

**PANASONIC CARBON INDIA CO. LIMITED**  
**36<sup>th</sup> ANNUAL REPORT 2017 - 2018**

<b>BOARD OF DIRECTORS</b>	MANAGING DIRECTOR R. SENTHIL KUMAR	<b>CONTENTS</b>	<b>PAGE</b>
<b>DIRECTORS</b>	KAZUO TADANOBU V.R.GUPTA A.RAGHAVENDRA RAO K.SUBRAMANIAN C. JAYASHREE		
<b>COMPANY SECRETARY</b>	P. MAHESWARI	Notice of AGM	03
<b>CHIEF FINANCIAL OFFICER</b>	VINAYAGAM SUME	Report of Board of Directors with Annexures	10
<b>AUDITORS</b>	BSR & CO., LLP Chartered Accountants KRM Tower, 1st & 2nd Floor, No.1, Harrington Road, Chetpet Chennai – 600 031.	Auditors' Report	39
<b>BANKERS</b>	CANARA BANK ICICI BANK LIMITED STATE BANK OF INDIA SYNDICATE BANK	Balance Sheet	43
<b>REGISTERED OFFICE</b>	Pottipati Plaza 3 <sup>rd</sup> Floor, 77 Nungambakkam High Road, Nungambakkam, Chennai – 600 034	Statement of Profit & Loss	44
<b>FACTORY</b>	Tada Mandal Nellore District , Andhra Pradesh 524 401	Cash Flow Statement	46
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	Cameo Corporate Services Ltd., "Subramanian Building" No.1, Club House Road Chennai - 600 002	Notes to the Financial Statements	47
		As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.	
<b>36<sup>th</sup> Annual General Meeting</b>			
		Venue	: <b>Hotel Quality INN Sabari Grand No. 29, Thirumalai Road, T. Nagar, Chennai-600017</b>
		Date	: 8 <sup>th</sup> August, 2018
		Time	: 3.00 p.m.

**Notes:**

1. Only members and, in their absence, duly appointed proxies will be allowed for the Meeting. Please avoid bringing non-members and/or children for the Meeting.
2. Members are requested to fill in the respective columns provided in the Attendance Slip/Proxy Form fully and legibly so as to facilitate smooth entry into the Meeting Hall.
3. Company is not arranging any compliments for distribution in the Meeting.



## PANASONIC CARBON INDIA CO. LIMITED

**NOTICE** IS HEREBY GIVEN THAT THE THIRTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF PANASONIC CARBON INDIA CO. LIMITED (Corporate Identification Number: L29142TN1982PLC009560 ) will be held on Wednesday, 8<sup>th</sup> August ,2018 at 3.00 p.m. at Hotel Quality INN Sabari Grand, No.29, Thirumalai Road, T. Nagar, Chennai – 600 017 to transact with or without modifications, as may be permissible, the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the 36<sup>th</sup> Annual Report of the Board of Directors and Audited Statements of Account for the Financial Year ended 31<sup>st</sup> March, 2018 together with the Auditors' Report thereon.
2. To Declare a Dividend.
3. To appoint a Director in place of Mr. Kazuo Tadanobu (DIN: 07818992), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

4. 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 149, 152, 161 and any other applicable provisions of the Companies Act 2013 and rules made there under (including any statutory modification and re-enactment thereof for the time being in force ) read with rule 3 of the Companies (Appointment and Qualification of Director) rules, 2014 and SEBI (LODR) Regulations, 2015 and Articles of Association of the Company, approval of the Company be and is hereby accorded to the re-appointment of Mrs. C. Jayashree (DIN :07055905 ) as an Independent Women Director of the Company to hold office for the term up to 31<sup>st</sup> March 2021 and not liable to retire by rotation.

**"RESOLVED FURTHER THAT** Managing Director and Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

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

**"RESOLVED THAT** in accordance with the provisions of section 196,197,203 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time

being in force) read with Schedule V to the Companies Act, 2013 approval of the Company be and is hereby accorded to the re-appointment of Mr. R. Senthil Kumar ( DIN: 02170079) as Managing Director of the Company for a further period of One year with effect from 1<sup>st</sup> April, 2018 on the terms and conditions as specified in the earlier resolutions passed at the time of his appointment as modified by the present resolution and as approved by the Board of Directors with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. R. Senthil Kumar"

**"RESOLVED FURTHER THAT** Mr. R. Senthil Kumar be and is hereby entitled to compensation for loss of office or for early termination in accordance with the provisions of Section 191 of the Companies Act, 2013"

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

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

**"RESOLVED THAT** in partial modification of the resolutions passed by the Members of the Company at the Annual General Meeting held on 8<sup>th</sup> August, 2017 and in accordance with the provisions of section 196,197,203 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 consent of the Company be and is hereby accorded to the revised Remuneration w.e.f. 1<sup>st</sup> April, 2018 to Mr. R. Senthil Kumar, Managing Director of the Company on the terms as set out hereunder, with further liberty to the Board of Directors to revise his remuneration from time to time as they deem fit within the limits of Schedule V to the Companies Act, 2013 .

- (A) Salary: Rs.4,60,000/- (Rupees Four Lakhs Sixty Thousand Only) per month.
- (B) Perquisites:
  - (i) House Rent Allowance: Rs.80,000/-(Rupees Eighty thousand only) per month
  - (ii) Leave Travel Concession, Medical expenses for self and family including surgical and

## PANASONIC CARBON INDIA CO. LIMITED

Hospitalisation expenses, Furniture, Furnishings and maintenance cost against actual Bills not to exceed Rs.3,20,000/- per annum.

- (iii) Use of Company's Car and Telephone at residence.

Mr. R. Senthil Kumar, Managing Director shall also be eligible for the following Perquisites, which shall not be included in computation of the ceiling on perquisites specified herein above.

- a. Contribution to Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of Service.
- c. One month's leave on full pay and allowances for every eleven months of service. Encashment of leave, Medical Insurance and Personal Accident Insurance as per the Rules of the Company.
- d. Reimbursement of entertainment, hotel and other expenses actually and

properly incurred for the legitimate business purpose of the Company.

The other terms and conditions to his appointment and remuneration as approved by shareholders at Annual General Meeting on 18<sup>th</sup> June,2008 remain unchanged.

**EXPLANATION:** "Family" means the spouse, dependent children and dependent parents of the managerial person.

**"RESOLVED FURTHER THAT** the above remuneration and perquisites be paid to Mr. R. Senthil Kumar as minimum remuneration, in case of absence or in adequacy of profits in any financial year of the Company during his term of office, subject however, that the said remuneration and perquisites shall be governed by and accordingly be within the limits in Section II of part II of Schedule V to the Companies Act, 2013.

**By Order of the Board of Directors  
For Panasonic Carbon India Co. Limited**

**Place : Chennai  
Date : 16<sup>th</sup> May 2018**

**R. SENTHIL KUMAR  
MANAGING DIRECTOR**

CIN : L29142TN1982PLC009560  
Regd office : "Pottipati Plaza", Third floor,  
No.77, Nungambakkam High Road  
Chennai – 600 034  
Website : www.panasoniccarbon.co.in

### IMPORTANT NOTES:

1. Explanatory statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of the items of the Special Business as set out above is annexed hereto.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 2<sup>nd</sup> August 2018 to 8<sup>th</sup> August 2018 (both days inclusive).
4. The Dividend upon its declaration at the Meeting will be paid to those Members, whose names appear in the Register of Members as on 1<sup>st</sup> August, 2018.
5. Members desiring to have any clarification on Accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
6. Members holding Shares in physical form are requested to notify / send the following information by quoting their Folio Number to the Company / Registrar and Share Transfer Agents to facilitate better servicing:-
  - i. Any change in their address/mandate/bank account details with Phone Nos., Fax Nos., and E-mail ID for speedy disposal of letters on various issues; and payment of Dividend.
  - ii. Share Certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
7. Pursuant to Section 124 of the Companies Act, 2013 an amount of Rs. 5,24,888/- remaining unclaimed out of the dividend for the Financial Year 2009-10 were transferred to the Investor Education and Protection Fund (IEPF) Account constituted by the Central Government on 23<sup>th</sup> August, 2017.

## PANASONIC CARBON INDIA CO. LIMITED

The unclaimed dividend, if any, for the Financial Year 2010-11 will become transferable to the "Investor Education and Protection Fund Account" on or before 25<sup>th</sup> August 2018. Therefore, Members are requested to send their claims, if any, for the relevant years from the Financial Year 2010-11 onwards before the respective amounts become due for transfer to the fund.

The Ministry of Corporate Affairs (MCA) on 10<sup>th</sup> May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends from the financial years 2010-11 as on the date of the 35<sup>th</sup> Annual General Meeting (AGM) held on 8<sup>th</sup> August, 2017, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investors Section" on the Website of the Company viz. [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)

8. In respect of shares held in electronic form, the Dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. They may please note that the Dividend payable to them would be paid through National Clearing Services (NECS) at the available RBI locations. The Dividend would be credited to their Bank A/c as per the mandate given by the Members to their Depository Participants (DPs). In absence of availability of NECS facility, the Dividend will be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations.
9. The Shares of the Company have been activated for Dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vide **ISIN INE013E01017**. Members opt to dematerialize their shares may approach any Depository Participant (DP).
10. In respect of Shares held in physical form, Members desirous of receiving dividends by way of direct credit to their Bank Accounts through NECS may authorize the Company with their NECS mandate. The Members desirous of obtaining the NECS mandate may download the Form from the Website of the Company at [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in) or may

write to the Company Secretary at the Registered Office of the Company.

11. Electronic copy of the Notice of the 36<sup>th</sup> Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 36<sup>th</sup> Annual General Meeting of the Company is being sent in the permitted mode.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited.
13. Members may also note that the Notice of the 36<sup>th</sup> Annual General Meeting and the Annual Report for the year 2017-18 will also be available on the Company's website [www.Panasoniccarbon.co.in](http://www.Panasoniccarbon.co.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the Registrar and Share Transfer Agent's E-mail ID: [investor@cameoindia.com](mailto:investor@cameoindia.com).
14. **E-Voting:**

The Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 36<sup>th</sup> Annual General Meeting of the Company.

The facility for voting, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 36<sup>th</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting.

## PANASONIC CARBON INDIA CO. LIMITED

The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Mr.Rabi Narayan Paul, Practicing Company Secretary, partner of M/s. Rabi Narayan & Associates, Chennai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed 1<sup>st</sup> August, 2018 as the 'Cut-off Date'. The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. 1<sup>st</sup> August, 2018 only.

The instructions for shareholders voting electronically are as under:

- i) The remote e-voting period begins on 5<sup>th</sup> August, 2018 at 10.00 a.m. (IST) and ends on 7<sup>th</sup> August, 2018 at 05.00 p. m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 1<sup>st</sup> August, 2018 may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m (IST) on 7<sup>th</sup> August, 2018.
- ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting venue
- iii) The shareholders should log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on "Shareholders" tab.
- v) Now, select the "Company Name" from the drop down menu and click on "Submit"
- vi) Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company
- vii) Next enter the Image Verification as displayed and Click on Login.
- viii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- ix) If you are a first time user, follow the steps given below:

### For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric</p> <p>* PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number in the PAN Field.</p> <p>* In case the sequence no is less than 8 digits enter the applicable no of 0's before the number after the two characters of the name in CAPITAL letters. Eg. if your name is Ramesh Kumar with sequence no 1 then enter R00000001 in the PAN field (sequence no has been provided as Sl.No in the address table).</p>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details #	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id / folio number in the 'Dividend Bank Details' field as mentioned in instruction (iv). Dividend Bank Details means Bank account number which is recorded in the demat account.</p>

- x) After entering these details appropriately, click on "SUBMIT" Tab.
- xi) Members holding Shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any

## PANASONIC CARBON INDIA CO. LIMITED

other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiii) Click the EVSN for the relevant <Company Name> on which you choose to vote. In this case, it would be Panasonic Carbon India Co. Ltd.
- xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xix) If Demat account holder has forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system
- xx) Shareholders can also cast their vote using CDSL's mobile app M-Voting available for android based mobiles. The M-Voting app can be downloaded from Google Play Store, iphone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xxi) Note for Non-Individual Shareholders and Custodians:
  - Non-Individual Shareholders/Institutional Shareholders (i.e. other than Individuals, HUF,

NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration form bearing the stamp and sign of the entity should be emailed to: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 18002005533.

