18-19	17-18
Purchase Unit (MWH)	1584.15	1657.1
Total Amount (K INR.)	13006.12	13418.87
Average Rate/ Kwh (Rs.)	8.21	8.097
HSD- High speed diesel	18-19	17-18
Quantity (kl), Consumption	19.84	12.51
Total Cost (K INR.)	1238.82	737.53
Average Rate/ Ltr (Rs.)	62.44	58.95
Consumption /Unit Production	18-19	17-18
Actual Production Output 2018-2019	221639	206603
Electricity (MWH/Unit)	0.00715	0.00802
HSD (KL/Unit)	0.0000895	0.0000605

RESEARCH AND DEVELOPMENT

Your company is planning to invest in development and testing of new LED TV models which are intended to serve broad objectives of public interest, best quality and eco- friendly product.

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

Keeping in mind the Future of LED TV in Indian Market, your company strive to enhance the Best Picture & Sound Quality for Indian Markets with Smart features and off-course with Product Safety, we deliver at the same time, 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 2018-19 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) using Hexa Chroma drive processor, 4K dimming, with Super Bright IPS Panel Plus, Best Sound Quality by using Box Speaker with Dolby Audio also used additional woofer for Shinobi Pro Series including two way Bluetooth connectivity by with 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, Internet connectivity can be done through LAN input (Ethernet) or Built-in Wi-Fi, Other features like Web Browser, Media Player, Display mirroring, Smart Speaker (Alexa/Google home) connectivity App, YouTube, Home theatre through ARC makes 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

To cater emerging market of LED TV in India. This Year 2019-2020 Company has aggressively launched a wide and new range of 4K LED TV (Inhouse 10 models) for domestic market. All LED TV models of your company are registered with BIS under CR scheme and complying with Safety norms as per Safety standards IS 616:2017, other running LED models qualified for BEE Rating program (For HD/FHD Smart LED TV only) under Schedule-11 as defined by Bureau of Energy Efficiency.

In the year 2018-19, Company has introduced 4K LED TVs models with Cutting Edge Technology i.e. “Shinobi Pro” and “Shinobi Ultra” Technology having Low power consumption, 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.

This Year 2019-2020 Company has launched a full range of 4K UHD SMART LED TV with large screen size LED TV i.e. 43”, 49”, 55” and 65” model to cater high end customers.

For India Market (10 numbers 4K models as below)

Category	Screen Size	Total Models	HD	FHD	4K
LED TV	65”	3	-	-	3
	55”	3	-	-	3
	49”	2	-	-	2
	43”	2	-	-	2
Total		10	-	-	10

Carry FS Series Models: TH-32FS600D, TH-43FS600D, TH-43FS630D

This Year 2019-2020 your Company is doing In-house panel assembly (CKD/Semi CKD) for 32" to 65" category with best picture Quality & high sound (30W, GX600, GX750) up by introducing Box speaker enclosure in 43" to 65" category models (As per Model Specifications).

During the year, your Company has launched GX800 Series Premium model with slim design and Edge LED Technology in 55" & 65" category. This is New and slim design in 4K segment among all series with high speed processor with Best Picture Quality by using Super Bright IPS Panel in 43"~65" Category with all required features. This year Inhouse lineup is like 32" (Carry) category 1 model with HD Panel, Direct LED Display, in 43" category 2 model with FHD (Carry), 2 model 4K UHD (New) with Direct LED Display, in 49" category 2 model 4K UHD (New) with Direct LED Display, in 55" category 3 model 4K UHD (New) with Edge/Direct LED Display and in 65" category 3 model 4K UHD with Edge/Direct LED Display for domestic market for high end customer.

During the year, your Company has continued ODM Product Support by Product Safety Confirmation as per IEC 60065 & PCSS, Product Reliability Confirmation, Product Performance Confirmation, ODM Supplier Audits, ODM Local Part Development Support & Product Quality & shipping Approvals. A Total number of 24 ODM models (basic models to high end 4K models) with wide product category were launched during the year. This year, your Company is launching ODM models with unique features like Bezeless design and Alexa enabled TV to capture Indian market

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

The Company will enthusiastically be focusing 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.

Your products continue to have Low power consumption (Star Rating) as per BEE guidelines.

Due to strong engineering and R & D activities and by continuous innovation & Import Substitution, your company has been able to achieve cost competitiveness.

3) Future plan of action

Next year, your company will majorly focus will be on introducing 4K UHD LED TVs including OLED (CBU) with attractive smart features.

Your Company is planning to launch more than 15 nos. model with a full range of LED Models (32" to 65" size) HD, FHD and 4K with Super Bright IPS LED Panel including Bezel less models to acquire large shelf space at dealer counter compared to our competitors & also acquire more market share. We are planning to continue CKD In-house panel assembly for 32" to 65" category for cost effective, good picture Quality panels.

More Focus will be given to overall Panasonic Brand LED TV by ODM Product Support by Product Safety Confirmation as per IEC 60065 & PCSS, Product Reliability Confirmation, Product Performance Confirmation, ODM Supplier Audits, ODM Local Part Development Support & Product Quality & shipping Approvals. Your Company has acquired more market share and demand for its products is increasing in domestic market so we will also be more focusing on localization like Mechanical Parts Cabinet, Back Cover, Plastic & Metal parts as well as electrical parts like AC Cord, Wire Harness, with VA/VE Activities. Your company is planning to invest in development of new models which are intended to serve broad objectives of public interest, good quality and eco- friendly product.

4) Expenditure on Research & Development

Revenue Expenditure Rs. 2,736.20 Lakhs

Capital Expenditure Nil

Total Rs. 2,736.20 Lakhs

R & D expenditure as a percentage of total revenue is 6.18 %.

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 is consistently improving its design compatibility, process development and capabilities. Your Company continues to invest on the Research and Development to offer global standard products to Indian Customers. Technical innovations are changing shape of Electronic Industry in swift way. Your company take the same as base of its Consumer centric product development approach. Panasonic Corporation, Japan which has years of experience & state of the art Research & Development facilities, provide us technological assistance so that we could absorb such innovative improvements in our products.

Your Company invest in in-house as well as Panasonic Corporation's Research & Development facilities so that we can make our product compatible with market developments & touch edges of technological advancements.

FOREIGN EXCHANGE EARNING AND OUTGOINGS

	Rs. in 'Lakhs'	
	2018-19	2017-18
Earnings	323.19	2.62
Expenditure		
On Capital Goods	15.65	127.03
On Raw Material	31,047.48	30,683.11
On Others	3,493.23	2,742.25

Statement pursuant to section 134 of the Companies Act, 2013 read with the Companies (Particulars of employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March 2019.

Particulars of employees employed throughout the year, or part of the year drawing annual remuneration of Rs. 10,200,000/- or more / monthly remuneration of Rs. 850,000 or more.

NIL

Annexure 'B'

Schedule & Attendance of Board & Committee Meetings in 2018-19			
Date	Board Meeting	No. of Directors Present	No. of Leaves granted
28 th June, 2018	101 st Board Meeting	5	1
01 st September, 2018	102 nd Board Meeting	5	1
28 th December, 2018	103 rd Board Meeting	5	1
28 th March, 2019	104 th Board Meeting	6	0
Date	Audit Committee Meeting	No. of Directors Present	No. of Leaves granted
01 st September, 2018	45 th Audit Committee	3	0
28 th March, 2019	46 th Audit Committee	3	0

ANNEXURE 'C'

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 contracts or arrangements or transactions at Arm's length basis:

S.No.	Particulars	Details	
1.	Name (s) of Related Party & Nature of Relationship	PANASONIC AVC NETWORKS VIETNAM, VIETNAM	Associate Company
		PANASONIC AVC NETWORKS KUALA LUMPUR MALAYSIA SDN. BHD, MALAYSIA	Associate Company
		PANASONIC CORPORATION, JAPAN	Holding Company
		PANASONIC HOME APPLIANCES REFRIGERATOR (WUXI) CO. LTD., CHINA	Associate Company
		PANASONIC HONG KONG CO. LTD., HONGKONG	Associate Company
		PANASONIC MANAGEMENT (THAILAND) CO.LTD., THAILAND	Associate Company
		PANASONIC PROCUREMENT ASIA PACIFIC, SINGAPORE	Associate Company
		PANASONIC PROCUREMENT MALAYSIA SDN. BHD., MALAYSIA	Associate Company
		PANASONIC TAIWAN CO. LTD., TAIWAN	Associate Company
		PANASONIC VIETNAM CO. LTD., VIETNAM	Associate Company
		PANASONIC INDIA PVT. LTD., INDIA	Associate Company
		PANASONIC FACTORY SOLUTIONS SINGAPORE PTE. LTD. (PFSSG), SINGAPORE	Associate Company
		PANASONIC ASIA PACIFIC PTE. LTD. SINGAPORE	Associate Company
		2.	Nature of contracts/arrangements/ transaction
3.	Duration of the contracts/ arrangements / transaction	2018-19	
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	SALE of LED, 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, marketing exp, E- waste disposal etc.	
5.	Date of approval by the Board	01 st September, 2018	
6.	Amount paid as advances, if any	No	

For and on behalf of the Board of Directors

**Isshin Kinugawa
Chairman**

Place: Noida

ANNEXURE 'D'

COST AUDIT REPORT PANASONIC AVC NETWORKS INDIA COMPANY LIMITED

1. We, M. K. Kulshrestha & Associates, Cost Accountants having been appointed as Cost Auditor(s) under Section 148(3) of the Companies Act, 2013 (18 of 2013) of M/s PANASONIC AVC NETWORKS INDIA COMPANY LIMITED having its registered office D-13/4, Okhla Industrial Area, Phase II, New Delhi, India - 110020 (hereinafter referred to as the company), have audited the Cost Records maintained under section 148 of the said Act, in compliance with the cost auditing standards, in respect of ELECTRICALS AND ELECTRONIC MACHINERY for the period commencing from 1st Apr 2018 to 31st March 2019 maintained by the company and report, in addition to our observations and suggestions in Para 2.
 - I We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit.
 - ii. In our opinion, proper cost records, as per rule 5 of the Companies (Cost Record and Audit) Rules, 2014, have been maintained by the company in respect of the ELECTRICALS AND ELECTRONIC MACHINERY under reference.
 - iii. In our opinion, proper returns adequate for the purpose of the Cost Audit have been received from the branches not visited by us.
 - iv. In our opinion and to the best of our information, the said books and records give the information required by the Companies Act, 2013, in the manner so required.
 - v. In our opinion, company has adequate system of internal audit of cost records which to our opinion is commensurate to its nature and size of its business.
 - vi. In our opinion, information, statements in the annexure to this cost audit report gives a true and fair view of the cost of production, cost of sales, margin and other information relating to ELECTRICALS AND ELECTRONIC MACHINERY under reference.
 - vii. Detailed unit-wise and product-wise cost statements and schedules there to in respect of the product groups under reference of the company duly audited and certified by us are kept in the company.
2. Observations and suggestions, if any, of the Cost Auditor, relevant to the cost audit.
 - No Such Observation.

