

PANASONIC HOME APPLIANCES INDIA CO. LTD.

Registered Office: N.H.No.5, Sholavaram Village, Ponneri Taluk, Chennai – 600 067

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting (EGM) of the Members of Panasonic Home Appliances India Co. Ltd will be held on Monday, May 07, 2012 at 11.00 a.m. at Sri P.Obul Reddy Hall, Vani Mahal, No.103, G.N.Chetty Road, T. Nagar, Chennai – 600 017, to transact the following Special Business:

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

"RESOLVED THAT pursuant to section 81(1A) and all other applicable provisions of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force (the "Act"), and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the "SEBI ICDR Regulations"), the Foreign Exchange Management Act, 2000 and the Regulations there under including any amendment, modification, variation or re-enactment thereof, and the provisions of any rules/regulations/guidelines issued/framed by the Central Government, Reserve Bank of India, Foreign Investment Promotion Board, Securities and Exchange Board of India, the Stock Exchanges where the shares of the company are listed and any other appropriate authorities (hereinafter collectively referred to as the "Appropriate Authorities"), enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the Company obtaining all approvals from the Appropriate Authorities and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as the "requisite approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution), the consent, authority and approval of the Company be and is hereby accorded to the Board to offer, issue, and allot upto an aggregate of 15,67,000 Equity Shares of ₹ 10/- each for cash at a price of ₹125/- (which includes a premium of ₹115/- per Equity Share) on preferential basis to the following Entities (the "proposed allottees") forming part of the Promoters/Promoter Group, on such terms and conditions and in such manner as may be decided by the Board in this connection:

Name of the Allottee(s)	No. of Equity Shares
Panasonic Corporation	12,62,000
Apollo Infrastructure Projects Finance Company Private Limited	3,05,000
Total	15,67,000

"RESOLVED FURTHER THAT the allotment of Equity Shares pursuant to this resolution shall be made by the Board within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Equity Shares is pending on account of pendency of any approval of such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of such approval"

"RESOLVED FURTHER THAT the Equity Shares so issued and allotted shall rank pari passu in all respects with the existing Equity Shares of the Company including entitlement to dividend and be listed on Stock Exchanges where the Equity Shares of the Company are listed".

"RESOLVED FURTHER THAT the "Relevant Date" for the purpose of calculating the price of the aforesaid Equity Shares is the date 30 days prior to the date of this Extraordinary General Meeting i.e. April 07, 2012.

"RESOLVED FURTHER THAT the Equity Shares issued and allotted pursuant to this resolution shall be subject to a lock-in period of Three years from the date of allotment in accordance with SEBI ICDR Regulations"

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do and carry out all such acts, deeds, matters and things as it may in its sole discretion deem necessary for such purpose including without limitation, appointment of Consultants, Solicitors, Merchant Bankers, or any other Agencies as may be required and entering into arrangements for listing, trading, depository services and such other arrangements and agreements as may be necessary including preparing, signing and filing applications with the appropriate authorities for obtaining requisite approvals, and also to seek listing of the Equity Shares issued with the Stock Exchanges with full powers to settle any question, difficulty or doubt that may arise at any time in relation to the issue of said Equity Shares and utilization of issue proceeds."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or officer(s) of the Company and to generally do all such acts, deeds and things as may be necessary or incidental to give effect to the aforesaid resolutions".

"RESOLVED FURTHER THAT all actions taken by the Board or Committees duly constituted for this purpose in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

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

"RESOLVED THAT pursuant to the provisions of Section 21 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government and such other approvals, consents, sanctions and permissions of any other authorities, as may be necessary, consent of the Company be and is hereby accorded for change of name of the Company from "Panasonic Home Appliances India Company Limited" to "Panasonic Appliances India Company Limited"

"RESOLVED FURTHER THAT the name "Panasonic Home Appliances India Company Limited" wherever it appears in the Memorandum and Articles of Association of the Company or elsewhere shall be amended to read as "Panasonic Appliances India Company Limited".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, authority of the Company be and is hereby given to the Board of Directors to do all such acts, deeds and things, deal with such matters, take necessary steps and consider such delegations in the matter as the Board may in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By order of the Board
For **Panasonic Home Appliances India Co. Ltd**

H.Aso
Managing Director

Place : Chennai

Date : April 02, 2012

Notes.