# PANASONIC CARBON INDIA CO. LIMITED

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

### Item No.4:

As per the Companies Act 2013 pursuant to section 152,161 and any other applicable provisions of the Companies Act, 2013 read with rule 3 of Company (Appointment and Qualification of Directors) Rules, 2014 and SEBI (LODR) Regulations, 2015, a Women director is mandatory for every Listed Company. Hence, Board of Directors of the Company approved the re-appointment of Mrs C. Jayashree as an Women (Additional) Director at the Board of Directors Meeting held on 16<sup>th</sup> May, 2018 subject to the approval of Shareholders of the Company.

Her qualification and experience are detailed under the heading "Information about the Directors to be appointed / re-appointed" which forms part of this Notice.

Mrs C. Jayashree represents the an Independent Women Director on the Board. She shall be paid Sitting Fee for attending the Meetings of the Board. She does not hold by herself or for any other person on a beneficial basis, any Shares in the Company.

None of the Directors and Key Managerial Personnel of the Company is interested in this resolution.

The Board commends passing of the Resolution set out at item No.4 of the Notice convening the Meeting.

### Item No.5 and 6:

At the Annual General Meeting of the Company held on 8<sup>th</sup> August 2017, Mr. R. Senthil Kumar was re-appointed as Managing Director of the Company for a period of one year up to 31<sup>st</sup> March 2018. Accordingly the present term of his appointment has expired on 1<sup>st</sup> April 2018.

The Board of Directors at their meeting held on 31<sup>st</sup> January, 2018 re-appointed Mr. R. Senthil Kumar as

Managing Director of the Company, as recommended by the Collaborators, M/s. Panasonic Corporation, Japan and the Nomination and Remuneration committee of the Company, subject to approval of the Shareholders and other approvals as may be required, for a further period of one year up to 31<sup>st</sup> March 2019 on the terms and conditions specified in the earlier resolutions passed at the time of his appointment and as approved by the Board of Directors. His re-appointment as detailed in this resolution is now placed before you for your consideration and approval under item no.5

Considering his contribution and performance made by Mr. R. Senthil Kumar for the growth of the Company and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 31<sup>st</sup> January, 2018 also revised his remuneration with effect from 1<sup>st</sup> April 2018 subject to your approval.

The revised remuneration as disclosed in Resolution No.6 is now placed before you for consideration and approval.

Mr. R. Senthil Kumar represents the Foreign Collaborators on the Board.

Mr. R. Senthil Kumar, Managing Director shall not be paid any sitting fees for attending the Meetings of the Board or any Committee thereof.

None of the Directors and Key Managerial Personnel of the Company except Mr.R.Senthil Kumar, being an appointee is interested in this resolution.

The Board commends passing of this resolution as set out as item No.5 and 6 of the Notice convening the Meeting.



## PANASONIC CARBON INDIA CO. LIMITED

**In pursuance of the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 details of directors seeking re-appointment at the ensuing Annual General Meeting are as follows:**

### **MR. R. SENTHIL KUMAR:**

Mr. R. Senthil Kumar, is a graduate in Commerce. He joined the Company in 1982 as Assistant Officer in Accounts Department. From the date of joining the Company he has evinced lot of interest in Factory operations and Human Relations related to the Personal Department apart from improving his Departmental work. During his past 35 years of experience he had excelled not only in Accounts and Finance related matters but also in the entire operations of the Works and Administration. He has been elevated to the position of Managing Director of our Company by the Collaborators, M/s. Panasonic Corporation, Japan since 2008.

In December 2017, Our Collaborators have recommended him as competent personnel to continue to accomplish the duty of Managing Director of our Company, since he has adequate experience and expertise to carry out the day to day operations of the Company.

Mr. R. Senthil Kumar apart from being a Managing Director also a Member of Audit Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders Relationship Committee of our Company.

He does not hold any Directorship or Membership in any of the Companies/Committees in any other Company.

### **MRS. C. JAYASHREE:**

Mrs. C. Jayashree is an Associate Member of the Institute of Company Secretaries of India, New Delhi and a Law and Commerce Graduate. She started her Company Secretary

career in the year 1990 and played several key roles in diversified areas. She has over 25 years of vast corporate experience not only in Secretarial and Legal field but also in Finance and Accounts functions.

She is a Practicing Company Secretary and she was an Independent Women Director in your Company from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2018. As per Companies Act 2013 and SEBI (LODR) Regulations, 2015, an Independent Women Director is mandatory for all Listed Companies. Hence, she was again re-appointed by the Board of Directors at their meeting held on 16<sup>th</sup> May 2018, subject to approval of the Shareholders, as an Independent Women Director for the term up to 31<sup>st</sup> March 2021 and not liable to retire by rotation.

She does not hold any Shares in your Company and also does not hold any Directorship/Membership in any of the Companies/Committees.

**By Order of the Board of Directors  
For Panasonic Carbon India Co. Limited**

**Place : Chennai  
Date : 16<sup>th</sup> May 2018**

**R. SENTHIL KUMAR  
MANAGING DIRECTOR**

CIN : L29142TN1982PLC009560  
Regd office : "Pottipati Plaza", Third floor,  
No.77, Nungambakkam High Road  
Chennai – 600 034  
Website : [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)  
Ph No. : 044-28275216 / Fax : 044 28263010

# PANASONIC CARBON INDIA CO. LIMITED

## 36<sup>th</sup> ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting to you their 36<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2018 and the Auditors' Report thereon.

### 1. FINANCIAL RESULTS:

The summarized working results for the year ended 31<sup>st</sup> March, 2018 as compared with the earlier year are as under:

	(₹ in Lakhs)	
Particulars	2017-18	2016-17
Gross income	5110.68	5692.28
Profit before depreciation and tax	1885.40	2502.03
Provision for depreciation	132.70	49.64
Net Profit after depreciation but before tax	1752.70	2452.39
Provision for tax	522.29	843.59
Net Profit after tax	1230.41	1608.80
Other comprehensive income (Net of tax)	(10.45)	(29.84)
Total comprehensive income for the year	1219.96	1578.96
Balance of profit brought forward from previous year	608.07	29.11
Balance available for appropriation	1828.03	1608.07
Transfer to General Reserve	-	1000.00
Add: Capital Reserve transferred to retained earnings	10.03	-
Less : Dividend on Equity Shares for year ended 31 <sup>st</sup> March 2017	480.00	-
Less: Tax on above dividend	97.72	-
Surplus carried to Balance Sheet	1260.34	608.07

### 2. DIVIDEND :

Your Directors recommend a dividend of Rs.10/- per share (i.e.) 100%. The same is in line with the financial strategy and policy of the Company. This dividend if approved by you at the ensuing 36<sup>th</sup> Annual General Meeting will be paid to the Shareholders whose names appear in the Register of Members as on the date of said Meeting.

### 3. MANAGEMENT DISCUSSION AND ANALYSIS:

#### INDUSTRY AND BUSINESS OVERVIEW AND OPERATIONAL AND FINANCIAL PERFORMANCE:

Our Company sold 2475 mln pieces of Carbon Rod,

as against 2632 mln pieces which is 94% Sales of last year. The Domestic Sales Quantity and Value were 892 mln pieces and Rs. 12.99 crores respectively which works out to 85% and 82% of the Sales of last year. The decrease in Domestic Sales was due to the introduction of GST for Batteries at the rate of 28% which impacted heavy drop in sale of Batteries. However, it improved to some extent on revision of the GST rate at 18%.

The Export Sales Quantity and value were 1583 Mln. Pcs. and Rs.29.60 Crores(FOB basis) respectively compared to last year's quantity of 1576 Mln. Pcs. and Rs. 31.60 Crores which works out to 100 % by quantity and 94 % by value. As informed last year, your Company could stabilize the exports to Panasonic Group Battery Factories in Poland, Peru, Thailand, Indonesia, Brazil, Costa Rica, China and other African customers on regular basis. We could not get the orders from some of the African countries as planned due to political disturbances in those countries and also due to import of cheaper cost batteries from China which resulted in low production by the Battery companies in African countries. However, we could get additional export orders from Panasonic group Companies from other regions.

During the year, the Chinese Government enforced strict Adherence of Environment Rules on the Chinese Factories. This resulted in shutting down/stopping of production of many factories producing the raw materials used by your company. The short supply of these materials resulted in steep price increase in Chinese Market. Consequently the prices of these materials increased steeply in the Indian market also. Further the Crude prices also increased steeply leading to increase of fuel costs and other petroleum based raw materials used by your company. In the current Financial Year Indian Rupee appreciated by about 4% compared to the previous year resulting in reduced realization of Exports. Your Company reduced the impact of these increases through In-house Power generation using the 1 MW Solar Plant erected in the end last financial year, which almost met our power requirements. Further, energy conservation activities carried out also reduced energy cost. The fuel consumption in tunnel kiln was reduced by 5% through usage of in-house made light weight bricks and installing auto fuel cut off systems in the kiln.

Further due to provision for depreciation on substantial investment on Solar plant made in March 2017, the depreciation charge for the year under review has gone up to Rs.132.70 lakhs as against Rs.49.64 lakhs.

Thus, inspite of all these efforts , due to reduced sales and the steep increase in material and fuel prices and depreciation provided the Profitability ( excluding exceptional item) compared to previous year reduced by INR 700 lakhs .

### **OUTLOOK ON OPPORTUNITIES AND THREATS, RISKS AND CONCERNS:**

The Company has introduced high speed and high safety mixer machines with variable speed drives. Trials are under progress to reduce the process time using these machines. Your company has increased the production capacity of smaller size Carbon rods in line with the market trend and also introduced on line stacking arrangement to R03 line to reduce the manufacturing time and inventory.

Your Company is also hopeful in maintaining the Domestic Sales by maintaining the quality and timely supply. On the Export Front, the Company is depending on the Battery market trend of various countries. Based on the present indications, your Company is confident of maintaining the current year's levels of export quantities in the coming years and also initiating efforts for improving the same. The Directors assure that all steps are being taken by the Company to achieve growth in the coming years, in proportion to the growth of the Dry Battery Industry by giving due consideration to the adverse conditions, if any, in the Dry Battery Industry. There are no materially significant threats, risks or concerns to the Company.

### **4. SEGMENT-WISE PERFORMANCE:**

The Company operates in only one Segment (i.e.) Carbon Rod as a component of Dry Cell Batteries.

By value, while Domestic Sales contributed 33% of Sales and Exports Sales constitute the remaining 67%

### **5. FINANCIAL ARRANGEMENTS:**

Your Company continues to be free from debts – both on Long Term and on Working Capital requirements. The surplus funds available with the Company are being invested with Banks in fixed deposits at regular intervals in line with the policy of the Company. This is reflected in increased deposits. Our Company had not accepted any Public Deposits under Chapter V of the Companies Act 2013 (Act).