Dated: 21st August, 2019
Place: Ghaziabad, India

Manoj Kulshrestha
M17152

M. K. Kulshrestha and Associates
Cost Accountants
Firm Reg No. 100209

ANNEXURE 'E'

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31.03.2019

[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 Co. Ltd.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Panasonic AVC Networks India Co. Ltd.** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my 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, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31.03.2019, has 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019 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;
- (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 applicable Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
- (vi) The following Labour Laws applicable on the company:
 - (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 Employment Exchange (Compulsory Notification of Vacancies) Act, 1956.
- (vii) The following Environmental Laws applicable on the Company:
 - (a) The Environment (Protection) Act, 1986;
 - (b) The Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008;
 - (c) The Water Act, 1974;
 - (d) The E- Waste (Management & Handling) Rules, 2016;
 - (e) The Air Act, 1981;
 - (f) The Batteries (Management and Handling) Rules, 2010; and
 - (g) The Manufacture, Storage & Import of Hazardous Chemical (Amendment) Rules, 2000.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Electricity Rules- Bee Guideline;
- (iii) RoHS Compliance as per Japan Guidelines; and
- (iv) IT related laws.

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

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

During the year it was observed that there is a delay in filing of E-form IEPF-2, 4 & 6.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

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

Place : Noida
Dated : 21st August, 2019

Gaurav Kumar Sharma
(Gaurav Sharma & Associates)
CP No. : 10789
FCS No. : 9551

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, 2019, 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 relevant rules and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, 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 Companies Act, 2013 and the Rules 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.

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 accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to 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. On the basis of written representations received from the management of the Company, the Company does not have any pending litigations which would impact its financial position; except for the cases which are disclosed under note "Contingent Liabilities" in Note No.27 of 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. Following is the instance of delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company:

Dividend Amount (in Lakh)	Due Date for transfer to IEPF	Date of transfer to IEPF	Delay in Days
7.23	Nov. 24, 2017	Jan. 16, 2019	418

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 Registration number: 001478N/N500005

Sandeep Dinodia

Partner

Membership number: 083689

UDIN : 19083689AAAAGC2688

Place of Signature : New Delhi

Date: 21st August 2019

Annexure - 'A' to the Independent Auditor's 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, 2019, 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 Company does not hold any freehold immovable property. However, in respect of leasehold immovable property (which is included under the head 'property, plant and equipment'), the lease agreement is in the name of the Company, where the Company is the lessee in the agreement.
- ii) The Management has conducted physical verification of inventory at reasonable intervals during the year, except for goods in transit. 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.
- 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 (except for delay of some days in of deposition of income tax) 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 income tax, goods & service tax and 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 service tax, sales 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
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

Finance Act, 1994	Service Tax (including penalty)	386.27	14.49	2011 -2016	Commissioner (Appeals), Noida
Central Sales Tax 1956/Tamilnadu General Sales Tax, 1959	Sales Tax	9.09	9.09	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

- 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 Registration number: 001478N/N500005

Sandeep Dinodia
Partner
Membership number: 083689
UDIN : 19083689AAAAGC2688

Place of Signature : New Delhi
Date: 21st August 2019

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, 2019 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 Companies Act, 2013.

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, 2019, 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 Registration number: 001478N/N500005

Sandeep Dinodia

Partner

Membership number: 083689

UDIN : 19083689AAAAGC2688

Place of Signature : New Delhi

Date: 21st August 2019

Panasonic AVC Networks India Co. Limited
Balance Sheet as at March 31, 2019

(₹ in lakh, unless otherwise stated)

Particulars	Notes	As	At	As	At
		March 31, 2019		March 31, 2018	
Equity and Liabilities					
Shareholders' funds					
Share capital	3		5,000.00		5,000.00
Reserves and surplus	4		2,177.02		2,375.55
			7,177.02		7,375.55
Non current liabilities					
Long-term provisions	5		23.51		24.87
			23.51		24.87
Current liabilities					
Trade payables :	6				
- Total outstanding dues of micro and small enterprises			55.20		2.40
- Total outstanding dues of creditors other than micro and small enterprises			4,059.74		3,119.45
Other current liabilities	7		1,391.05		883.66
Short-term provisions	5		870.82		775.37
			6,376.81		4,780.88
TOTAL			13,577.34		12,181.30
Non-current assets					
Property, plant and equipment					
Tangible assets	8		703.56		985.41
Intangible assets	9		1.24		5.97
Capital work-in-progress	8A		20.19		-
Deferred tax assets (net)	10		541.48		528.18
Long-term loans and advances	11		115.18		105.66
Other non-current assets	12		219.04		205.31
			1,600.69		1,830.53
Current assets					
Inventories	13		2,192.85		1,829.06
Trade receivables	14		2,274.56		670.51
Cash and bank balances	15		6,622.60		7,152.71
Short-term loans and advances	11		880.75		690.64
Other current assets	16		5.89		7.85
			11,976.65		10,350.77
TOTAL			13,577.34		12,181.30
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**

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Noida

Date: 21st August, 2019

(Isshin Kinugawa)

Chairman and
Managing Director
DIN: 07785797

Place: Noida

Date: 21st August, 2019

(Rajiv Bajaj)

Sr. Associate Director-Finance
and Company Secretary
M.No. FCS 3662

Place: Noida

Date: 21st August, 2019

(Kenji Kobayashi)

Finance Director and
Chief Financial Officer

Place: Noida

Date: 21st August, 2019

Panasonic AVC Networks India Co. Limited
Statement of Profit and Loss for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
Revenue from Operations (Net)	17	44,304.11	42,152.50
Other income	18	561.74	333.64
Total revenue		44,865.85	42,486.14
Expenses			
Cost of materials consumed	19	34,352.06	32,789.92
Purchase of stock-in-trade	20	1,241.31	1,083.95
Changes in inventories of finished goods, work in progress and stock-in-trade	21	53.43	(86.43)
Employee benefits	22	2,090.21	1,886.62
Finance costs	23	35.69	57.66
Depreciation and amortisation	24	308.50	400.75
Other expenses	25	6,118.23	4,990.18
Total expenses		44,199.43	41,122.65
Profit before tax		666.42	1,363.49
Tax expense			
Current tax		246.96	513.78
Income tax adjustment related to earlier years		4.39	2.56
Deferred tax charge/(release)	10	(13.31)	(54.60)
Profit for the year		428.38	901.75
Earnings per share (Rs.)			
	26		
Basic and diluted earnings per share (face value ₹10 each, March 31, 2018: ₹10 each)		0.86	1.80

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

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Noida

Date: 21st August, 2019

(Isshin Kinugawa)

*Chairman and
Managing Director*

DIN: 07785797

Place: Noida

Date: 21st August, 2019

(Rajiv Bajaj)

*Sr. Associate Director-Finance
and Company Secretary*

M.No. FCS 3662

Place: Noida

Date: 21st August, 2019

(Kenji Kobayashi)

*Finance Director and
Chief Financial Officer*

Place: Noida

Date: 21st August, 2019

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ 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:

- a) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle ;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realised within 12 months after the reporting date; or
- d) 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:

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) 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 (except land) 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.

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Depreciation on the following property, plant and equipment 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

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

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.

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Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

	As at March 31, 2019		As at March 31, 2018	
	Shares (In Nos)	Amount	Shares (In Nos)	Amount
Note 3: Share capital				
Authorized				
Equity shares of Rs.10 each (March 31, 2018 ₹10 each)	50,000,007	5,000.00	50,000,007	5,000.00
5% Non cumulative redeemable preference shares of ₹10 each (March 31, 2018: ₹10 each)	59,999,993	6,000.00	59,999,993	6,000.00
Issued, subscribed and paid up				
Equity shares of ₹10 each fully paid up (March 31, 2018; ₹10 each)	110,000,000	11,000.00	110,000,000	11,000.00
Outstanding at the beginning and at the end of the year				
	50,000,007	5,000.00	50,000,007	5,000.00
	50,000,007	5,000.00	50,000,007	5,000.00

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.