1. The relevant explanatory statement in respect of the above special business is annexed hereto and forms part of the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A proxy so appointed shall not have any right to speak at the meeting.
4. Shareholders /Proxies should bring the accompanying Attendance Slip duly filled in for attending the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No.1

A. Material Facts Relating to the Preferential Allotment of Equity Shares.

The Company has been expanding its production capacity of Normal Cooker (Lid Cooker) for the past two years with a view to cater to the increasing demand of the Market including the export market. Since the Mixer Grinder and Electric Cooker manufactured by the Company meet international quality and safety standards, the Company was able to increase the export sales considerably during the past two years. The Company in the recent past has also increased the range of its manufactured products by introducing new products like Mechanical Jar Cooker and new models of Lid Cooker and Mixer Grinder.

In the long term, your Company wanted to concentrate more into the manufacturing activities. As a part of this, your Company is exploring the feasibility of introducing new products for manufacture. The preliminary study in this regard has already been initiated in coordination with Panasonic Corporation.

The capital expenditure incurred by the Company in the past viz., for development of new Mixer Grinder Model with safety mechanism, Jar Cooker as well for enhancing the production capacity of Lid Cooker had been funded mainly through Long Term Loans from Bank. This has increased the interest burden affecting the profitability of the Company.

With a view to reduce the Long Term Debt and interest cost, it is proposed to pre-pay the high cost long term debts. This will help the Company to improve the profitability. After considering various options, it is felt that increasing paid-up capital by further issue of shares would be a viable option to raise funds for the above purpose.

Considering that the Promoters of the Company are willing to contribute towards the Equity capital of the Company and offered to subscribe further shares, the Board of Directors of the Company at its meeting held on April 02, 2012 approved the proposal to issue upto 15,67,000 Equity Shares of ₹10/- each to the Promoters for cash at a price of ₹125/- (including premium of ₹115/- per share) on a preferential basis subject to obtaining required approvals including shareholders approval. The preferential issue of Equity Shares to the Promoters shall have the effect of increasing the shareholding of the Promoter / Promoter Group in the Company. However, even after the allotment under this preferential issue the aggregate Promoter Shareholding shall not exceed 75% of the paid up share capital, the maximum promoter shareholding permissible for continued listing as per

the Stock Exchange Listing Agreement. The increase in Promoter shareholding on account of preferential issue of Equity Shares will also be in compliance with the requirements under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011. The Shares upon successful allotment to the proposed allottees shall rank pari passu with all other Equity Shares of the Company in respect of all rights including dividend.

Pursuant to provisions of Section 81(1A) of the Companies Act, 1956, any offer or issue of shares in a company to persons other than the holders of the Equity Shares of a company requires prior approval of the Shareholders in General Meeting by way of a Special Resolution. The Listing Agreement entered into by the Company with the Stock Exchanges also provide that the Company shall, in the first instance, offer all Securities for subscription pro-rata to the Shareholders unless the Shareholders in a General Meeting decide otherwise.

B. Disclosure prescribed under SEBI ICDR Regulations 2009

In terms of Chapter VII of the SEBI ICDR Regulations, it is necessary to disclose the details of proposed allottees and certain other terms to the shareholders while seeking their approval for issuing the Equity Shares on preferential basis which are furnished below.

a. Object of the preferential issue:

Pre-payment of existing long-term loans and other General Corporate Purpose.

b. Proposal of the Promoters / Directors / Key Management Personnel of the Company to subscribe to the issue

The following Entities from the Promoter/Promoter Group do intend to subscribe to the above mentioned preferential issue of Equity Shares of the Company.

Name of the Allottee(s)	No. of Equity Shares
Panasonic Corporation	12,62,000
Apollo Infrastructure Projects Finance Company Private Limited	3,05,000
Total	15,67,000

c. Shareholding pattern of the company before and after the preferential issue

Category of Shareholder	Pre-issue as on March 31, 2012		Post Issue	
	Total number of Shares	% of total number of shares	Total number of Shares	% of total number of shares
Promoter and Promoter Group				
Indian Promoters	16,65,106	19.43	19,70,106	19.43
Foreign Promoters	43,70,000	50.99	56,32,000	55.56
Total (A)	60,35,106	70.42	76,02,106	74.99
Public				
Mutual Fund/UTI	1,700	0.02	1,700	0.02
Financial Institutions/ Banks/ Insurance Companies	1,800	0.02	1,800	0.02
Bodies Corporate	11,35,952	13.25	11,35,952	11.21
Resident Individuals	13,77,019	16.07	13,77,019	13.58
Clearing Members	18,423	0.22	18,423	0.18
Total (B)	25,34,894	29.58	25,34,894	25.01
Total (A+B)	85,70,000	100	1,01,37,000	100

d. Proposed time within which the allotment shall be completed:

As required under the SEBI ICDR Regulations, the allotment of shares will be completed within 15 days from the date of the passing of the resolution. Provided that where the allotment is pending on account of pendency of any application for approval or permission by any regulatory authority, if applicable, the allotment would be completed within 15 days from date of such approval.

e. Identity of the proposed allottees and percentage of post preferential issue capital that may be held by them and change in control, if any, consequent to the preferential issue:

Sr. no.	Name	Category	Pre-Issue Share holding		No. of Shares (proposed for allotment)	Post Issue Shareholding	
			No. of Shares	%		No. of Shares	%
1	Apollo Infrastructure Projects Finance Company P. Ltd.	Promoter - Indian	0	0.00	3,05,000	3,05,000	3.01
2	Panasonic Corporation	Promoter - Foreign	43,70,000	50.99	12,62,000	56,32,000	55.56

There will be no change in control or management of the Company consequent to the preferential issue.

f. Pricing

The issue of Equity Shares on preferential basis shall be made at a Price of ₹125/- (₹10/- face value and Premium of ₹ 115/- per share). This price is higher than the minimum price determined under Regulation 78 (1) of Chapter VII of the SEBI ICDR Regulations governing pricing of Equity Shares to be issued under a preferential allotment.

g. Relevant Date

Relevant date for the purpose of calculating the price of the Issue Shares is April 07, 2012, the date 30 days prior to the date of this Extraordinary General Meeting.

h. Auditors Certificate

The Company is in the process of obtaining Certificate from M/s.Brahmayya & Co, Chartered Accountants, Statutory Auditors of the Company, certifying that the preferential issue is made in accordance with the requirements of SEBI ICDR Regulations. A copy of this certificate is being placed before the shareholders' at the Extraordinary General Meeting and the same will also be made available for inspection at the Corporate Office of the Company between 3.00 PM to 5.00 PM on any working day prior to the date of the EGM.

i. Lock-in

The Equity Shares being allotted on preferential basis under the SEBI ICDR regulation shall be locked in for a period of 3 year from the date of allotment.

The entire pre preferential allotment shareholding of the allottees, if any, shall be locked in from the relevant date up to a period of six months from the date of preferential allotment.

j. Undertaking

The Company undertakes to re-compute the price of the specified securities in terms of the SEBI ICDR Regulations, where it is required to do so. If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

In accordance with the requirements under the Companies Act 1956, SEBI ICDR Regulations and Stock Exchange Listing Agreement the consent of the shareholders is being sought, to issue and allot Equity Shares on preferential basis as stated in the resolution.

None of the Directors other than the Directors representing the Promoters of the Company viz., Mr.Harshad Reddy, Mr.H.Aso and Mr.N.Matsui is in any way concerned or interested in the resolution.

The Board of Directors of the Company recommends passing of the resolution as set out in the Notice.

Item No.2

Your Company was formed with Financial and Technical Collaboration of Panasonic Corporation, Japan and belonging to the Home Appliances Business Domain in the Panasonic Group. As a part of group-wide realignment, Panasonic Corporation implemented a new group organizational structure with effect from January 2012. Consequent to this the Home Appliances Business Domain became Appliances Business Domain.

As a part of this exercise, the name of various Panasonic group companies operating across the globe had also undergone a change. In order to synchronize the name of your company with the Appliances Business Domain in Panasonic Group it belongs, it is proposed to rename it as Panasonic Appliances India Company Limited.

The Board of Directors of the Company approved the change of name of the Company at its Meeting held on February 27, 2012. Pursuant to an application by the Company, the proposed new name has been made available by the Registrar of Companies, Tamil Nadu, Chennai vide their letter dated March 16, 2012. In terms of Section 21 of the Companies Act, 1956, name of the Company can be changed with the approval of the Shareholders by way of a Special Resolution and the Central Government (The Registrar of Companies).

Your Directors therefore recommend the said resolution for your approval.

None of the Directors of the Company is in any way concerned or interested in the said resolution except to the extent of their shareholding.

Place : Chennai
Date : April 02, 2012



By order of the Board
For Panasonic Home Appliances India Co. Ltd
H.Aso
Managing Director