### **6. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Directors had laid down internal financial controls to be followed by the Company and such policies and procedures are being 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 Audit Committee evaluates the internal financial control system periodically. A firm of experienced Chartered Accountants had carried Internal Audit throughout the year. Whenever it is required, the systems and procedures are upgraded.

### **7. HUMAN RESOURCES:**

The relationship with Employees continues to be cordial. The Company always consider its human resources as its most valuable assets. Imparting adequate and specialized training to its employees is an ongoing exercise in the Company.

### **8. STATEMENT PURSUANT TO LISTING AGREEMENTS:**

The Company's Securities are listed with BSE Ltd. The company confirms that it has paid the Annual Listing Fees to the said stock exchange for the financial year 2017-18 in time and there were no arrears.

### **9. TECHNOLOGY ABSORPTION, ENERGY CONSERVATION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

In compliance with section 134(3) (m) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014 the prescribed particulars of conservation of energy, foreign exchange and technology absorption including R&D have been attached as Annexure herewith.

### **10. CODE OF CORPORATE GOVERNANCE:**

Pursuant to the Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a detailed report on Corporate Governance as updated with the particulars of this financial year, is annexed to this report as Annexure together with Report of the Auditors on the compliance with the said Code.

### **11. EXPORT HOUSE STATUS:**

The Company had obtained ONE STAR EXPORT HOUSE Certificate from Government of India, Ministry of Commerce, Directorate General of Foreign Trade (DGFT) in recognition of good Export performance. The Company continues to enjoy the Export House Certificate status.

### **12. ENVIRONMENT**

Your Company has consistently emphasized and worked towards sustainable use of natural resources. In order to promote the Environment Awareness for everybody and everywhere with an objective to

## PANASONIC CARBON INDIA CO. LIMITED

create awareness and boost the PCIN brand image on a global basis, your company had observed the June month as "Environment month" and organized the "ECO" relay event emphasizing on Water Conservation on 23<sup>rd</sup> June, 2017 at the TADA Village where your factory is located. The Company had distributed T-Shirts and Caps with the slogan inscribed on ECO Activities to participants especially students from TADA School. The Company actively makes effort to increase awareness among the students about the global warming prevention by creation and usage of green energy and energy saving tips to sustain the environment and environmental protection.

Your Company has received an award namely "Panasonic Green Factory certification" issued by Our Collaborators, Panasonic Corporation, Japan on 16<sup>th</sup> April, 2018 and also received the "Commemorative Medal" for our excellent performance in promoting environment improvement activities.

The Company has also made substantial investment in Solar panel installation and generated 1.72 million units and contributed to reduce the CO<sub>2</sub> Generation by 1594 tons.

### 13. DIRECTORS:

Mr. R. Senthil Kumar was re-appointed as Managing Director of the Company for a period of one year with effect from 1<sup>st</sup> April 2018 .

Mrs.C. Jayashree was re-appointed as an Independent Women Director at the Board Meeting held on 16<sup>th</sup> May, 2018 for a period of three years with effect from 1<sup>st</sup> April 2018 .

Information about all the Directors proposed to be appointed/re-appointed is furnished in the Explanatory Statement under Section 102 of the Companies Act, 2013 attached to the Notice of the ensuing Annual General Meeting for your consideration.

The Directors recommend that all the resolutions placed before the Members regarding the appointment of the Directors be approved.

### 14. MEETINGS OF THE BOARD:

Four Board Meetings were held during the Financial year and the details of the meetings were given in the Corporate Governance Report. The intervening gap between the Meetings was within the period as prescribed under the Companies Act , 2013

### 15. PERFORMANCE EVALUATION:

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Non-Executive and Independent Directors are

eminent personalities having wide experience in the field of Business, Industry, Law and Administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

### 16. REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management personnel, Key Managerial Personnel and fixing their remuneration.

The objective and broad framework of the Remuneration Policy is to consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential, and for growth. The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interest of the Company and its Shareholders. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results.

The Nomination and Remuneration Committee recommends the remuneration of executive Directors which is approved by the Board of Directors, subject to the approval of Shareholders, where ever necessary. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the Directors and Key managerial personnel of the quality required to run the Company successfully.

### 17. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements u/s 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, your Directors confirm that they have:

1. followed in the preparation of financial Statements, the applicable Accounting Standards and given proper explanation relating to material departures , if any;
2. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit and Loss Account of the Company for that period;
3. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the Assets of the Company and to prevent and detect fraud and other irregularities;

## PANASONIC CARBON INDIA CO. LIMITED

4. prepared the Annual Accounts on a Going Concern basis;
5. laid down internal financial controls in the Company that are adequate and were operating effectively; and
6. Devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

### 18. CORPORATE SOCIAL RESPONSIBILITY:

As part of its initiatives under "Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of Education, Health Care, Drinking Water, Rural Development and Sanitation. These projects are largely in accordance with Section 135 read with Schedule VII of the Companies Act, 2013 (Act), the Company's initiatives towards Corporate Social Responsibility have been suitably focused. The brief outline of the CSR Policy and the CSR initiatives undertaken by the Company during the financial year under review are provided in the Annual Report on Corporate Social Responsibility Activities 2017-18 forming part of this report. The Policy adopted by the Company can be viewed at website of the Company, ([www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in))

### 19. GREEN INITIATIVE:

During the year 2017-18, we started a sustainability initiative with the aim of going green and minimizing our impact on the environment. Like the previous year, this year too, we are publishing only the statutory disclosures in the print version of the Annual Report. Additional information is available on our website, [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)

Electronic copies of the Annual Report 2017-18 and Notice of the 36<sup>th</sup> AGM are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2017-18 and the Notice of the 36<sup>th</sup> Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary, Panasonic Carbon India Co. Limited.

The Company is providing remote E voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for remote E voting are provided in the Notice.

### 20. EXTRACT OF ANNUAL RETURN:

In compliance with Section 134 (3)(a) of the Act, an extract of the Annual Return in the prescribed format is appended to this report as Annexure- 4.

### 21. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 (1) of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Rabi Narayan & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this report as Annexure - 5.

### 22. PARTICULARS OF EMPLOYEES:

The information required pursuant to section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and Companies (Particulars of Employees), Rules 1975, in respect of employees of the company and Directors is furnished in Annexure - 6.

### 23. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDESSAL) ACT, 2013

The Company has in place an anti Sexual Harassment Policy in line with the requirement of the Prevention of Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. Internal complaints committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The Company has not received any complaint of Sexual harassment during the year 2017-18 under review.

### 24. RELATED PARTY TRANSACTIONS:

All related party transactions or arrangements were entered in to by the company during the financial year were on an arm's length basis and were in the ordinary course of business. In Compliance with the provisions of the Act and Regulation 23(2) of the SEBI Regulations, 2015, all related party transactions had been placed before the Audit Committee for prior approval.

Pursuant to Section 134(3) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 information pertaining to related parties are given in Form AOC-2 as Annexure 7 of the report.

As per Regulation 34(3) of the SEBI Regulations 2015 , the related party disclosure has been made part of this Annual Report.

## PANASONIC CARBON INDIA CO. LIMITED

As per the explanation 23(1) a transaction with a related party shall be considered "Material" if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statement of the Company.

The Company sells Carbon rods to Battery manufacturers which are subsidiaries to Parent Company for the past so many years. All such transactions were on an arm's length basis and in the ordinary course of business.

As per requirements of Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 [SEBI Regulations, 2015] and the relevant provisions of the Companies Act, 2013 read with related applicable rules and regulations, approval of the Shareholders for related party transactions which are considered as "Material" and entered into by the company in the ordinary course of business and also on arm's length basis for a sum not exceeding Rs.100 crores (Rupees Hundred Crores only) per annum for the financial year 2016-17 and each subsequent financial year till the termination of the said arrangement or any modification in the terms thereof has been obtained in the Annual General Meeting held on 29<sup>th</sup> July, 2016.

### 25. WHISTLE BLOWER POLICY/VIGIL MECHANISM

In compliance with provisions of Section 177 of the Act read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has constituted Vigil Mechanism/Whistle Blower Policy for Directors, employees and vendors of the Company. The Whistle Blower Policy enables the Directors, employees and vendors to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or ethics Policy, thereby ensuring that the activities of the Company are conducted in a fair and transparent manner. The said policy is available at the Company's website at [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)

We further affirm that no employee has been denied access to the audit committee during the year 2017-18.

### 26. STATUTORY AUDITORS:

M/s.BSR & Co., LLP., Chartered Accountants (Firm Registration No. 101248W/W-100022) allotted by the Institute of Chartered Accountants of India (ICAI) were appointed as the Statutory Auditors of the Company at the 35<sup>th</sup> Annual General Meeting of the Company held on 8<sup>th</sup> August 2017 to hold office for a term of

five years till the conclusion of 40<sup>th</sup> Annual General Meeting of the Company. The Board was authorized to fix such a remuneration as may be recommended by the Audit Committee in consultation with the Auditors.

The said appointment was subject to ratification by the Members at every intervening Annual General Meeting held after the said 35<sup>th</sup> Annual General Meeting of the Company. By The Companies (Amendment) Act 2017 (vide notification dated 3<sup>rd</sup> January 2018) which has already come into force, the requirement relating to such ratification of appointment every year has been omitted.

Accordingly, the existing Statutory Auditors viz M/s.BSR & Co., LLP., Chartered Accountants will continue to be the Statutory Auditors of the Company till the conclusion of 40<sup>th</sup> Annual General Meeting of the Company .

### 27. COST AUDITORS

In terms of Section 148 of the Companies Act 2013 read with Companies (Cost records and audits ) Rules, 2014, as amended , Carbon Rod products manufactured by the Company and falling under the specified Central Excise Tariff Act heading are not covered under the ambit of mandatory cost audit .

### 28. INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each Independent Directors of the Company under Section 149(7) of the Companies Act 2013, that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy. The appointment letters of Independent Directors has been placed on the Company's website.

The Independent Directors of the Company had met during the year on 31<sup>st</sup> January 2018 to review the performance of Non- Independent Directors , Chairperson of the Company and the Board as a whole. They had accessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

The term of office of Mrs.C. Jayashree, the Independent Women Director expired by 31<sup>st</sup> March

## PANASONIC CARBON INDIA CO. LIMITED

2018. At the Board Meeting held on 31<sup>st</sup> January 2018, she has been re-appointed subject to the approval of Shareholders for a term up to 31<sup>st</sup> March 2021. The subject of her re-appointment is now placed before you for your approval under item no.4

### 29. RISK MANAGEMENT:

The Board of Directors had constituted Risk Management Committee to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks. The Committee on timely basis informed members of Board of Directors about risk assessment and minimization procedures and in the opinion of the Committee there was no risk that may threaten the existence of the Company. The details of Risk Management Committee are included in the Corporate Governance Report.

### 30. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 203 of the Companies Act 2013, Mr. R. Senthil Kumar, Managing Director & CEO, Mr. Vinayagam Sume, Chief Financial Officer and Ms. P.Maheswari, Company Secretary of the Company are the Whole Time Key Managerial Personnel (KMP) of the Company as on date of this report. The remuneration and other details of KMP for the FY 2017-18 are provided in Extract of the Annual Return which forms part of this Directors' report.

### 31. OTHER DISCLOSURES:

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

There was no change in the nature of business during FY 2017-18.

The Company does not have any Subsidiary, Joint ventures or associates.

No significant material orders were passed by the regulators or court during the financial year which would have impacted the going concern status of the Company's operation in the future.