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

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, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Panasonic Corporation, Japan, the holding company (equity shares of ₹10 each fully paid up)	47,627,439	4,762.74	47,627,439	4,762.74
	47,627,439	4,762.74	47,627,439	4,762.74
d) Details of shareholders holding more than 5% shares in the Company				
	As at March 31, 2019		As at March 31, 2018	
	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)	47,627,439	95.25%	47,627,439	95.25%
	47,627,439	95.25%	47,627,439	95.25%

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Note 4: Reserves and surplus

	As	At	As	At
	March 31, 2019		March 31, 2018	
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		1,902.80		2,054.21
Add: Profit for the year		428.38		901.75
Less: Appropriations				
Dividend Paid (₹1.04 per share (March 31, 2018 ₹1.75 per share))		520.00		875.00
Dividend tax and surcharge		106.91		178.16
Balance at the end of the year		1,704.27		1,902.80
Total		2,177.02		2,375.55

Note: The Board of Directors recommended a final dividend of ₹ 0.60 per share (nominal value of ₹ 10 per share) for the financial year 2018-19. 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 ₹361.67 lakh including dividend distribution tax of ₹ 61.67 lakh.

Note 5: Provisions

	Long-term		Short-term	
	As	At	As	At
	March 31, 2019		March 31, 2018	
Provision for employee benefits				
Compensated absences		23.51		8.84
Gratuity (refer to note 36)		-		46.06
		23.51		54.90
Other provisions				
Warranties and after sale service (refer note 'a' below)		-		716.05
Provision for litigation (refer note 'b' below)		-		47.06
Provision for tax [net of advance tax of ₹ 206.92 lakh (March 31, 2018: ₹ 500.65 lakh)]		-		52.81
		-		815.92
		23.51		870.82
		24.87		775.37

The Company has adopted Accounting Standard 29 'Provisions, Contingent Liabilities & Contingent Assets' as notified by the Companies (Accounting Standards) 2006.

Accordingly, the following disclosure has been made :

(a) Warranties and after sale service:

	As	At	As	At
	March 31, 2019		March 31, 2018	
Provisions for warranties and after sale service*				
At the beginning of the year		669.38		688.46
Additions during the year		716.05		669.38
Utilization during the year		(544.01)		(437.30)
Reversal during the year		(125.37)		(251.16)
At the end of the year		716.05		669.38
Provision for removal of E-Waste (refer note 43)				
At the beginning of the year		-		328.91
Additions during the year		-		-
Utilization during the year		-		(40.52)
Reversal during the year		-		(288.39)
At the end of the year		-		-

* 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 ₹ 36.03 lakh (March 31, 2018: ₹ 52.54 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	As	At
	March 31, 2019		March 31, 2018	
At the beginning of the year		-		-
Additions during the year		47.06		-
Utilization during the year		-		-

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Reversal during the year	-	-
At the end of the year	47.06	-

** 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 March 31, 2019	At March 31, 2018
Total outstanding dues of micro and small suppliers**	55.20	2.40
Total outstanding dues of creditors other than micro and small suppliers	4,059.74	3,119.45
	4,114.94	3,121.85

** 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 28.

Note 7: Other current liabilities

	As March 31, 2019	At March 31, 2018
Capital creditors	2.50	109.56
Security deposits received	1.25	1.25
Payable to employees	428.96	323.97
Unclaimed dividend *	18.95	24.26
Forward contract payable	28.41	4.16
Statutory liabilities		
- Tax deducted at source	181.76	120.13
- GST	713.42	285.76
- Others	15.80	14.57
	1,391.05	883.66

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

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Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

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

(₹ in lakh, unless otherwise stated)

Description	As At 1 April 2018		Additions	Gross Block		Accumulated Depreciation			Net Block	
	As At 1 April 2018	As At March 31, 2019		Disposal/ adjustments	As At March 31, 2019	For the year	On disposal/ adjustments	31 March 2019	As At March 31, 2019	
Leasehold land	307.58	307.58	-	-	307.58	3.75	-	80.77	226.81	
Buildings	1,147.60	1,145.53	-	2.06	1,145.53	13.84	2.07	977.65	167.88	
Plant and machinery	4,007.16	3,817.54	13.90	203.52	3,817.54	218.77	202.93	3,583.32	234.22	
Dies and moulds	289.66	153.81	6.53	142.38	153.81	32.01	153.81	140.83	1.55	
Furniture and fixtures	189.92	188.68	2.42	3.67	188.68	22.17	3.33	125.48	63.20	
Vehicles	74.83	66.95	-	7.88	66.95	13.23	7.88	57.05	9.90	
Total	6,016.75	5,668.66	22.85	370.94	5,668.66	303.77	370.02	4,965.10	703.56	

Description	As At 1 April 2017		Additions	Gross Block		Accumulated Depreciation			Net Block	
	As At 1 April 2017	As At March 31, 2018		Disposal/ adjustments	As At March 31, 2018	For the year	On disposal/ adjustments	31 March 2018	As At March 31, 2018	
Leasehold land	307.58	307.58	-	-	307.58	73.27	3.75	77.02	230.56	
Buildings	1,145.03	1,147.60	2.57	-	1,147.60	952.16	13.73	965.89	181.71	
Plant and machinery	3,704.26	4,007.16	317.24	14.34	4,007.16	3,357.53	224.29	3,567.48	439.69	
Dies and moulds	154.91	134.75	134.75	-	289.66	154.22	108.40	262.62	27.04	
Furniture and fixtures	171.47	184.45	18.45	-	189.92	81.81	24.83	106.64	83.28	
Vehicles	86.00	74.83	8.41	19.58	74.83	53.89	17.40	51.71	23.13	
Total	5,569.25	6,016.75	481.42	33.92	6,016.75	4,672.88	392.41	5,031.35	985.41	

Note 8A: Capital work-in-progress

Description	As At 1 April 2018		Additions	Gross Block		Accumulated Depreciation			Net Block	
	As At 1 April 2018	As At March 31, 2019		Disposal/ adjustments	As At March 31, 2019	For the year	On disposal/ adjustments	31 March 2019	As At March 31, 2019	
Plant and machinery	-	20.19	20.19	-	20.19	-	-	-	20.19	
Total	-	20.19	20.19	-	20.19	-	-	-	20.19	
March 31, 2018	-	-	-	-	-	-	-	-	-	

Note 9: Intangible assets

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

Description	As At 1 April 2017		Additions	Gross Block		Amortisation			Net Block	
	As At 1 April 2017	As At March 31, 2018		Disposal/ adjustments	As At March 31, 2018	For the year	On disposal/ adjustments	31 March 2018	As At March 31, 2018	
Software	141.29	144.12	2.83	-	144.12	129.81	8.34	138.15	5.97	
Total	141.29	144.12	2.83	-	144.12	129.81	8.34	138.15	5.97	

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Note 10: Deferred tax assets (net)

	As At March 31, 2019	As At March 31, 2018
Deferred tax assets		
- Excess of depreciation/amortisation on fixed assets provided in accounts over depreciation/ amortisation under income tax law	300.67	313.79
- Provision for diminution in the value of inventories	199.47	162.53
- Expenditure covered by Section 43B of the Income Tax Act, 1961	41.34	51.86
Gross deferred tax assets	541.48	528.18
Deferred tax liability	-	-
Deferred tax assets recognised (net)	541.48	528.18

Note 11: Loans and advances

	Long-term		Short-term	
	As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
Loans and advances to related parties (unsecured considered good)				
- Panasonic Corporation, Japan	-	-	42.59	22.41
- Panasonic Procurement Malaysia SDN Bhd	-	-	-	0.04
- Panasonic AVC Networks KM SDN Bhd	-	-	-	1.14
- Panasonic Hong Kong Co. Ltd.	-	-	6.45	-
- Panasonic India Private Limited	-	-	24.72	8.08
Loans and advances to parties other than related parties				
Security deposits (unsecured considered good)	31.27	31.03	-	-
Other loans and advances				
- Unsecured and considered good				
Loans to employees	16.06	33.78	9.54	27.73
Balance with statutory/ government authorities	41.48	14.47	680.13	483.54
Prepaid expenses	-	-	10.13	17.90
Balance with Income Tax Authorities	26.38	26.38	-	22.43
Advance to suppliers	-	-	63.53	107.37
Others	-	-	43.66	-
- Considered doubtful				
Balance with income tax authorities	2.31	62.03	-	-
Balance with statutory/ government authorities	21.52	21.53	23.91	23.91
	139.02	189.22	904.66	714.55
Less: Provision for doubtful advances	23.84	83.56	23.91	23.91
	115.18	105.66	880.75	690.64

Note 12: Other non-current assets

	As At March 31, 2019	As At March 31, 2018
(Unsecured considered good, unless otherwise stated)		
Bank deposits (due to mature after 12 months from the reporting date) (refer to note 15) *	212.20	198.98
Interest accrued on fixed deposits	6.84	6.33
	219.04	205.31

* pledged against bank guarantee.

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

	As At March 31, 2019	As At March 31, 2018
Raw materials [includes goods in transit ₹ 660.61 lakh (March 31, 2018: ₹ 602.98 lakh)]	1,702.85	1,227.94
Work-in-progress	1.52	53.51
Finished goods	0.18	0.38
Stock in trade	1,085.80	1,012.33
	2,790.35	2,294.16
Less : provision for slow moving raw material and stock in trade	(597.50)	(465.10)
	2,192.85	1,829.06

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Note 14: Trade receivables (unsecured and considered good, unless stated otherwise)	As March 31, 2019	At March 31, 2018
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	2,274.56	670.51
	2,274.56	670.51

Note 15: Cash and bank balances	Non-Current		Current	
	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018
Cash and cash equivalents:				
Cash in hand	-	-	-	-
Balance with banks				
- On current accounts	-	-	503.65	377.54
- On deposits (with original maturity of 3 months or less)	-	-	6,100.00	5,750.91
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	198.98	-	-
Earmarked balances with a bank - dividend account	-	-	18.95	24.26
	212.20	198.98	6,622.60	7,152.71
Less: Amount disclosed under non-current assets (refer to note 12)	212.20	198.98	-	-
Total	-	-	6,622.60	7,152.71

Note 16: Other current assets (Unsecured considered good, unless otherwise stated)	As March 31, 2019	At March 31, 2018
Interest accrued on fixed deposits	5.89	7.85
	5.89	7.85

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Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

Note 17: Revenue from operations	(₹ in lakh, unless otherwise stated)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
Manufactured goods	42,076.13	42,400.37
Traded goods	1,387.67	1,131.82
Sale of products (gross)	43,463.80	43,532.19
Less : Excise duty	-	2,362.95
Sale of products (net)	43,463.80	41,169.24
Sale of services	840.31	883.09
Other operating revenues		
- Scrap sales	-	100.17
	-	100.17
Total revenue from operations	44,304.11	42,152.50
Break-up of revenue from sale of products :		
Manufactured goods		
Televisions	40,979.83	41,209.69
Mounted Printed Circuit Board	1,096.30	1,190.68
	42,076.13	42,400.37
Traded goods		
Spare parts	1,387.67	1,131.82
	1,387.67	1,131.82
Break-up of revenue from sale of services :		
Technical support fees	840.31	883.09
	840.31	883.09

Note: Consequent to the introduction of goods and services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the GST is not recognised as part of revenue from operations. This has resulted in lower reported revenue from operations in the current year in comparison to the revenue from operations to the extent was reported under the pre-GST structure of indirect taxes. Accordingly, the Revenue from operations for the year ended March 31, 2019 are not comparable with year ended March 31, 2018 presented in the financial statement to the extent was reported inclusive of Excise Duty.

Note 18: Other income	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on bank deposits	229.25	217.66
Interest income on income tax refund	25.39	10.15
Interest income on others	1.53	2.67
Gain on sale of fixed assets (net)	0.66	2.05
Excess provision written back	59.72	50.21
Net gain on account of foreign exchange fluctuation	189.29	-
Other non-operating income	55.90	50.90
	561.74	333.64

Note 19: Cost of materials consumed	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventory of raw materials at the beginning of the year	1,207.49	1,000.51
Purchases	34,769.28	32,996.90
Inventory of raw material at the end of the year (Net of provision ₹ 78.14 lakh (March 31, 2018: ₹ 20.45 lakh)	(1,624.71)	(1,207.49)
	34,352.06	32,789.92
Break-up of cost of materials consumed		
LCD/LED panels	1,287.99	564.82
Open cell	11,708.58	15,651.37
Back light unit	6,026.76	5,317.26
Others	15,328.73	11,256.47
	34,352.06	32,789.92

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

	(₹ in lakh, unless otherwise stated)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 20: Purchase of stock-in-trade		
Spare parts	1,241.31	1,083.95
	1,241.31	1,083.95
Note 21: Changes in inventories of finished goods, work in progress and stock-in-trade	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock		
Work-in-progress		
- Mounted Printed Circuit Board	53.51	5.29
Finished goods		
- Mounted Printed Circuit Board	0.38	-
Stock-in-trade (net of provision ₹ 444.65 lakh) (March 31, 2017: ₹ 378.73 lakh))		
- Spare parts	567.68	529.85
	621.57	535.14
Less :		
Closing stock		
Work-in-progress		
- Mounted Printed Circuit Board	1.52	53.51
Finished goods		
- Mounted Printed Circuit Board	0.18	0.38
Stock-in-trade (net of provision of ₹519.36 lakh (March 31, 2018: ₹ 444.65 lakh))		
- Spare parts	566.44	567.68
	568.14	621.57
Net decrease/(increase) in inventory	53.43	(86.43)
Note 22: Employee benefits	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	1,749.37	1,528.34
Contribution to provident and other funds	215.32	226.54
Staff welfare expenses	79.60	87.30
Compensated absences	45.92	44.44
	2,090.21	1,886.62
Note 23: Finance costs	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense	25.06	34.06
Interest on delay in deposition of income tax, TDS & other statutory dues	7.52	14.94
Processing cost	3.11	8.66
	35.69	57.66
Note 24: Depreciation and amortization	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment	303.77	392.41
Amortization on intangible assets	4.73	8.34
	308.50	400.75

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

Note 25: Other expenses	(₹ in lakh, unless otherwise stated)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Power and fuel	142.08	147.18
Stores and spares consumed	22.24	30.29
Rent (refer to note 33)	34.46	35.53
Repairs and maintenance		
- Building	2.28	99.98
- Plant and machinery	58.23	91.45
- Others	27.42	54.18
Insurance	50.12	40.58
Rates and taxes, excluding taxes on income	180.13	53.58
Warranty and after sale service	774.62	151.04
Research and development	2,736.20	2,022.94
Traveling and conveyance	225.09	247.72
Legal and professional **	96.82	86.51
IT & Software Support Fee	93.50	97.04
Royalty-technical know-how and trade mark	771.13	725.44
Clearing and freight charges	268.91	276.56
Sales promotion	538.13	729.17
Foreign exchange fluctuation loss (net)	-	2.88
Security charges	33.80	37.05
Telephone and communication	18.53	20.72
Corporate social responsibility (refer to note 42)	29.26	-
Provision against doubtful advances	-	11.57
Training expenses	0.84	10.81
Miscellaneous expenses	14.44	17.97
	6,118.23	4,990.18

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

As auditor		
Statutory audit	8.00	5.00
Tax audit	1.00	1.00
Other Services	1.00	-
Out of pocket expenses	0.53	-
	10.53	6.00

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Note 26: Earnings per share

Basic earnings per share

Basic earnings per share The calculation of basic earnings per share for the year ended 31 March 2019 was based on the Profit attributable to equity shareholders of ₹428.38 lakh (March 31, 2018 ₹ 901.75 lakh), and weighted average number of equity shares outstanding 50,000,007 (March 31, 2018 50,000,007)

Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 March 2019 was based on the profit attributable to equity shareholders of ₹428.38 lakh (March 31, 2018 ₹901.75 lakh), and weighted average number of equity shares outstanding of 50,000,007 (March 31, 2018 50,000,007) after adjustment for the effects of all dilutive potential equity shares of ₹ Nil (March 31, 2018 Nil)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
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 after tax available for equity shareholders (₹ in Lakh)	428.38	901.75
Basic and diluted earnings (in ₹) per share	0.86	1.80

Note 27: Contingent liabilities:

(to the extent not provided for)

Claims received but not acknowledged as debts:

	As March 31, 2019	At March 31, 2018
Excise duty demand (including penalty)	266.60	332.66
Port charges	18.03	18.03
Service tax (including show cause notice and penalty)	430.95	135.48
Sales tax	27.59	27.59
	743.17	513.76

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 28: Dues to micro and small suppliers

- 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 March 31, 2019	At March 31, 2018
Principal amounts remaining unpaid to micro and small suppliers as at the end of the year	55.20	2.40
Interest amounts remaining unpaid to micro and small suppliers as at the end of the year		

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

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

C) Particulars of related party transactions:

Nature of transaction	Holding Company	Key management personnel	Fellow subsidiaries	Total
Purchases of				
- Goods	16,217.63	-	13,492.92	29,710.55
	(15,257.83)	-	(16,206.94)	(31,464.77)
- Capital goods	-	-	11.72	11.72
	(-)	-	(20.57)	(20.57)
- Others	9.71	-	11.88	21.59
	(1.37)	-	(50.47)	(51.84)
- Research and development expense	2,682.58	-	19.44	2,702.02
	(1,946.73)	-	(29.42)	(1,976.15)
- After Sale Service expense	-	-	617.61	617.61
	-	-	(587.66)	(597.98)
Royalty—technical, know-how and patent	771.13	-	-	771.13
	(725.44)	-	-	(725.44)
Sale of manufactured goods (inclusive of excise)	-	-	41,862.06	41,862.06
	-	-	(42,351.81)	(42,351.81)
Sale of spares	-	-	1,387.67	1,387.67
	-	-	(1,133.58)	(1,133.58)
Sale of services	-	-	840.31	840.31
	-	-	(1,014.98)	(1,014.98)
Service Charges	-	-	9.60	9.60
	(-)	(-)	(6.40)	(6.40)
Reimbursement of Expenses (Paid)	1.35	-	963.76	965.11
	(26.12)	-	(790.72)	(816.84)

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Reimbursement of Expenses (Received)	124.32 (125.41)	- -	136.47 (134.36)	260.79 (259.77)
Managerial remuneration	-	139.98	-	139.98
	-	(156.24)	-	(156.24)
IT & Software Support Fee	18.33 (12.51)	-	60.42 (53.43)	78.75 (65.94)

Amounts in brackets represent previous year figures.