### 32. ACKNOWLEDGEMENT:

Your Directors wish to record their sincere appreciation for the support, co-operation, guidance and assistance provided by the Foreign Collaborators, M/s. Panasonic Corporation, Japan. Your Directors thank the valued Customers for their patronage, the Suppliers for their timely and quality supply, the Shareholders for the confidence reposed and the Bankers, State and Central Governments for extending their invaluable support.

Your Directors place on record their appreciation of the dedicated services of the employees of the Company at all levels for the growth of the Company.

Your Directors are especially thankful to the esteemed Shareholders for their continued encouragement and support.

By Order of the Board of Directors  
For Panasonic Carbon India Co. Limited

Place : Chennai	V.R. GUPTA	R. SENTHIL KUMAR
Date : 16 <sup>th</sup> May, 2018	DIRECTOR	MANAGING DIRECTOR

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 1 to the 36<sup>th</sup> Annual Report of the Board of Directors

### ANNEXURE- A

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

[Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of The Companies Accounts) Rules, 2014]

##### A. CONSERVATION OF ENERGY

Sustainability is an integral part of the Company's business philosophy. During the year under review 75% reduction in CO<sub>2</sub> emission by installing solar power plant and reduction in power consumption by replacement of Baking process track cooling blower from 15 to 10 HP motor and introducing Energy efficient Motor (IE3) in Dust collector in Grinding Process were achieved.

The Company also achieved reduction in consumption of pyrolysis oil by 2.74 % by effective production planning and process inventory control. Further reduction in consumption of Pyrolysis oil 2.43 % was also achieved by minute Insulation of Thermic oil pipe lines. Reduction of generator usage 49% due to lower power cuts by changing the power supply to dedicated feeder, reduction of furnace oil consumption 2% by introducing Burner Fuel Auto Cutoff system in Baking Process were the other achievement highlights.

##### B. TECHNOLOGY ABSORPTION:

###### Research and Development (R&D)

###### 1. Specific areas in which R&D activities are carried out by the Company:

- Usage Domestic Steel Plant pitch in place of Imported pitch in all the grades.
- Usage of Natural graphite in place of higher cost Artificial graphite in some grades of Carbon Rods.
- Introduction of usage of Needle coke and Recycling dust collector fine powders.
- Reduction of Carbon black due to steep price increase in some grades of carbon rods.
- Introduction of usage of Needle coke in place of Calcined Petroleum Coke in some grades for reducing the impact of Petroleum based raw materials steep price increase.

###### 2. Benefits derived as a result of the above R&D activities:

- Quality improvement and reduction of Process loss.
- Reduced Electrolyte penetration and Cost reduction.
- Reduction of Recycles generation and reduction of Wax absorption.
- Reduction in consumption of chemical substance.
- Reduction in raw material cost.

###### 3. Future plan of action:

- Introduction of Screw press in place of Hydraulic Press for R20 Carbons.

- Reduction of process time by modification of Raw Materials Crushing Process.
- Reduction of fuel consumption by restructuring Mixing Process by introducing High Speed Mixer Machines..
- Development of automation in Snapping Process.
- Reduction of baking process time by modifying the Baking Kiln.

###### 4. Expenditure on R&D:

Total Expenditure - Revenue	Rs.26,82,491/-
R&D Expenditure as a percentage to total turnover	0.60%

##### Technology absorption, adaptation and Innovation:

###### 1. Efforts taken to improve upon technology absorption, adaptation and innovation

Effective use of Natural graphite in place of Artificial graphite, usage of Domestic Steel Plant pitch in place of Imported pitch, improving quality of carbon and also achieving reduction in impregnation process non-conformities.

###### 2. Benefits derived as a result of the above

Considerable Reduction of raw material cost, productivity improvement, quality improvement and improved environmental friendly operations.

###### 3. Imported technology (imported during last five years)

Except for regular up-gradation of the know-how, no specific technology had been imported in the last five years.

##### FOREIGN EXCHANGE EARNINGS AND OUTGO:

###### 1. Activities relating to Exports: Initiatives taken to increase exports include development of new export markets for Products and services.

###### 2. Total Foreign Exchange used and earned:

Total foreign exchange used in the year ended 31<sup>st</sup> March, 2018 towards Import of Raw materials and other remittances like Royalty, Dividend, Brand License Fee etc., was INR 10.81 crores. With regard to the earning of Foreign Exchange, the direct inflow of foreign currency on our Export sales worked out to INR 29.60 Crores. Apart from this, the Company has stopped outgo of substantial amount of Foreign Exchange by indigenously producing Carbon Rods as an import substitute. This saving worked out approximately to INR 12.99 Crores.



# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 3 to the 36<sup>th</sup> Annual Report of the Board of Directors

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
  - i. Corporate Social Responsibility (CSR) remains a core value and one of Company's main corporate objectives.
  - ii. CSR Policy of the Company commits to make a positive contribution to society through high impact and sustainable programmes.
  - iii. The CSR commitments include but are not limited to education, healthcare, energy and climate change and betterment of the society through respect for universal human rights and the environment acting with integrity and accountability and operating responsible and sustainability.
  - iv. CSR Policy of the company has been uploaded in the company's website at [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)
2. The Composition of the CSR Committee
  1. Mr V.R Gupte, Chairman (Independent Director)
  2. Mr. K. Subramanian, Member (Independent Director)
  3. Mr A. Raghavendra Rao, Member (Independent Director)
  4. Mr. R. Senthil Kumar, Member (Managing Director & CEO)
3. Average net profit of the company for last three financial years : ₹ 19.18 crores
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)  
The Company is required to spend : ₹ 38.37 Lakhs
5. Details of CSR spent during the financial year  
Total amount spent for the financial year ₹ 38.37 Lakhs
6. Amount unspent, if any; NIL
7. **Manner in which the amount spent during the financial year is detailed below**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project/activity	Sector in which the Project is covered	Location	Amount outlay (budget) project or programwise (Amount in ₹)	Amount spent on the projects or Programwise (Amount in ₹)	Cumulative expenditure upto to the reporting period (Amount in ₹)	Amount spent: Direct or through implementing agency
1	Construction of Toilet, Water tank, Compound wall & creating play ground. Repair of Class Rooms and Kitchen. Supply of 3 seater desks	Education	Mandal praja parishad School, Nadimikuppam, Tada, Nellore dt, AP	13,14,204.00	13,14,204.00	13,14,204.00	Directly
2	Repairs to Class rooms & Kitchen. Construction of Toilets, Overhead Tank and Stage. Levelling of School Ground and Providing Rain Water drain pipes. Complete painting of the full School premises. Supply of 3 seater desks	Education	Mandal praja parishad School, Pallapalem, Tada, Nellore dt, AP	7,46,436.00	7,46,436.00	20,60,640.00	Directly
3	Supply of 3 seater desks	Education	Mandal praja parishad School, Tada kandriga, Tada, Nellore dt, AP	2,43,670.00	2,43,670.00	23,04,310.00	Directly

## PANASONIC CARBON INDIA CO. LIMITED

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project/activity	Sector in which the Project is covered	Location	Amount outlay (budget) project or programwise  (Amount in ₹)	Amount spent on the projects or Programwise  (Amount in ₹)	Cumulative expenditure upto to the reporting period  (Amount in ₹)	Amount spent: Direct or through implementing agency
4	Construction of Compound Wall & Kitchen for Boys & Girls School	Education	Zilla parishad High school , Tada, Nellore dt, AP	10,24,230.00	10,24,230.00	33,28,540.00	Directly
5	Environment Awareness Campaign on Prevention of Global Warming	Rural development	Tada, AP	60,732.00	60,732.00	33,89,272.00	Directly
6	Eye Camp for the Villagers & Supply of spectacles	Rural development	M/s.Sankara netralaya, Tada, AP	2,48,425.00	2,48,425.00	36,37,697.00	Directly
7	Uniform, Civil Dresses, Sport Dresses & Shoes with Socks (90 sets)	Education	Bharatiya Vidya Vikas High School (Janahita – Vatsalya) Nellore, AP	1,99,371.00	1,99,371.00	38,37,068.00	Directly

**By Order of the Board of Directors  
For Panasonic Carbon India Co. Limited**

**Place : Chennai**  
**Date : 16th May, 2018**

**V.R GUPTA                      R. SENTHIL KUMAR**  
**DIRECTOR                      MANAGING DIRECTOR**

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 4 to the 36<sup>th</sup> Annual Report of the Board of Directors

### EXTRACT OF ANNUAL RETURN

financial year ended on 31.03.2018

FORM NO. MGT - 9

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

SI No	I. Registration and other details	
1	CIN	L29142TN1982PLC009560
2	Registration Date	06/09/1982
3	Name of the Company	PANASONIC CARBON INDIA CO. LIMITED
4	Category / Sub-Category of the Company	Company having Share Capital
5	Address of the Registered Office and contact details	Pottipati Plaza, 77 (Old. No.35), Nungambakkam High Road, Third Floor, Nungambakkam, Chennai-600034 Tamil Nadu Ph : 044-28275216/28263010 Email Id: maheswari.p@in.panasonic.com
6	Whether listed company	Yes (Listed in BSE)
7	Name, address and contact details of Registrar and Share Transfer Agent	M/s.Cameo Corporate Services Ltd "Subramaniam Building, No.1, Club House Road, Chennai-600 002 Ph: 044-28460390, 044-28460129 Email id: investor@cameoindia.com

## II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the company
Carbon Rods	31908	100%

## III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Name of the Company	CIN / GLN	Holding / subsidiary/ associate	% of shares held	Applicable Section
PANASONIC CORPORATION	Japan	HOLDING	63.27	2(46)

# PANASONIC CARBON INDIA CO. LIMITED

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of the total Shares	Demat	Physical	Total	% of the total Shares	
<b>A Promoters</b>									
<b>1) Indian</b>									
a) Individual / HUF	67,328	0	67,328	1.4026	2000	0	2000	0.0416	-1.3610
b) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Bodies Corporate	25804	0	25804	0.5375	0	0	0	0.0000	-0.5375
e) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-Total (A)(1):</b>	<b>93132</b>	<b>0</b>	<b>93132</b>	<b>19402</b>	<b>2000</b>	<b>0</b>	<b>2000</b>	<b>0.0416</b>	<b>-1.8985</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Other - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corporate	3036820	0	3036820	63.2670	3036820	0	3036820	63.2670	0.0000
d) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-Total (A)(2):</b>	<b>3036820</b>	<b>0</b>	<b>3036820</b>	<b>63.2670</b>	<b>3036820</b>	<b>0</b>	<b>3036820</b>	<b>63.2670</b>	<b>0.0000</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>3129952</b>	<b>0</b>	<b>3129952</b>	<b>65.2072</b>	<b>3038820</b>	<b>0</b>	<b>3038820</b>	<b>63.3086</b>	<b>-1.8985</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Banks / FI	0	150	150	0.0031	0	0	0	0.0000	-0.0031
c) Central Govt./State Govt	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Foreign Institutional Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
g) Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
h) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
i) Others (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Foreign Portfolio Investor (Corporate)	0	0	0	0.0000	580	0	580	0.0120	0.0000
<b>Sub-Total (B)(1):</b>	<b>0</b>	<b>150</b>	<b>150</b>	<b>0.0031</b>	<b>580</b>	<b>0</b>	<b>580</b>	<b>0.0120</b>	<b>0.0089</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	223147	2847	225994	4.7082	151667	1125	152792	3.1831	-1.5250
ii) Overseas	0	0	0	0.0000	0	0	0	0	0.0000
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital up to 1 lakh	958435	105047	1063482	22.1558	1223894	83895	1307789	27.2456	5.0897
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	240912	0	240912	5.0190	114664	0	114664	2.3888	-2.6301
<b>c) Others (FI)</b>									
i) Foreign Bodies	0	0	0	0.0000	0	0	0	0	0.0000
ii) NRI / OCBs	0	0	0	0.0000	0	0	0	0.0000	0.0000
iii) Clearing Members	4800	0	4800	0.1000	7335	0	7335	0.1528	0.0528
iv) Hindu Undivided Families	78356	25	78381	1.6329	91171	0	91171	1.8993	0.2664
v) Limited Liability Partnership	0	0	0	0.0000	0	0	0	0	0.0000
vi) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0	0.0000
vii) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0	0.0000
viii) IEPF	0	0	0	0.0000	18884	0	18884	0.3934	0.3934
ix) Non Resident Indians	56142	187	56329	1.1735	67838	127	67965	1.4159	0.2424
<b>Sub-Total (B)(2):</b>	<b>1561792</b>	<b>108106</b>	<b>1669898</b>	<b>34.7895</b>	<b>1676033</b>	<b>85147</b>	<b>1760600</b>	<b>36.6791</b>	<b>1.8896</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1561792</b>	<b>108256</b>	<b>1670048</b>	<b>34.7926</b>	<b>1676033</b>	<b>85147</b>	<b>1761180</b>	<b>36.6912</b>	<b>1.8985</b>
<b>C. Shares held by Custodians and against which Depository Receipts have been issued</b>									
Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Total Custodin ( C )</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>
<b>Grand Total (A+B+C)</b>	<b>4691744</b>	<b>108256</b>	<b>4800000</b>	<b>100.0000</b>	<b>4714853</b>	<b>85147</b>	<b>4800000</b>	<b>100.0000</b>	<b>0.0000</b>