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

Particulars	Year ended March 31 2019	Year ended March 31 2018
Purchase of goods		
-Panasonic Hong Kong Co. Ltd.	3,515.82	6,344.96
-Panasonic Procurement Malaysia SDN BHD	7,968.48	7,807.65
Purchase of capital goods		
-Panasonic AVC Networks Kuala Lumpur SDN BHD Malaysia	11.72	18.47
-Panasonic India Private Limited	-	2.09
Purchase – others		
-Panasonic Factory Solutions Singapore Pte Ltd	9.64	24.27
-Panasonic India Private Limited	-	26.05
-Panasonic AVC Networks Kuala Lumpur SDN BHD Malaysia	2.24	-
Research and development expense		
-Panasonic AVC Networks Kuala Lumpur SDN BHD Malaysia	19.44	29.42
After Sale Service expense		
-Panasonic India Private Limited	617.61	587.66
Service Charges		
-Panasonic India Private Limited	9.60	6.40
Sale of manufactured goods (inclusive of excise)		
-Panasonic India Private Limited	41,862.06	42,351.81
Sale of spares		
-Panasonic India Private Limited	1,074.48	1,131.82
-Panasonic AVC Networks Kuala Lumpur SDN. BHD. Malaysia	89.59	-
-Panasonic AVC Networks Czech SRO	219.97	-
Sale of services		
- Panasonic India Private Limited	840.31	1,007.41
Reimbursement of expenses (Payable)		
-Panasonic India Private Limited	962.67	746.58

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Reimbursement of expenses (Receivable)		
- Panasonic Corporation Japan	-	125.40
- Panasonic India Private Limited	135.03	104.20
- Panasonic AVC Networks KM SDN Bhd	-	30.16
IT & Software Support Fee		
- Panasonic India Private Limited	21.38	11.51
- Panasonic Asia Pacific Pte. Ltd. (Singapore)	93.04	41.92
Managerial Remuneration		
- Isshin Kinugawa	36.72	43.44
- Kunio Omura	33.92	40.20
- Rajiv Bajaj*	69.34	72.59

* 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

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

Particulars	As at 31 March 2019	As at 31 March 2018
Receivables		
- Fellow subsidiaries	2,274.56	670.51
Panasonic India Private Limited	2,274.56	670.51
Recoverable		
- Holding Company	42.59	22.41
- Fellow subsidiaries	31.17	9.26
Panasonic Procurement Malaysia SDN Bhd	-	0.04
Panasonic AVC Networks KM SDN Bhd	-	1.14
Panasonic Hong Kong Co. Ltd.	6.45	-
Panasonic India Private Limited	24.72	8.08
Payables		
- Holding Company	2,001.64	1,071.15
- Fellow subsidiaries	1,238.23	1,538.66
Panasonic Procurement Asia Pacific	7.4	21.27
Panasonic Management (Thailand) Co., Ltd.	19.94	30.05
Panasonic Procurement Malaysia Sdn. Bhd.	183.69	264.24
Panasonic Hong Kong Co. Ltd.	111.26	254.37
Panasonic Avc Networks Vietnam	5.00	7.37
Panasonic India Private Limited	880.44	915.16
Panasonic Taiwan Co. Ltd.	0.27	4.04
Panasonic Avc Networks Kuala Lumpur Malaysia Sdn. Bhd	11.48	26.91

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Panasonic Asia Pacific Pte. Ltd. (Singapore)	8.65	9.85
Panasonic Factory Solutions Singapore Pte. Ltd.	1.63	5.16
Panasonic South Africa (Pty) Ltd	-	0.24
Panasonic Vietnam Co. Ltd.	1.98	-

Note 32 : 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 33: 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 ₹34.46 lakh (March 31, 2018 ₹35.53 lakh) have been charged to the Statement of Profit and Loss.

Note 34: 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:

Purpose	As at March 31, 2019		As at March 31, 2018	
	Amount in foreign currency in lakh	Amount	Amount in foreign currency in lakh	Amount
Against underlying transactions	USD 23.11	1,632.16	USD 19.02	1,246.05
	JPY 70.19	44.84	JPY 357.10	223.26
No. of contracts				
- USD	15		9	
- JPY	6		12	

Note 35: The Company's unhedged foreign currency exposure is given below:

Purpose	As at March 31, 2019		As at March 31, 2018	
	Amount in foreign currency in lakh	Amount In ₹ lakh	Amount in foreign currency in lakh	Amount In ₹ lakh
Recoverable	USD 0.08	5.33	USD 0.09	5.81

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Payables	JPY 1077.64	6 88.40	JPY 412.36	258.80
	SGD 0.20	10.46	SGD 0.30	15.24

Note 36: 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 ₹ 99.85 lakh (March 31, 2018 ₹ 88.88 lakh), ₹ 9.72 lakh (March 31, 2018 ₹ 8.55 lakh) and ₹ 59.69 lakh (March 31, 2018 ₹ 56.40 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.

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.

Particulars	As	at	As	at
	March 31, 2019		March 31, 2018	
Changes in the present value of defined benefit obligations				
Projected benefit obligation at the beginning of year		646.34		542.80
Current service cost		38.13		37.01
Past service cost		-		-
Interest cost		49.12		39.08
Actuarial (gain)/loss		(2.77)		31.69
Benefits paid by the plan		(128.41)		(4.25)
Projected benefit obligations at the end of the year		602.41		646.33
Changes in the fair value of plan assets				
Fair value of plan assets at the beginning of the year		573.62		489.16
Expected return on plan assets		43.02		40.36
Contributions paid into the plan		72.71		53.64
Benefits paid in the plan		(128.41)		(4.25)
Actuarial (loss)/gain on plan assets		(4.59)		(5.29)
Fair value of plan assets at the end of the year		556.35		573.62
Amount recognised in the Balance Sheet				
Projected benefit obligation at the end of the year		602.41		646.33
Fair value of plan assets at the end of the year		556.35		573.62
Funded status of the plans – asset/(liability)		(46.06)		(72.71)
Net asset/(liability) recognised		(46.06)		(72.71)

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Expense recognised in the Statement of Profit and Loss		
Current service cost	38.13	37.01
Past service cost	-	-
Interest cost on benefit obligation	49.12	39.08
Expected return on plan assets	(43.02)	(40.36)
Net actuarial (gain)/loss recognised in the year	1.83	36.98
Net gratuity cost	46.06	72.71
Return on plan assets		
Expected return on plan assets	43.02	40.36
Actuarial gain/(losses) on plan assets	(4.59)	(5.30)
Actual return on plan assets	38.43	35.06
Plan assets		
Fund managed by Insurer	100%	100%

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

A. Economic Assumptions

	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount rate	7.60%	7.60%
Expected rate of return on assets (p.a.)	7.40%	7.50%
Salary escalation rate (p.a.)	10.00%	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 7.50% 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. Historical Information

	March 31 2019	March 31 2018	March 31 2017	March 31 2016	March 31 2015
Projected benefit obligation at the end of the year	602.41	646.33	542.80	466.19	424.99
Fair value of the plan assets at the end of the year	556.35	573.62	489.16	373.66	361.98
Net assets/(liability) recognised in the balance sheet	(46.06)	(72.71)	(53.64)	(92.53)	(63.01)
Experience adjustment arising on plan liabilities - (loss)/gain	2.76	(52.28)	(18.15)	7.63	123.67
Experience adjustment arising on plan assets - (loss)/gain	(4.59)	(5.29)	1.21	(10.26)	4.72

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

B. The Leave encashment Fund

(₹ in lakh, unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
I. Changes in the present value obligations during the period		
Present Value of obligation as at the beginning of the period	206.34	198.09
Interest cost	15.68	14.26
Current service cost	9.49	7.85
Benefits paid : (i) Directly by the employee	-	-
(ii) Payment Made out of fund	(39.53)	(4.94)
Acturial (Gain)/loss on obligations	(5.91)	(8.92)
Present value Obligation as at the end of the period	186.07	206.34
II. Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	216.15	207.12
Expected return on plan assets	15.67	17.08
Contributions	-	-
Benefits paid	(39.53)	(4.94)
Actuarial (loss)/gain on plan assets	(2.19)	(3.11)
Fair value of plan assets at the end of the year	190.10	216.15
Amount recognised in the Balance Sheet		
Projected benefit obligation at the end of the year	186.07	206.34
Fair value of plan assets at the end of the year	190.10	216.15
Funded status of the plans –asset/(liability)	4.03	9.80
Net asset/(liability) recognised	(4.03)	(9.80)
Expense recognised in the Statement of Profit and Loss		
Current service cost	9.49	7.85
Past service cost	-	-
Interest cost on benefit obligation	15.68	14.26
Expected return on plan assets	(15.67)	(17.08)
Net actuarial (gain)/loss recognised in the year	(3.73)	(5.80)
Net Leave Encashment Cost	5.77	(0.77)
Return on plan assets		
Expected return on plan assets	15.67	17.08
Actuarial gain/(losses) on plan assets	(2.19)	(3.11)
Actual return on plan assets	13.48	13.97
Plan assets		
Fund managed by Insurer	100%	100%

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

A. Economic Assumptions

	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount rate	7.60%	7.60%
Expected rate of return on assets (p.a.)	6.90%	7.25%
Salary escalation rate (p.a.)	10.00%	10.00%

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

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 6.90% 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 ₹45.92lakh (March 31, 2018 ₹44.44lakh).

C. The Company's best estimate of contribution during next year for gratuity is ₹43,03 lakh (March 31, 2018 ₹45.73lakh).

Note 37: FOB value of export

Description	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of goods	323.19	1.76
Rendering of services	-	0.86

Note 38: Value of imports on CIF basis

Description	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw materials	31,012.62	30,610.67
Stores and spares	34.86	72.44
Capital goods	15.65	127.03

Note 39: Expenditure in foreign currency (on accrual basis)

Description	For the year ended March 31, 2019	For the year ended March 31, 2018
Royalty for trade mark, technical know how and patent [#]	701.14	652.90
Travelling and conveyance	9.54	16.66
Research and development expenses	2,702.02	1,977.19
Repairs and maintenance	14.58	27.97
Communication expenses	4.75	4.48
Legal and professional	53.97	54.07
Training expenses	1.09	7.61
Staff welfare expenses	6.14	1.37
	3,493.23	2,742.25

Net of tax deducted at source of ₹ 69.99 lakhs (March 31, 2018 ₹ 72.54 lakhs)

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Note 40: Percentage of materials consumed:

A. Raw Material:

Description	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Value	%	Value	%
- Imported	31,793.91	92	30,396.69	93
- Indigenous	2,558.14	8	2,393.24	7
Total	34,352.05	100	32,789.92	100

B. Stores and spares:

Description	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Value	%	Value	%
- Imported	5.41	24	10.31	34
- Indigenous	16.83	76	19.98	66
Total	22.24	100	30.29	100

Note 41: Amount remitted during the year ended March 31, 2019 in foreign currency on account of dividend was ₹495.33 lakh (March 31, 2018 ₹833.48 lakh).

Non Resident Shareholders (numbers)	Number of shares on which dividend was due	Year to which dividend relates
1	47,627,439	2017 -18
(1)	(47,627,439)	(2016 -17)

Note: Previous year numbers are indicated in brackets

Note 42: 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, 2019 is ₹29.17 lakh (March 31, 2018 ₹29.46 lakh).
- (b) Amount spent during the year ended March 31, 2019 is ₹29.26 lakh (March 31, 2018 ₹ nil).

Note 43: 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 previous 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, all the provisions upto March 31, 2017 had been reversed in previous year and the Company has charged off E-Waste expenses of ₹164.64 lakh (March 31, 2018 ₹40.52 lakh) on the basis of debit note received from PI which as per management is in accordance with the provisions of E-Waste Rules.

Panasonic AVC Networks India Co. Limited
Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Note 44: 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

(Isshin Kinugawa)
Chairman and
Managing Director
DIN: 07785797

(Rajiv Bajaj)
Sr. Associate Director-Finance
and Company Secretary
M.No. FCS 3662

(Kenji Kobayashi)
Finance Director and
Chief Financial Officer

Place of Signature : Noida
Date: 21st August, 2019

Panasonic AVC Networks India Co. Limited
Cash Flow Statements for the year ended March 31, 2019

(₹ in lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash Flow from Operating Activities		
Net profit before tax	666.42	1,363.49
Adjustments for :		
Depreciation and amortisation	308.50	400.75
Unrealised foreign exchange loss (gain)	38.36	5.45
Finance costs (excluding bank charges)	35.69	57.66
Provision for doubtful advances	-	11.57
Liabilities no longer required written back	(59.72)	(50.21)
Interest income	(256.17)	(217.66)
Loss/(profit) on sale of property, plant and equipment	(0.66)	(2.05)
	66.00	205.51
Operating profit before working capital changes	732.42	1,569.00
Adjustments for :		
Increase in inventories	(363.79)	(293.40)
Decrease/ (increase) in trade receivables	(1,604.05)	567.33
Decrease/ (increase) in loans and advances and other current assets	(139.91)	257.24
Increase/ (Decrease) in trade payables	954.73	(616.15)
Decrease in other current liabilities and provisions	688.91	17.07
	(464.11)	(67.91)
Cash generated from operating activities before taxes	268.31	1,501.09
Adjustment for :		
Income tax paid	(226.40)	(470.53)
Net cash generated from operating activities (A)	41.91	1,030.56
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment (including CWIP)	(150.10)	(344.71)
Proceeds from sale of property, plant and equipment	1.58	2.06
	986.79	(989.13)
Bank deposits (having original maturity of more than three months)		
Earmarked balances with a bank - dividend account	5.31	0.02
Interest received	257.62	233.58
Net cash generated (used in)/ provided by investing activities (B)	1,101.20	(1,098.17)
C. Cash Flow from Financing Activities		
Finance charges paid	(35.69)	(57.66)
Dividend paid	(525.31)	(875.00)
Corporate dividend tax	(106.91)	(178.16)
Proceeds from short term borrowings	18,231.73	16,743.00
Repayment of short term borrowings	(18,231.73)	(16,743.00)
Net cash used in financing activities (C)	(667.91)	(1,110.82)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	475.20	(1,178.44)
Cash and cash equivalents at the beginning of the year		
Cash in hand	-	-
Balances with scheduled banks		
- on current accounts	377.54	292.11
- on fixed deposits (demand deposits or deposits having original maturity of 3 months or less)	5,750.91	7,014.77
Cash and cash equivalents at the end of the year	6,603.65	6,128.45

(₹ in lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Components of cash and cash equivalents		
Cash in hand	-	-
Balances with scheduled banks		
- on current accounts	503.65	377.54
- on fixed deposits (demand deposits or deposits having original maturity of 3 months or less)	6,100.00	5,750.91
	6,603.65	6,128.45

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*

(Sandeep Dinodia)

Partner

Membership Number 083689

Place: Noida

Date: 21st August, 2019

(Isshin Kinugawa)

*Chairman and
Managing Director*

DIN: 07785797

Place: Noida

Date: 21st August, 2019

(Rajiv Bajaj)

*Sr. Associate Director-Finance
and Company Secretary*

M.No. FCS 3662

Place: Noida

Date: 21st August, 2019

(Kenji Kobayashi)

*Finance Director and
Chief Financial Officer*

Place: Noida

Date: 21st August, 2019

NOTICE OF 24th ANNUAL GENERAL MEETING OF THE COMPANY

CIN: U74899DL1996PLC077330

Notice is hereby given that **24th Annual General Meeting of the Members of Panasonic AVC Networks India Co. Limited** will be held on, 25th September 2019 at **Bipin Chandra Pal Auditorium**, A-81, Market No 3, C R Park, Near Savitri Cinema, South Delhi, Delhi - 110019, at 10:30 A.M. to transact the following business:

ORDINARY BUSINESS:

ITEM NO.1

To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019, and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.

ITEM NO.2

To declare dividend to the Equity Shareholders for the financial year ended 31st March, 2019.

SPECIAL BUSINESS:

ITEM NO.3

To approve, Re-appointment of Mr. Isshin Kinugawa (DIN 07785797) as Managing Director of the Company and to pass the following resolution as **SPECIAL RESOLUTION-**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 200 and 203 read with schedule V and other applicable provisions of the Companies Act, 2013 and such other sanctions and approvals as may be necessary, consent of the Company be and is hereby accorded for the re-appointment of Shri Isshin Kinugawa as Managing Director of the Company for a further period of 3 years with effect from 01st April, 2020 as per the following terms of remuneration, not exceeding the limits specified under schedule V of the Companies Act, 2013 or any statutory modifications or re-enactment thereof :

SALARY : Rs. 1,99,330/- (One lac ninety nine thousand three hundred thirty only)

Per month with annual increment at 10% of Salary.

Salary having following components:-

Basic Salary : Rs. 39,600/- per month

Special Allowance : Rs. 106,930/- per month

House Maintenance Allowance : Rs. 52,800/- per month

PERQUISITES

In addition to salary, Shri Isshin Kinugawa shall be entitled to the following perquisites:

- a) Housing
Rent free fully furnished accommodation for self and family;
- b) Medical Reimbursement
Reimbursement of medical expenses including medical insurance in respect of self and family up to an amount not exceeding one month's salary in a year;
- c) Club Fees
Membership Fee of two clubs;
- d) Provision of Company car with driver and telephone at the residence. Use of car with driver and telephone for official purpose shall not be considered as a perquisite. The personal use of car and personal long distance calls shall be billed by the Company to Shri Isshin Kinugawa. The valuation of personal use of car would be made as per the Income Tax Rules;
- e) Holiday Passage for Children Studying Outside India / Family Staying Abroad
Return holiday passage to be reimbursed once in two years by Business Class to children and to the members of the family from the place of their study or stay abroad to India, if they are not residing in India;
- f) Leave Travel Concession
Return passage for self and family in accordance with the rules specified by the Company from time to time, while proceeding on leave where it is proposed that the leave be spent in home country instead of anywhere in India;
- g) Transfer Expenses
Actual Expenses incurred on travel and on packing, forwarding, loading and unloading as well as freight, insurance, custom duty, clearing expenses, local transportation and installation expenses in connection with the moving of the personal effects of self and family on joining in India as well as at the time of leaving the service of the Company;

FURTHER RESOLVED THAT Shri Isshin Kinugawa will be entitled to and shall be paid the remuneration as aforesaid as minimum remuneration as long as he functions as Managing Director during the tenure fixed herein above whether or not the company earns profits.

FURTHER RESOLVED THAT for purpose of giving effect to the foregoing resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulty or doubt that may arise in the said regard."

ITEM NO.4

To approve appointment of Mr. Tsuyoshi Yoto (DIN: 08502986) as Director of the company.

To consider and, if thought fit, to pass with or without modification (s), the following Resolution as ORDINARY RESOLUTION-

"RESOLVED THAT Mr. Tsuyoshi Yoto, who was appointed as Additional Director in the meeting of the Board of directors held on 23rd April, 2019 and who holds office upto the date of this annual general meeting as per provisions of section 152 of Companies Act, 2013 and amendment thereof from time to time, be and is hereby appointed as director of the company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to perform all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

ITEM NO.5

To approve appointment of Mr. Akira Toyoshima (DIN: 06556484) as director of the company.

To consider and, if thought fit, to pass with or without modification (s), the following Resolution as ORDINARY RESOLUTION-

"RESOLVED THAT Mr. Akira Toyoshima, who was appointed as Additional Director in the meeting of the Board of directors held on 23rd April, 2019 and who holds office upto the date of this annual general meeting as per provisions of section 152 of Companies Act, 2013 and amendment thereof from time to time, be and is hereby appointed as director of the company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to perform all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

ITEM NO.6

To approve appointment of Mr. Toru Shinohara (DIN: 08222071) as director of the company.

To consider and, if thought fit, to pass with or without modification (s), the following Resolution as ORDINARY RESOLUTION-

"RESOLVED THAT Mr. Toru Shinohara, who was appointed as Additional Director in the meeting of the Board of directors held on 21st August, 2019 and who holds office upto the date of this annual general meeting as per provisions of section 152 of Companies Act, 2013 and amendment thereof from time to time, be and is hereby appointed as director of the company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to perform all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

ITEM NO.7

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

"RESOLVED THAT pursuant to the provisions of section 188 & 189 of the Companies Act, 2013 and Rule 15 & 6A of the Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereunder from time to time and other applicable provisions, if any, of the Companies Act, 2013, for the proposed transaction(s) being undertaken between the Company and Group companies for supply of services and trading of goods for the financial year 2019-2020, consent of the members be and is hereby accorded.