## PANASONIC CARBON INDIA CO. LIMITED

### ii) Shareholding of Promoters

Sl No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Panasonic Corporation	3036820	63.2671	-	3036820	63.2671	-	0.0000
2	Gopal Kumar Jiwarajka	1000	0.0208	-	1000	0.0208	-	0.0000
3	Laxmi Devi Jiwarajka	1000	0.0208	-	1000	0.0208	-	0.0000
	<b>Total</b>	<b>3038820</b>	<b>63.3087</b>		<b>3038820</b>	<b>63.3087</b>		<b>0.0000</b>

### iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>JSK Marketing Pct Ltd</b>				
At the beginning of the year	25804	0.54	0	0.00
Transaction (transferred during the year)	25804	0.54	10	0.00
At the end of the year	0	0.00	0	0.00
<b>Laxmi Devi Jiwarajka</b>				
At the beginning of the year	66328	1.38	0	1.38
Transaction (transferred during the year)	65328	1.36	0	1.36
At the end of the year	1000	0.02	0	0.02

### iv) Shareholding Pattern of Top Twenty Shareholders

Sl No	For Each of the Top 20 Shareholders	Shareholding as on 31-03-2018	
		No. of Shares	% of total shares of the company
1	Panasonic Corporation	3,036,820	63.2670
2	Kunareddy Simi	35,350	0.7364
3	Ramakant	30,000	0.6250
4	Meka Thirupathi Venkata Pattabhi Rama 00161774 Rao HUF	28,532	0.5944
5	Raghvendra	21,300	0.4437
6	Investor Education and Protection fund , MCA Authority	18,884	0.3934
7	Sunil Kumar Gupta	17,000	0.3541
8	Bela Saraf	15,000	0.3125
9	PCS Securities Ltd	14,364	0.2992
10	K Naimi	13,514	0.2815
11	Apainaa Sarees Private Limited	12,740	0.2654
12	Anup N Kothari	12,500	0.2604
13	Santosh Kumar Khemka	10,000	0.2083
14	Subramanyam Pisupati	10,000	0.2083
15	Meka Thirupathi Venkata Pattabhi Rama Rao	9,852	0.2052
16	Padmaja Meka	9,096	0.1895
17	Hindustan Tradecom Private Limited	8,815	0.1836
18	Angel Broking Private Limited	8,799	0.1833
19	Vivek Khandelwal	7,500	0.1562
20	Manoj Bhagwan Bhagchandani	7,482	0.1558

\* The shares of the company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated

## PANASONIC CARBON INDIA CO. LIMITED

### v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No of Shares	% of total shares of the company
<b>Mr. R. Senthil Kumar, Managing Director</b>				
At the beginning of the year	134	0.0028	134	0.0028
Transaction (transferred during the year)	0.00	0.00	0.00	0.00
At the end of the year	134	0.0028	134	0.0028

#### Name of the Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No of Shares	% of total shares of the company
<b>Mr. Vinayagam Sume</b>				
At the beginning of the year	0	0	0	0
Transaction during the year	0	0	0	0
At the end of the year	0	0	0	0
<b>Ms.P. Maheswari, Company Secretary</b>				
At the beginning of the year	0	0	0	0
Transaction during the year	0	0	0	0
At the end of the year	0	0	0	0

## V. INDEBTEDNESS

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

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

NIL

## PANASONIC CARBON INDIA CO. LIMITED

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr.No	Particulars of Remuneration	Mr. R. Senthil Kumar	Total Amount
	Gross Salary		
1	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	59,10,000	59,10,000
	b) Value of perquisites under section 17(2) of Income Tax Act, 1961	2,12,000	2,12,000
	c) profit in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission -as a percentge of profit	-	-
5	Contribution to PF, and Superannuation	9,04,800	9,04,800
	<b>Total (A)</b>	<b>70,26,800</b>	<b>70,26,800</b>

#### B. Remuneration to other Directors:

##### 1. Independent Directors

Sr.No	Particulars of Remuneration	Name of the Director				Total Amount
		Mr.V.R.Gupte	Mr.A.R.Rao	Mr.K.Subramanian	Mrs. C. Jayashree	
1	Fee for attending Board / Committee Meetings	85,000	85,000	85,000	30,000	<b>2,85,000</b>
2	Commission	4,36,375	4,36,375	4,36,375	4,36,375	<b>17,45,500</b>
3	Others Please Specify	-	-	-	-	
	<b>Total (B) (1)</b>	<b>5,21,375</b>	<b>5,21,375</b>	<b>5,21,375</b>	<b>4,66,375</b>	<b>2030,500</b>

##### 2. Other Non Executive Directors

Sr.No	Particulars of Remuneration	Name of the Director		Total Amount
		Mr.Kazuo Tadanobu		
1	Fee for attending Board / Committee Meetings	0	0	0
2	Commission	0	0	0
3	Others Please Specify	-	-	0
	<b>Total (B) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3.</b>	<b>Total (B)=(B)(1)+(B)(2)</b>			<b>20,30,500</b>

# PANASONIC CARBON INDIA CO. LIMITED

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr.No	Particulars of Remuneration	Key Managerial Personnel		Total amount
		Mr.Vinayagam Sume Chief Financial Officer	Ms.P.Maheswari Company Secretary	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961 (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 (c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	9,42,000	4,80,000	14,22,000
2	Stock Options	-	-	
3	Sweat Equity	-	-	
4	Commission - as % of profit	-	-	
5	-others, specify	-	-	
	<b>Total (C)</b>	<b>9,42,000</b>	<b>4,80,000</b>	<b>14,22,000</b>

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There are no penalties/punishment/compounding of offences under any Section of the Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year.



## Annexure - 5 to the 36<sup>th</sup> Annual Report of the Board of Directors

Form No. MR-3

### SECRETARIAL AUDIT REPORT

[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]

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

To,

The Members of PANASONIC CARBON INDIA CO. LIMITED,

We were appointed by the Board of Directors **PANASONIC CARBON INDIA CO. LIMITED** (hereinafter called the Company) to conduct Secretarial Audit for the financial year ended 31<sup>st</sup> March, 2018.

We have conducted the Secretarial Audit in respect of compliance with applicable statutory provisions and adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

#### Management's Responsibility for Secretarial Compliances

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

#### Auditor's Responsibility

Our Responsibility is to express on the Secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us provide a basis for our opinion.

#### Opinion

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2018 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under, as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as applicable;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – Not Applicable
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- (As amended from time to time)
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements), 2009 – Not applicable as the Company did not issue any security during the financial year under review;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Effective 28<sup>th</sup> October 2014) – Not applicable as the Company has not granted any Options to its employees during the financial year under review;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable as the Company has not issued any debt securities during the financial year under review;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 – Not applicable as the Company has not bought back any of its securities during the financial year under review.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India and notification thereon
- ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1<sup>st</sup> December, 2015) and notification thereon

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the financial year ended on March 31, 2018 complied with the aforesaid laws. Material compliances are listed in the Annexure attached to this Report.

## PANASONIC CARBON INDIA CO. LIMITED

Based on information received and records maintained, We further report that:

1. 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, which took place during the financial year under review were carried out in compliance with the provisions of the Acts and the SEBI (Listing Obligations and Disclosure Requirements);
2. Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings and Committees thereof. Agenda and detailed notes on agenda were sent in advance of at least three days before the meeting. There exists a system for Directors to seek and obtain further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting;
3. Majority decision is carried and the views are captured and recorded as part of the Minutes of the Meetings;
4. The Company has proper Board processes.

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary in practice and taken on record by the Board of Directors at their meeting(s) , we are of the opinion that the management has:-

- (a) Adequate system and process commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and
  - (b) Complied with the following other laws specifically applicable to the Company:-
1. Employees Provident Fund and Miscellaneous Provisions Act, 1952
  2. Employees State Insurance Act, 1948

3. Environment Protection Act, 1986 and other environmental laws
4. Equal Remuneration Act, 1976
5. Factories Act, 1948
6. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003
7. Indian Contract Act, 1872
8. Income Tax Act, 1961 and Indirect Tax Laws
9. Indian Stamp Act, 1999
10. Maternity Benefits Act, 1961
11. Minimum Wages Act, 1948
12. Arms Act and Explosives Act
13. Negotiable Instruments Act, 1881
14. Payment of Bonus Act, 1965
15. Payment of Gratuity Act, 1972
16. Payment of Wages Act, 1936 and other applicable labour laws

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

We further report that during the audit period the company has no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.

Place : Chennai  
Date : 16.05.2018

V.NAGARAJAN  
FOR V.NAGARAJAN & CO.  
COMPANY SECRETARIES  
FCS No: 5626  
C P No: 3288

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 6 to the 36<sup>th</sup> Annual Report of the Board of Directors

### Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) The ratio of the remuneration of each director to the median employee's remuneration of the company for the financial year:

Name	Designation	Ratio to median remuneration of the employees
Mr. R. Senthil Kumar,	Managing Director & CEO	15:1

b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	% increase in remuneration
Mr. R. Senthil Kumar,	Managing Director & CEO	15%
Mr. Vinayagam Sume	Chief Financial Officer	10%
Ms. P. Maheswari	Company Secretary	12%

c) The percentage increase in the median remuneration of employees in the financial year: 10%

d) The number of permanent employees on the rolls of company: 139

e) The explanation on the relationship between average increase in remuneration and company performance: The Company's PAT has decreased from Rs.1608.80 lakhs to Rs. 1230.41 lakhs, a decrease of 23.5%. The average increase in remuneration is 10% and this increase is in line with the policy of Company mainly to compensate for the increased cost of living and to be in line with market conditions.

f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Name	Designation	CTC ₹ in Lakhs	% Increase in CTC	PAT (₹ in Lakhs)	% Increase in PAT
Mr. R. Senthil Kumar	Managing Director & CEO	70.27	15%	1230.41	23.5%
Mr. Vinayagam Sume	Chief Financial Officer	9.42	10%		
Ms. P. Maheswari	Company Secretary	4.80	12%		

\* It consists of salary/allowance, value of perquisites, bonus and retirement benefits etc.

g) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

Date	Paid up Capital	Closing Market Price per shares	EPS	PE Ratio	Market Capitalisation (₹ in Lakhs)
31.03.2018	4,80,00,000	635.00	25.63	24.77	30480.00
31.03.2017	4,80,00,000	487.60	33.52	14.54	23404.80
Increase	NIL	147.40	7.89	10.23	7075.20
% Increase	NIL	30.22	23.53	70.35	30.22
Issue of shares during the year	NIL	NIL	NIL	NIL	NIL

h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof any exceptional circumstances for increase in the managerial remuneration:

Average increase in Remuneration is 15% for employees other than Key Managerial Personnel and 10% for Managerial Personnel (KMP and Senior Management)

i) The key parameters for any variable component of remuneration availed by the directors:

The Company has not paid any variable components of remuneration to the Managing Director except remuneration by way of salary and perquisites.

Independent-Non Executive Directors are paid sitting fees and commission as per their terms of appointment and Non executive Directors are paid sitting fees only.

The Directors nominated by the collaborator are not paid any sitting fees and commission.

j) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable

k) It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

**By Order of the Board of Directors  
For Panasonic Carbon India Co. Limited**

Place : Chennai  
Date : 16th May, 2018

**V.R GUPTÉ**                      **R. SENTHIL KUMAR**  
**DIRECTOR**                      **MANAGING DIRECTOR**

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 7 to the 36<sup>th</sup> Annual Report of the Board of Directors

### 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 arms length transactions under third proviso thereto.

**1 Details of contracts or arrangements or transactions not at Arm's length basis :** All transactions are at Arm's length basis

**2 Details of Material contracts or arrangements or transactions at Arm's length basis :**  
**(Exceeding 10% of the annual consolidated turnover of the Company)**

Sl No	Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Terms of contracts	Justification for entering in to such contracts/arrangements/ transactions	Value of Contract (₹ in Crore)	Date(s) of approval by the Board
1	Panasonic Energy India Co. Ltd , India	Fellow Subsidiary under common control	Sale of Carbon Rods	Yearly	Sale of Goods (Excluding Excise Duty & Sales Tax)	Transaction in the Ordinary course of business and on Arm's length basis	5.34	10/05/2017
2	Panasonic energy, Poland S.A. Poland	Fellow Subsidiary under common control	Sale of Carbon Rods	Yearly	Sale of Goods (Excluding Excise Duty & Sales Tax)	Transaction in the Ordinary course of business and on Arm's length basis	11.64	10/05/2017
3	Panasonic Do Brasil Limitada, Brazil	Fellow Subsidiary under common control	Sale of Carbon Rods	Yearly	Sale of Goods (Excluding Excise Duty & Sales Tax)	Transaction in the Ordinary course of business and on Arm's length basis	6.21	10/05/2017

**By Order of the Board of Directors  
For Panasonic Carbon India Co. Limited**

**Place : Chennai**  
**Date : 16th May, 2018**

**V.R GUPTÉ  
DIRECTOR**

**R. SENTHIL KUMAR  
MANAGING DIRECTOR**

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 2 to the 36<sup>th</sup> Annual Report of the Board of Directors

### REPORT ON CORPORATE GOVERNANCE

#### Introduction:

The Company is regular in complying with the mandatory requirements of the Code of Corporate Governance.

Company's Philosophy on Code of Corporate Governance:

Company's philosophy on code of corporate governance is to observe the highest level of ethics in all its dealings to ensure the efficient conduct of the affairs of the company. Panasonic Carbon India Co.Ltd (PCIN) follows good Corporate Governance practices with highest level of transparency, fairness, independence, accountability, responsibility, integrity and ethics. This has resulted in provision of quality product and services to the Customer and consequent growth of healthy business, strengthening of Management and Decision making process, effective functioning of Board of Directors in a professionally sound and competent manner and enhancement of long term economic value of Shareholders. PCIN has undertaken several proactive measures towards maintaining the highest standards of governance which include the following:

#### Board of Directors:

The Board functions as a full Board and it meets at regular intervals. Policy formulation, evaluation of performance and control functions vest with the Board.

The Board comprises of one Executive Director and Five Non-Executive Directors including four Independent Directors.

During the Financial Year ended 31<sup>st</sup> March, 2018, four Board Meetings were held on 10<sup>th</sup> May 2017, 8<sup>th</sup> August 2017, 26<sup>th</sup> October 2017 and 31<sup>st</sup> January 2018.

The last Annual General Meeting was held on 8<sup>th</sup> August, 2017.

The composition of the Board, attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meeting and numbers of other Directorships/Committee Memberships held by them as on 31<sup>st</sup> March, 2018 as applicable, are as follows:

Name of the Director	Designation and Category	Relationship between Directors inter-se	No. of Board Meetings in the year		Attendance Last AGM	No. of outside Directorships*	No. of outside Board Committee Memberships / Chairman**
			Held	Attended			
Mr.R.Senthil Kumar (1)	Managing Director, Executive	Not Related	4	4	Yes	Nil	Nil
Mr.V.R.Gupte	Director, Non Executive	Not Related Independent	4	4	Yes	Nil	Nil
Mr.A.Raghavendra Rao	Director, Non Executive	Not Related Independent	4	4	Yes	Nil	Nil
Mr.K.Subramanian	Director, Non Executive	Not Related Independent	4	4	Yes	1	3
Mrs. C. Jayashree (2)	Director, Non Executive	Not Related Independent	4	3	Yes	Nil	Nil
Mr. Kazuo Tadanobu (3)	Director , Promoter	Not Related Non-Executive	4	1	Yes	Nil	Nil

1) Mr. R. Senthil Kumar was re-appointed as Managing Director of the company for a period of one year with effect from 1st April, 2018

2) Mrs.C. Jayashree was re-appointed as Women Director (Independent) at the Board Meeting held on 31<sup>st</sup> January, 2018.

3) Mr. Kazuo Tadanobu is nominated by our Collaborators and employed in Japan.

\* Excludes directorship in the Company. Also excludes directorship in Private Companies, Foreign Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and alternate Directorships.

\*\* For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered. Also excludes the Memberships & Chairmanships in the Company.

The Directors of the Company do not hold any Equity shares of the Company as on 31st March, 2018 except Mr. R. Senthil Kumar, Managing Director, hold 134 equity shares in the Company.

Information about the Directors proposed to be appointed/re-appointed required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished under 'Notes' attached to the Notice of the 36<sup>th</sup> Annual General Meeting to the Shareholders of the Company.

None of the Directors of the Company was a member of more than 10 Committees of the Board as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or was a Chairman of more than 5 such Committees across all Companies in which he was a Director.

# PANASONIC CARBON INDIA CO. LIMITED

The details are displayed on the Company's website [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)

## 1. Audit Committee:

The composition, powers, role and terms of reference of the Committee are constituted as per the Section 177 mentioned under the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015).

### Terms of Reference:

The Audit Committee reviews the audit reports submitted by the Internal Auditors and Statutory Auditors, financial results, effectiveness of internal audit processes and the Company's risk management strategy. It reviews the Company's established systems and the Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 read with Schedule II of the SEBI Regulations, 2015. The Committee is vested with the necessary powers, as defined in its Charter, to achieve its objectives.

### Composition and Attendance:

The Company has an Audit Committee of the Board consisting of three Non Executive Independent Directors and the Managing Director. The Audit Committee met four times during the financial year ended 31<sup>st</sup> March, 2018 i.e. on 10<sup>th</sup> May 2017, 8<sup>th</sup> August 2017, 26<sup>th</sup> October 2017 and 31<sup>st</sup> January 2018.

The details of attendance of Members are as follows:

Name of Director	Status	Designation	No. of Meetings held	No. of Meetings attended
Mr.V.R.Gupte	Chairman	Independent, Non-Executive	4	4
Mr.A.Raghavendra Rao	Member	Independent, Non-Executive	4	4
Mr.K.Subramanian	Member	Independent, Non-Executive	4	4
Mr.R.Senthil Kumar	Member	Non Independent, Executive	4	4

The Quorum shall be either two Members or one-third of the Members, whichever is higher and there shall be a minimum of two Independent Directors. The Company Secretary, Ms.P. Maheswari is the Secretary of the Committee held during the financial year 2017-18. The representative of Statutory Auditor and Internal Auditor as well as Chief financial Officer are also permanent invitee to the Committee.

## 2. Stakeholders Relationship Committee:

### Terms & Reference:

The Stakeholders Relationship Committee oversees, inter-alia, redressal of Shareholders and Investor grievances, transfer/transmission/transposition of shares, Split, consolidation, issue of duplicate shares certificates, recording dematerialization/dematerialization of shares and related matters.

Name of Director	Designation in the Company	Status in the Committee
Mr.V.R.Gupte	Independent, Non-Executive	Chairman
Mr.A.Raghavendra Rao	Independent, Non-Executive	Member
Mr.K.Subramanian	Independent, Non-Executive	Member
Mr. R. Senthil Kumar	Non Independent, Executive	Member

Ms.P. Maheswari , Company Secretary acts as a Compliance Officer to the Committee. During the financial year. Eighteen meetings of the Stakeholder's Relationship Committee were held.

The detailed particulars of Investors' complaints handled by the Company / Registrar & Share Transfer Agent during the year 2017-18 are as under:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	01	01	Nil

The complaint has been resolved to the satisfaction of the complainant and no investor complaint was pending at the beginning or at the end of the year. The Company has acted upon all valid requests for share transfer received during the year 2017-18 and no such transfer is pending at the end of the year.

## 3. Corporate Social Responsibility Committee:

The Board of Directors has constituted "Corporate Social Responsibility Committee" (CSR) as required under Section 135 of the Companies Act, 2013. The Committee comprises of 4 Members. The Chairman of the Committee is a Non – Executive and Independent Director.

The Corporate Social Responsibility Committee consists of the following members:-

## PANASONIC CARBON INDIA CO. LIMITED

Name of Director	Designation in the Company	Status in the Committee
Mr.V.R.Gupte	Independent Director, Non-Executive	Chairman
Mr.A.Raghavendra Rao	Independent Director, Non-Executive	Member
Mr.K.Subramanian	Independent Director, Non-Executive	Member
Mr. R. Senthil Kumar	Non Independent, Executive	Member

The Committee is primarily responsible for formulating and recommending to the Board of Directors a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects.

The quorum for the CSR Committee Meeting shall be either one-third of its members or two members, whichever is higher. The Company Secretary, acts as the Secretary to the Committee. During the year the Committee had one meeting i.e. 26th October , 2017 which were attended by all the four members of the committee.

#### 4. Nomination and Remuneration Committee:

##### Terms of Reference:

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors and Key Managerial Personnel.

##### Composition & Meetings:

**The Committee was constituted to determine and recommend payment of Remuneration to Executive Director and The Committee consists of the following Non Executive Independent Director**

Name of Director	Status	Designation	No. of Meetings held	No. of Meetings attended
Mr.V.R.Gupte	Chairman	Independent, Non-Executive	1	1
Mr.A.Raghavendra Rao	Member	Independent, Non-Executive	1	1
Mr.K.Subramanian	Member	Independent, Non-Executive	1	1

The Committee met during the year on 31<sup>st</sup> January 2018 to determine and recommend the appointment of Directors and reappointment and revision in Remuneration payable to the Managing Director. The quorum for the Meeting shall be any two of the above three Members. The Company Secretary, Ms.P. Maheswari act as a Secretary of the Committee.