RESOLVED FURTHER THAT the estimated amount of transaction(s) to be entered for Sale /Purchase and trading of goods in the financial year 2019-2020 is approved as under: :

Sr. No.	Name of Party(s)	Nature of transaction	Period of transaction	Max. Amount of transactions (in crore) INR	Base Price /Contracted Price
1	PANASONIC AVC NETWORKS VIETNAM, VIETNAM	Purchase of Raw Materials	FY 2019-20	2	1-As per quotation based on FOB price of Origin Port 2-PO/Agreement
2	PANASONIC AVC NETWORKS KUALA LUMPUR MALAYSIA SDN. BHD, MALAYSIA	Purchase of Raw Materials, Capital Goods & Other goods and R&D Expenses		1	1-As per quotation based on FOB price of Origin Port 2-PO/Agreement of R&D
3	PANASONIC CORPORATION, JAPAN	Purchase of Raw Materials & other goods, Expenses of IT services, R&D, Royalty and other Reimbursement of Expenses		210	1-As per quotation based on FOB price of Origin Port 2-PO/Agreement for Services, R&D, Royalty

4	PANASONIC HOME APPLIANCES REFRIGERATOR (WUXI) CO. LTD, CHINA	Purchase of Raw Material		0.5	1-As per quotation based on FOB price of Origin Port 2-PO/Agreement
5	PANASONIC HONG KONG CO. LTD., HONG KONG	Purchase of Raw Material		40	1-As per quotation based on FOB price of Origin Port 2-PO/Agreement
6	PANASONIC MANAGEMENT (THAILAND) CO., LTD, THAILAND	Purchase of Raw Material		5	1-As per quotation based on FOB price of Origin Port 2-PO/Agreement
7	PANASONIC PROCUREMENT ASIA PACIFIC, SINGAPORE	Purchase of Raw Material, Reimbursement of Expenses		6	1-As per quotation based on FOB price of Origin Port 2-PO/Agreement
8	PANASONIC PROCUREMENT MALAYSIA SDN. BHD, MALAYSIA	Purchase of Raw Materials		84	1-As per quotation based on FOB price of Origin Port 2-PO/Agreement
9	PANASONIC TAIWAN CO. LTD, TAIWAN	Purchase of Raw Materials		0.5	1-As per quotation based on FOB price of Origin Port 2-PO/Agreement
10	PANASONIC VIETNAM CO. LTD, TAIWAN	Purchase of Raw Materials		0.5	1-As per quotation based on FOB price of Origin Port 2-PO/Agreement
11	(a) PANASONIC FACTORY SOLUTIONS SINGAPORE PTE. LTD. (PFSSG), SINGAPORE (b) PANASONIC ASIA PACIFIC PTE. LTD. (SINGAPORE)	Purchase-Others, Expenses of IT Services, Reimbursement of Expenses		0.5	1-As per quotation based on FOB price of Origin Port 2-PO/Agreement for Services,

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. 8

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

"**RESOLVED THAT** pursuant to the provisions of section 188 & 189 of the Companies Act, 2013 and Rule 15 & 6A of the Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereunder from time to time and other applicable provisions, if any, of the Companies Act, 2013, for the proposed transaction(s) being undertaken between the Company and Panasonic India Pvt. Ltd. for supply of services and trading of goods for the financial year 2019-2020, consent of the members be and is hereby accorded.

RESOLVED FURTHER THAT the estimated amount of transaction(s) to be entered for Sale /Purchase and trading of goods in the financial year 2019-2020 is approved as under:

Sr. No.	Name of Party(s)	Nature of transaction	Period of transaction	Max. Amount of transactions (in crore) INR		Base Price /Contracted Price
				Total Value	Percentage of Total value	
1	PANASONIC INDIA PVT. LTD.	Purchase of Goods	FY 2019-20	500	6	1-FOB prices as agreed, based on Arm's Length transactions as per Market and Competition 2-PO/Agreement
		After Sale Service			2	
		Internet, IT & Communication			1	
		Reimbursement of Expenses			1	
		Spares Sale			4	
		Sale of Manufactured Goods			80	
		Training Room			1	
		Reimbursement of Expenses (Recd.)			1	
		Quality Service Fee (Recd.)			3	
		Board Repair Income (Recd.)			1	

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.9

Remuneration of M.K. Kulshrestha & Associates, Cost Accountants:

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. M.K. Kulshrestha & Associates., Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company, for the financial year ending March 31, 2020 for the conduct of the audit of the cost records of the Company, be paid a remuneration of 2.2 lacs per annum exclusive of applicable taxes and out-of-pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE ON POLL ONLY INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER A COPY OF THE PROXY FORM IS ENCLOSED. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE LODGED AT THE REGISTERED/CORPORATE OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 12th September, 2019 to 24th September, 2019 (Both days inclusive)
4. Members are requested to notify immediately any changes in their address to the Company quoting their folio number.
5. Members are requested to send their queries relating to the accounts of the company so as to reach atleast seven days before the meeting.
6. The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. 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 new 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 details of the unpaid / unclaimed amounts lying with the Company as on 24th September, 2018 (date of last Annual General Meeting) are available on the website of Registrar and Transfer Agent. 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/IEPFA/refund.html> .

PROCEDURE TO BE FOLLOWED FOR REMOTE E-VOTING PROCESS

The Company viz; Panasonic AVC Networks India Co. Ltd. of which you are a shareholder has engaged NSDL for providing Remote E-Voting services through the e-Voting platform of NSDL. In this regard, your Demat Account/Folio Number has been enrolled by the company for your participation in voting on resolutions placed by company on e-Voting system. The process of login to e -Voting website is given below:

1. Open the attached PDF file “**Panasonic AVC Networks India Co. Ltd.**” giving your Client ID (in case you are holding shares in demat mode) or Folio No. (In case you are holding shares in physical mode) as password, which contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password.
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>.
3. Click on “Shareholder - Login”.
4. Put User ID and password as initial password noted in step (1) above and Click Login.
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. **Note new password**
6. Home page of remote “e-Voting” opens. Click on e-Voting: -- Active Voting Cycles.
7. Select “EVEN” of **Panasonic AVC Networks India Co. Ltd.**
8. Now you are ready for “e-Voting” as “Cast Vote” page opens.
9. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.

Members can cast their vote online from September 22, 2019 (9:00 A.M.) till September 24, 2019 (5:00 P.M.). Kindly note that vote once casted cannot be modified. For EVEN, you can log-in any number of times on e-voting platform of NSDL till you have voted on all the resolutions or till the end date of voting period.

Note: e-Voting shall not be allowed beyond said time i.e. September 24, 2019, 5:00 P.M.

10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail at sid88.sharma@gmail.com with a copy marked to evoting@nsdl.co.in.

Place: New Delhi
Date: 21st August, 2019

By Order of the Board

Rajiv Bajaj
(Company Secretary)

ANNEXURE TO THE NOTICE

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

ITEM No.3

Members may kindly note that the present term of Mr. Isshin Kinugawa as Managing Director of the Company entrusted with substantial powers of management to be exercised subject to the superintendence, Control and direction of the Board of Directors, shall expire on 31st March, 2020

The Board of Directors of the Company at the meeting held on 21st August, 2019 has, subject to the approval of the members, unanimously approved the re-appointment of Mr. Isshin Kinugawa as Managing Director of the Company w.e.f 01st April, 2020 for a further period of 3 years.

Mr. Isshin Kinugawa has been associated with the Company since 2017 and is actively involved in the business policy decisions of the Company. Members' approval is required for the re-appointment of Mr. Isshin Kinugawa as Managing Director of the Company w.e.f 01st April, 2020 and payment of remuneration as set out in the accompanying resolution. The Board has decided that the remuneration as mentioned in the resolution shall be paid to Mr. Isshin Kinugawa irrespective of the fact whether the company earns profit or not. This is in compliance with Section 196 and 197 of the Companies Act 2013 read with schedule V para II of Payment of Remuneration to Managing Director.

The Board recommends the Special resolution set out at Item no.3 of the notice for your approval.

None of the Directors is interested in the above resolution for his individual re-appointment as Managing Director of the Company

ITEM NO.4

The Board of Directors, at its meeting held on April 23, 2019, approved the appointment of Mr. Tsuyoshi Yoto (DIN: 08502986) as Additional & Non-Executive Director subject to Shareholder's approval in forthcoming AGM.

Mr. Tsuyoshi Yoto (DIN: 08502986) has many years of experience in the management of companies involved in International/Cross Border Transactions and is representative of Panasonic Corporation, Japan on the Board of the company. He has widely traveled internationally and carries with him rich experience of international management.

The Board of Director recommend the Ordinary resolution as detailed in Item no. 4 of the Notice for your approval. None of the Director except Mr. Yoto, is interested in the above resolution for his appointment.

ITEM NO. 5

The Board of Directors, at its meeting held on April 23, 2019, approved the appointment of Mr. Akira Toyoshima (DIN: 06556484) as Additional & Non-Executive Director subject to Shareholder's approval in forthcoming AGM.

Mr. Akira Toyoshima (DIN: 06556484) is a technocrat with many years of experience and is representative of Panasonic Corporation, Japan on the Board of the company. He has widely traveled internationally and carries with him rich experience of Electronics Market.

The Board of Director recommend the Ordinary resolution as detailed in Item no. 5 of the Notice for your approval. None of the Director except Mr. Toyoshima, is interested in the above resolution for his appointment.