#### 5. Remuneration of Directors:

##### Executive Director:

The Company has one Executive Director, Mr. R. Senthil Kumar is the Managing Director and his re-appointment and Remuneration was approved by the Shareholders at the Annual General Meeting held on 8<sup>th</sup> August, 2017 for a period of one year effective from 1st April, 2017 to 31<sup>st</sup> March , 2018. The present term of appointment of Mr. R. Senthil Kumar expired on 31<sup>st</sup> March, 2018. The scales of remuneration are determined based on the levels of responsibility and scales prevailing in the industry. The Board of Directors of the Company had authorized the Nomination and Remuneration Committee to approve the remuneration package of the Executive Director. Accordingly, the remuneration package of the Executive Director, including its break up into fixed component and performance linked incentive, along with the performance criteria are determined by the Nomination and Remuneration Committee.

The Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee meeting held on 31<sup>st</sup> January 2018, re-appointed Mr. R. Senthil Kumar as Managing Director of the Company subject to approval of the Shareholders and subject to such other approvals as may be required, for a further period of one year up to 31<sup>st</sup> March 2019.

The details of Remuneration paid to the Executive Director during the Financial Year 2017-18 under review is as under:

Name & Designation	Period	Salary Rs.	Perquisites Rs.	Total Rs.
Mr.R.Senthil Kumar,Managing Director	01-04-2017 to 31-03-2018	59,10,000	11,16,800	70,26,800

The Executive Director is not paid any sitting fees for the Board Meetings or for any Committees of the Board attended by him.

The above Whole-time Director had been nominated by the Collaborators, M/s. Panasonic Corporation, Japan.

##### Non-Executive Directors:

The Board of Directors decided to pay the Remuneration to Non-Executive Directors by way of Sitting Fees for the Meetings of the Board / Committees of the Board attended by them and by way of commission up to a total of one percent on the Net Profits of the Company in each Financial Year.

None of the Non-Executive Directors of your Company have any pecuniary relationship or material transactions with the Company

## PANASONIC CARBON INDIA CO. LIMITED

except for Sitting Fees paid to them for attending Board Meetings and Committee Meetings thereof and Commission on Net Profits. The Company has not issued Stock Options to any of its Directors. There is no differential Accounting Treatment followed in the Company during the Financial Year 2017-18.

The details of Remuneration paid to the Non-Executive Directors are as under:

Name of the Director	Commission Rs.	Sitting Fees		
		Board Meeting Rs.	Audit Committee Meeting Rs.	Nomination and Remuneration Committee Meeting Rs.
Mr.V.R.Gupte	4,36,375	40,000	40,000	5,000
Mr.A.Raghavendra Rao	4,36,375	40,000	40,000	5,000
Mr.K.Subramanian	4,36,375	40,000	40,000	5,000
Mrs. C. Jayashree	4,36,375	30,000	Nil	Nil
Mr. Kazuo Tadanobu	Nil	Nil	Nil	Nil
<b>Total</b>	<b>17,45,500</b>	<b>1,50,000</b>	<b>1,20,000</b>	<b>15,000</b>

### 6. Details of shareholding of Directors as on 31st March 2018:

Name of the Director	No. of Shares held	Name of the Director	No. of Shares held
Mr. R. Senthil Kumar	134	Mr.K.Subramanian	NIL
Mr.V.R. Gupte, Director	NIL	Mrs. C. Jayashree	NIL
Mr.A.Raghavendra Rao	NIL	Mr. Kazuo Tadanobu	NIL

### 7. General Body Meetings:

The last Three Annual General Meetings were held as under:

Year and Date	Time	Venue
8 <sup>th</sup> August, 2017	3.00 P.M.	Hotel Benz Park , No.62, Thirumalai Pillai Road, T. Nagar, Chennai – 600 017
29 <sup>th</sup> July, 2016	2.30 P.M.	Hotel Benz Park , No.62, Thirumalai Pillai Road, T. Nagar, Chennai – 600 017
23rd July, 2015	10.30 A.M.	Hotel Dee Cee Manor (Opp. To Vani Mahal) No. 90, G.N.Chetty Road, T.Nagar, Chennai-600017

There was no Special Resolution passed in the last three Annual General Meetings.

No Special Resolution was put through Postal Ballot last year. Special Resolution(s) through Postal Ballot process shall be conducted as per the provisions of the Companies Act, 2013 as applicable at the relevant point of time.

### 8. Whistle Blower Policy:

The Company has formulated a Whistle Blower Policy and established a Vigil Mechanism for Directors and Employees and the same has been disclosed on the Company's website at [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in). The Management affirms that no personnel has been denied access to the Audit Committee during the year 2017-18

### 9. Meeting of Independent Directors:

The Independent Directors of the Company had met during the year on 31<sup>st</sup> January 2018 to review the performance of non-Independent Directors, Chairperson of the Company and the Board as a whole. They had assessed the Quality, Quantity and timeliness of flow of information between the Company management and the Board.

### 10. Risk Management:

Mr.V.R.Gupte, Independent Director is the Chairman of the Committee and Mr.A.Raghavendra Rao, Independent Director ,Mr.K.Subramanian Independent Director and Mr. R. Senthil Kumar, Managing Director are the other members of the Committee. The Company Secretary acts as a Secretary to the Committee. The roles and responsibilities of the Risk Management Committee are as prescribed under Regulation 21 of the Listing Regulations and includes monitoring and review of risk management plan on a quarterly basis and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board of Directors, from time to time.

### 11. Disclosures:

#### (i) Related Party Transactions:

The Company has adopted a policy on dealing with related party transactions and the same is disclosed at [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)



## PANASONIC CARBON INDIA CO. LIMITED

The Company sells carbon rods to Battery manufacturers which are subsidiaries of parent company for past so many years. All such transactions were on an arm's length basis and in the ordinary course of business.

In accordance with Regulation 27(2) (b) of SEBI Regulation 2015 all material transactions with related parties have been disclosed quarterly along with the compliance report on Corporate Governance.

For the details of all related party transactions as required by the Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, please refer Note No 33 of notes to the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2018.

### ii) Compliances by the Company:

- The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to Capital Markets and no penalties/strictures have been imposed on the Company in the last three years.
- The Company complied with Mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has not adopted the non-mandatory requirements.
- The Senior Management Personnel have informed the Board in accordance with Regulation 26(5) of the SEBI Regulation, 2015 that they are not having any personal interest in material, commercial and financial transactions of the Company that may have potential conflict with the interest of the Company at large.
- The Company has issued formal appointment letters to all Independent Directors and the terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in). The appointments of Independent Directors are in compliance with Regulation 25(1) and (2) of SEBI Regulation, 2015.
- None of the Non-executive Director has any pecuniary relationship or transactions with the Company.

### 12. Means of Communication:

The Board of Directors of the Company approve and take on record the Financial Results as per the Performa prescribed by the Stock Exchange within the statutory period and announce forthwith the said results to the Stock Exchange, where the Shares of the Company are listed.

The Quarterly and Annual Financial Results are published in News Today and Maalai Suder. These results are promptly submitted to the Stock Exchanges to enable them display the same on their Websites. The Financial Results are made available at the Website of the Company - [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)

The Company is also filing the specified documents/statements/informations as per SEBI directive within the stipulated time. Annual Report is displayed on the Company's website [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in) The Management Discussion and Analysis Report are appended separately to this report.

### 13. Compliance with Code of Conduct:

The Company has adopted a code of conduct for the Managing Director, Senior Management Personnel and other employees of the Company. The updated Code incorporate the duties of Independent Directors. The Code is available on the website of the Company. The Managing Director has given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of conduct for the year ended 31<sup>st</sup> March, 2018.

### 14. General Shareholders Information:

Annual General Meeting Date and time	8 <sup>th</sup> August 2018; 3.00 p.m.	Date of payment of dividend	17 <sup>th</sup> August, 2018
Venue	Hotel Quality INN Sabari Grand, No. 29, Thirumalai Road, T. Nagar, Chennai-600017	Annual Results	16 <sup>th</sup> May, 2018
Book Closure Date	2 <sup>nd</sup> August 2018 to 8 <sup>th</sup> August 2018	BSE Stock Code	508941
Financial Year	1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018	ISIN	INE013E01017
Rate of dividend	100% (Rs. 10/- for share)	Corporate Identity Number of the Company (CIN)	L29142TN1982PLC009560

### 15. Financial calendar (tentative) results for the quarter ending:

June 30 <sup>th</sup> , 2018	2 <sup>nd</sup> week of August, 2018
September 30 <sup>th</sup> , 2018	4 <sup>th</sup> week of October, 2018
December 31 <sup>st</sup> 2018	4 <sup>th</sup> week of January, 2019
March 31 <sup>st</sup> , 2018	3 <sup>rd</sup> week of May, 2019

## PANASONIC CARBON INDIA CO. LIMITED

### 16. Listing on Stock Exchanges:

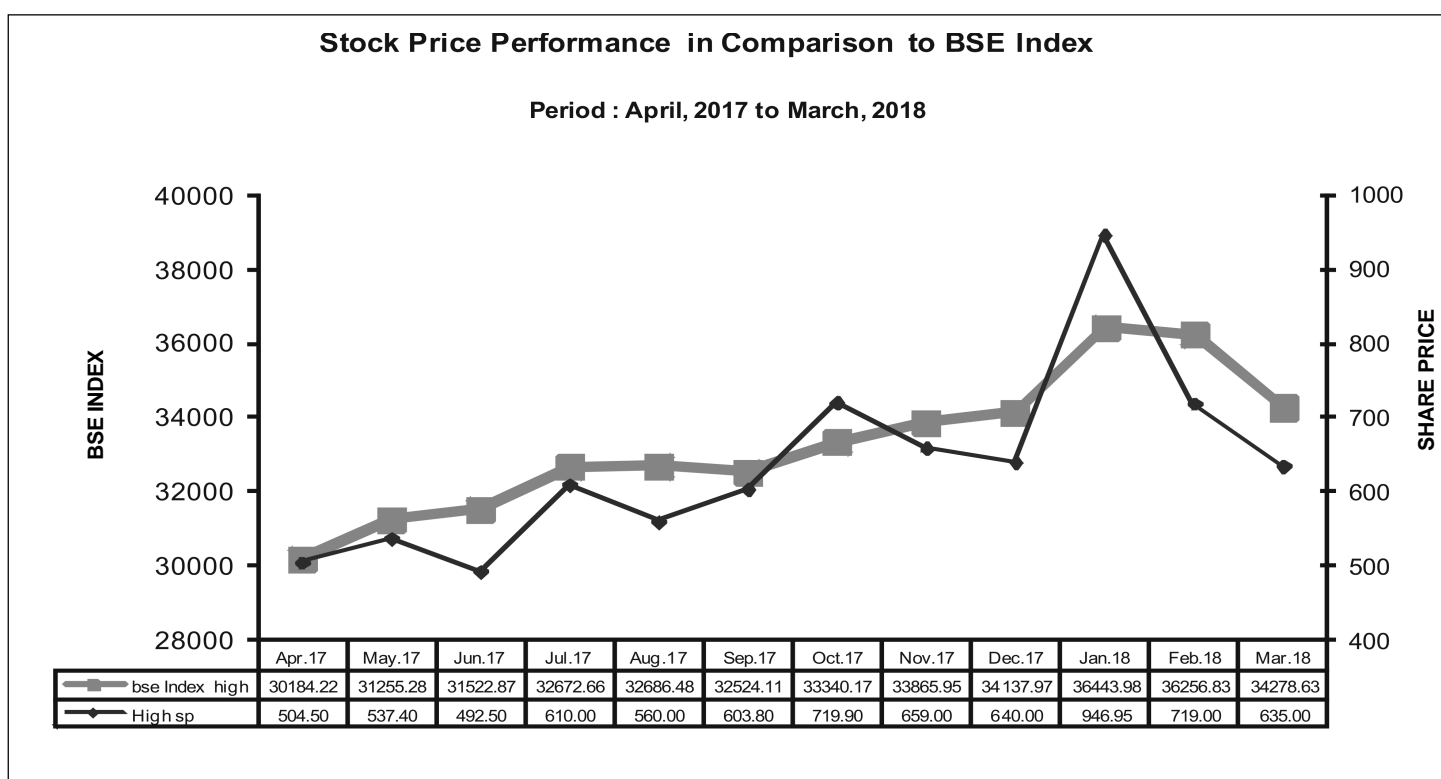
The Company's Securities are listed with BSE Ltd. The Company confirms that it has paid the Annual Listing Fees to the said stock exchange for the financial year 2017-18 and there are no arrears.