ITEM NO. 6

The Board of Directors, at its meeting held on April 23, 2019, approved the appointment of Mr. Toru Shinohara (DIN: 08222071) as Additional & Non-Executive Director subject to Shareholder's approval in forthcoming AGM.

Mr. Toru Shinohara (DIN: 08222071) has many years of experience of management of Companies manufacturing Electronics Products and Equipment. He has rich experience of Global management practices.

The Board of Director recommend the Ordinary resolution as detailed in Item no. 6 of the Notice for your approval. None of the Director except Mr.

Shinohara, is interested in the above resolution for his appointment.

ITEM NO.7

Members may kindly note that Board of Directors have approved Omnibus approval of Audit Committee for the contracts of Sale, Purchase, Services & other expenses with group companies in a Board meeting dated 28th March, 2019 subject to approval of the shareholders in the forthcoming Annual General Meeting.

In respect of the above contract, it is further confirmed that:

- (a) The contract is competitive at an arms length without conflict of interest and is as advantageous as compared to similar contracts with other parties
- (b) No default has been made under section and there is no default in repayment of any debts or debentures or interest thereon.
- (c) Balance sheet and Annual returns have been filled in time with ROC for the previous years.
- (d) The contract is falling under the ambit of section 188 of the companies act, 2013.

The Board recommends the Special resolution set out at Item no.7 of the notice for your approval.

ITEM NO.8

Members may kindly note that Board of Directors have approved Omnibus approval of Audit Committee for the contracts of Sale, Purchase, Services & other expenses with Panasonic India Pvt. Ltd. in a Board meeting dated 28th March, 2019 subject to approval of the shareholders in the forthcoming Annual General Meeting.

In respect of the above contract, it is further confirmed that:

- (a) The contract is competitive at an arm's length without conflict of interest and is as advantageous as compared to similar contracts with other parties
- (b) No default has been made under section and there is no default in repayment of any debts or debentures or interest thereon.
- (c) Balance sheet and Annual returns have been filled in time with ROC for the previous years.
- (d) The contract is falling under the ambit of section 188 of the companies act, 2013.

The Board recommends the Special resolution set out at Item no.8 of the notice for your approval.

ITEM No.9

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual, who is a cost accountant in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor.

The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of the Board of Directors at its meeting held on 21st August, 2019 the Board has considered and approved appointment of M/s M.K. Kulshrestha & Associates, Cost Accountants, for the conduct of the audit of the cost records of the Company at a remuneration of 2.2 lac per annum exclusive of GST and out of pocket expenses for the financial year ending March 31, 2020.

None of the directors / key managerial personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise in the above resolution for the appointment of M/s M.K. Kulshrestha & Associates as Cost Auditor.

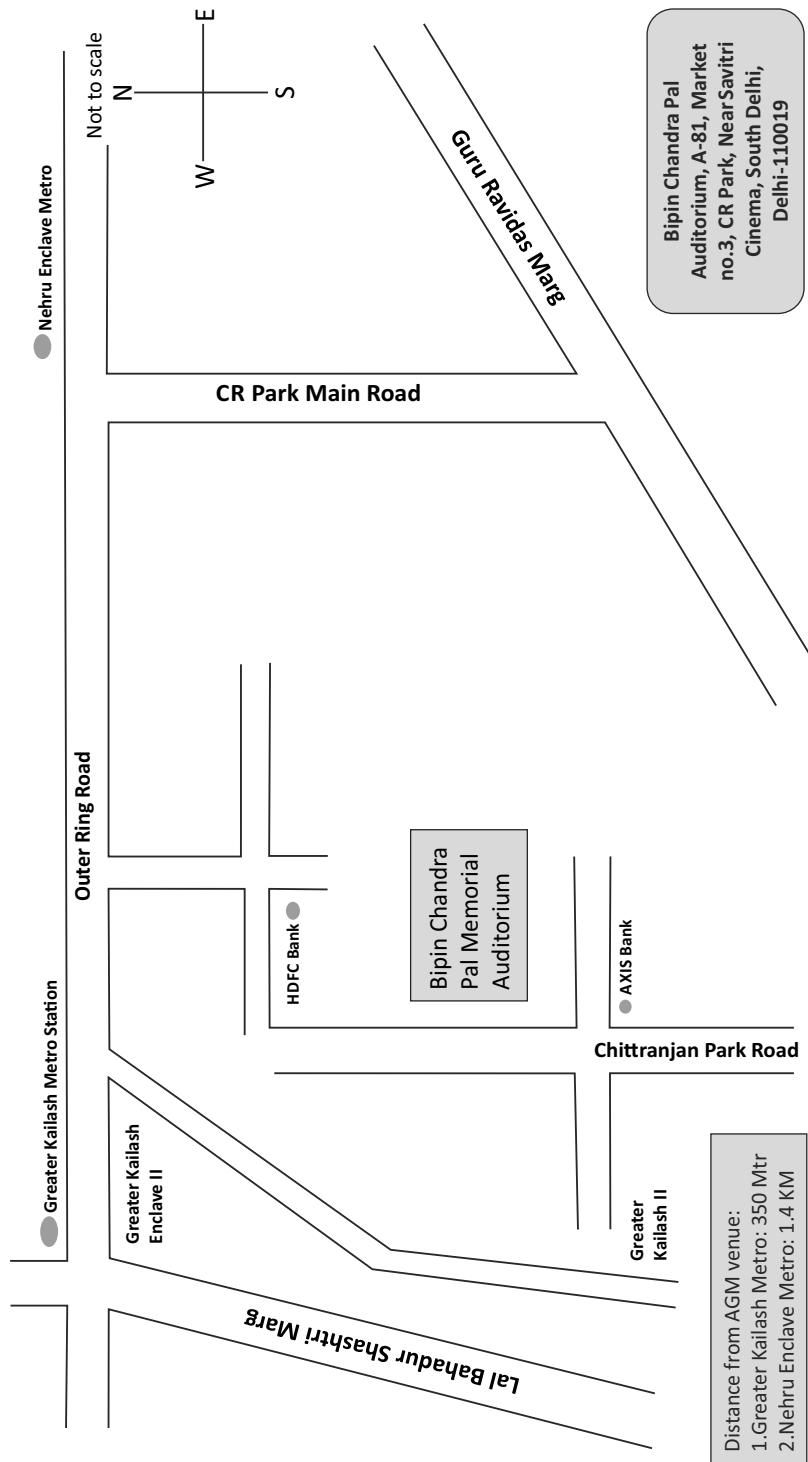
The Board recommends the Ordinary resolution set out at Item no.9 of the notice for your approval.

Place: New Delhi
Date: 21st August, 2019

By Order of the Board

Rajiv Bajaj
(Company Secretary)

Route Map to the Venue of 24th Annual General Meeting to be held on 25th September, 2019 Time : 10:30 AM



Distance from AGM venue:
 1. Greater Kailash Metro: 350 Mtr
 2. Nehru Enclave Metro: 1.4 KIM

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the company	Panasonic AVC Networks India Co. Ltd.
Registered Office	D-13/4, Okhla Industrial Area, Phase-II, New Delhi – 110 020

Name of the Member(s)	
Registered Office	
E-mail Id	
Folio No /Client ID	
DP ID	

We, being the member(s) of _____ shares of the above named company. Hereby appoint

Name :	
Address:	
E-mail Id:	
Signature , or failing him	

Name :	
Address:	
E-mail Id:	
Signature , or failing him	

as our proxy to attend and vote (on a poll) for us and on our behalf at the **24th Annual General Meeting** of the company, to be held on the **25th day of September, 2019 at 10:30 a.m.** at **Bipin Chandra Pal Auditorium, A-81, Market No 3, C R Park, Near Savitri Cinema, South Delhi, Delhi-110019** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Approval of Annual Accounts (Balance Sheet and P/L) and Directors Report
2. Declaration of Dividend to Equity Shareholders for F/Y 2018-19.
3. Re-appointment of Mr. Isshin Kinugawa as Managing Director of Company
4. Appointment of Mr. Tsuyoshi Yoto as Director of Company.
5. Appointment of Mr. Akira Toyoshima as Director of Company.
6. Appointment of Mr. Toru Shinohara as Director of Company.
7. Approval for Transaction between Panasonic AVC Networks India Co. Ltd. and Group Companies.
8. Approval for Transaction between Panasonic AVC Networks India Co. Ltd. and Panasonic India Pvt. Ltd.
9. Ratification of Remuneration paid to Cost Auditor.

Affix Revenue Stamps

Signed this ____ day of ____ 20 ____

Signature of Shareholder

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Panasonic AVC Networks India Co. Limited

Registered Office: D-13/4, Okhla Industrial Area, Phase-II, New Delhi – 110 020

Corporate Office: C-52, Phase-II, Noida-201 305 (U.P)

ATTENDANCE SLIP

Name of the attending Member

(In Block Letters) : _____

Member's Folio Number : _____

Name of Proxy(s) (in Block Letters) : _____

(To be filled in, if a Proxy attends)

Instead of the Members)

No. of Shares held : _____

I hereby record my presence at the **24th ANNUAL GENERAL MEETING** held on Wednesday, the 25th day of September, 2019 at 10.30 A.M at **Bipin Chandra Pal Auditorium**, A-81, Market No 3, C R Park, Near Savitri Cinema, South Delhi, Delhi – 110019.

MEMBER / PROXY'S SIGNATURE

(TO BE SIGNED AT THE TIME OF HANDING OVER THIS SLIP)

BOOK-POST

Panasonic

A Better Life, A Better World

Panasonic AVC Networks India Co. Ltd.

C-52, Phase-II, Noida - 201 305 (U.P.)