### 17. Market Price data for the Financial Year ended 31<sup>st</sup> March, 2018:

Month	BSE		Month	BSE	
	High (Rs.P)	Low(Rs.P)		High (Rs.P)	Low(Rs.P)
April, 2017	504.50	470.00	October, 2017	719.90	518.00
May, 2017	537.40	420.00	November, 2017	659.00	555.00
June, 2017	492.50	447.00	December, 2017	640.00	550.30
July, 2017	610.00	455.10	January, 2018	946.95	621.00
August, 2017	560.00	463.05	February, 2018	719.00	555.00
September, 2017	603.80	501.20	March, 2018	635.00	530.00

### Stock Price Performance in Comparison to BSE Index

Period : April, 2017 to March, 2018



### 18. Registrars and Share Transfer Agents:

M/s.Cameo Corporate Services Ltd., are the Registrars and Share Transfer Agents for providing electronic connectivity for trading Company's Scrips in Dematerialized form through NSDL and CDSL and also for Shares held in Physical mode. All matters connected with Share transfer, transmission, duplicate Share certificates are handled by the Share transfer agent. Share transfers are processed within 15 days of lodgement. A practising Company Secretary certifies on a quarterly basis the timely dematerialization of Shares of the Company.

Address:	Name of Contact Person:
M/s. Cameo Corporate Services Ltd., "Subramanian Building", No.1, Club House Road, Chennai 600 002	Mr.R.D.Ramasamy, Director, Phone.No: 0091-44-28460390 (5 Lines) Fax No. : 0091-44-28460129 E-mail : investor@cameoindia.com

## PANASONIC CARBON INDIA CO. LIMITED

### 19. Share Transfer System:

Share transfers are registered and returned in the normal course within a period of 15 days from the date of receipt. Requests for dematerialisation of Shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of Share Certificates provided the documents are complete in all respects.

### 20. Distribution of Shareholding as on 31<sup>st</sup> March, 2018:

No. of Shares	Number of Shareholders		Number of Shares	
	Number	% of Total	Number	% of Total
1-100	9160	80.2874	366855	7.6428
101-500	1753	15.3650	421256	8.7761
501-1000	275	2.4103	209871	4.3723
1001-2000	117	1.0255	172141	3.5862
2001-3000	41	0.3593	104731	2.1818
3001-4000	21	0.1840	74852	1.5594
4001-5000	6	0.0525	28040	0.5841
50001-10000	24	0.2103	166250	3.4635
10001-And above	12	0.1051	3256004	67.8334
<b>Total</b>	<b>11409</b>	<b>100.0000</b>	<b>48000000</b>	<b>100.0000</b>

### 21. Category wise Shareholding pattern as on 31<sup>st</sup> March, 2018:

Category	No. of Shares Held	% of Shareholding
<b>Promoters</b>		
Indian Promoters	2,000	0.04
Foreign Collaborators	30,36,820	63.27
<b>Others</b>		
Corporate Bodies	1,52,792	3.18
Individuals	14,22,453	29.63
Mutual Funds & UTI	Nil	Nil
IEPF	18884	0.39
Foreign Portfolio Investors	580	0.01
Banks & Financial Institutions	Nil	Nil
Non-Resident Indians	67,965	1.41
Public	98,506	2.11
<b>Total</b>	<b>48,00,000</b>	<b>100.00</b>

### 22. Dividend Declared for the last 10 Years:

Financial Year	Dividend Declaration date	Dividend Per share ₹	Financial Year	Dividend Declaration date	Dividend Per share ₹
2007-08	18 <sup>th</sup> June, 2008	7.00	2012-13	25 <sup>th</sup> July, 2013	7.00
2008-09	11 <sup>th</sup> Sept, 2009	7.00	2013-14	31 <sup>st</sup> July, 2014	7.00
2009-10	23 <sup>rd</sup> July, 2010	7.00	2014-15	23 <sup>rd</sup> July, 2015	8.00
2010-11	20 <sup>th</sup> July, 2011	7.00	2015-16	29 <sup>th</sup> July, 2016	10.00
2011-12	31 <sup>st</sup> July, 2012	7.00	2016-17	8 <sup>th</sup> August, 2017	10.00

**Note:** Face value of Rs.10/- per share. Dividend of Rs 10/- per share for the financial year 2017-18 recommended by the Board of Directors on 16<sup>th</sup> May, 2018, is subject to approval by the shareholders at the ensuing Annual General Meeting.

### 16. Dematerialization of Shares and Liquidity:

The Company's shares are available for trading in the Depository System of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company is **INE013E01017**. As on 31<sup>st</sup> March 2018, 98.23% of the paid up share capital representing 47, 14,853 Equity Shares of the Company including promoter and Collaborators holding are in Dematerialized form.

Considering the advantages of dealing in shares in electronic / dematerialized form, Shareholders still holding shares in physical form are requested to dematerialize their shares at the earliest. For further information / clarification / assistance in this regard, please contact M/s. Cameo Corporate Services Limited, the Registrar and Share Transfer Agent or the Company Secretary, Panasonic Carbon India Co. Ltd. As per the directions of SEBI, Equity Shares of the Company can be traded by all the investors only in dematerialized form. The Company's Shares are actively traded on BSE Limited.

## PANASONIC CARBON INDIA CO. LIMITED

### 23. Unclaimed/Unpaid Dividend Amounts:

Pursuant to the provisions of Section 123 of the Companies Act, 2013, the dividend for the following years, which remain unclaimed/unpaid for seven years, will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

Financial Year	Amount outstanding as on 31.03.2018 (Rs.)	Date of Declaration of Dividend	Proposed date of transfer to IEPF
2010-11	2,86,538	20-07-2011	25-08-2018
2011-12	4,38,480	31-07-2012	05-08-2019
2012-13	5,04,231	25-07-2013	30-08-2020
2013-14	3,54,998	31-07-2014	05-08-2021
2014-15	4,21,096	23-07-2015	28-08-2022
2015-16	5,82,110	05-08-2016	10-09-2023
2016-17	6,52,410	17-08-2017	22-09-2024

Members who have not so far encashed their dividend warrant(s) are requested to seek revalidation of dividend warrants in writing to the Company Secretary, M/s. Panasonic Carbon India Co. Ltd immediately. Members are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

Members are also advised to update their correspondence address in their demat accounts in case of their holdings in electronic form or inform their latest correspondence address to the Registrars, M/s. Cameo Corporate Services Limited in case of holdings in physical form.

### 24. Reconciliation of Share Capital Audit:

A quarterly audit was conducted by a practicing company secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of Shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31<sup>st</sup> March, 2018, there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories.

### 25. E-Voting/Ballot Voting:

In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 36<sup>th</sup> Annual General Meeting (AGM) of the Company.

The facility for voting, through ballot / polling paper shall also be made available at the venue of the 36<sup>th</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed a Mr. Rabi Narayan Paul, Practicing Company Secretaries, Parnter of M/s. Rabi Narayan & Associates, Chennai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. The instructions for shareholders voting electronically are provided in the notes to the Notice of 36<sup>th</sup> Annual General Meeting.

### 26. CEO/CFO Certification

The Managing Director & CEO and the Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of Internal controls for the financial reporting as required under Regulation 17 (8) of the Listing Regulations for the year ended 31<sup>st</sup> March, 2018.

### 27. Prevention of Insider Trading:

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has instituted a code of conduct for prohibition of insider trading in the Company's shares.

### 28. Outstanding GDR/ADR/Warrants or any convertible instruments conversion date and likely impact on equity

Not Applicable

### 29. Plant/Factory

#### Location:

Tada Mandal, Nellore District, Andhra Pradesh- 524 401
Phone: 08623 - 249126 / 249108 Fax: 08623 - 249049

## PANASONIC CARBON INDIA CO. LIMITED

**30. Address for correspondence:**

The Shareholders may address their correspondence to:

The Company Secretary, M/s. Panasonic Carbon India Co. Limited, "Pottipati Plaza", 3 <sup>rd</sup> Floor, No.77, Nungambakkam High Road, Chennai 600 034 Phone :0091-044-28275216/226/015 Fax : 0091-044-28263010 E-mail: maheswari.p@in.panasonic.com Web: www.panasoniccarbon.co.in	and/or	Mr.R.D.Ramasamy, Director, M/s.Cameo Corporate Services Ltd. "Subramaniam Building", No.1, Club House Road, Chennai 600 002 Phone : 0091-44-28460390 (5 Lines) Fax No.: 0091-44-28460129 Email : investor@cameoindia.com
--	--------	--

**By Order of the Board of Directors  
For Panasonic Carbon India Co. Limited**

**Place : Chennai  
Date : 16<sup>th</sup> May, 2018**

**V.R. GUPTA  
DIRECTOR**

**R. SENTHIL KUMAR  
MANAGING DIRECTOR**

**DECLARATION  
TO THE MEMBERS OF THE PANASONIC CARBON INDIA CO. LIMITED**

This is to declare that the Code of Conduct envisaged by the Company for Members of the Board and Senior Management Personnel have been complied with, by all the Members of the Board, and the Senior Management Personnel of the Company respectively.

**Place : Chennai  
Date : 16<sup>th</sup> May, 2018**

**For PANASONIC CARBON INDIA CO. LIMITED  
R. SENTHIL KUMAR  
MANAGING DIRECTOR AND CEO**

# PANASONIC CARBON INDIA CO. LIMITED

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

### To The Members of Panasonic Carbon India Co. Ltd.

We have examined the compliance of conditions of corporate governance by Panasonic Carbon India Co. Ltd. ("the Company"), for the year ended 31 March 2018, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations")

### Management's responsibility

The Company's management is responsible for compliance of conditions of corporate governance requirements as stipulated under the Listing regulations. The responsibility includes the design, implementation, maintenance of corporate governance process relevant to the compliance of the conditions. This responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the above mentioned Listing regulations.

### Auditor's responsibility

Pursuant to the requirements of the above mentioned Listing regulations our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination of the corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special purposes (Revised 2016), Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the Regulations 17 to 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restrictions of use

This certificate has been solely issued for the purpose of complying with the Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

*for* **B S R & Co. LLP**  
**Chartered Accountants**

**ICAI Firm Registration Number: 101248W/W-100022**

**Place : Chennai**  
**Date: 16 May 2018**

**K Raghuram**  
**Partner Membership No.: 211171**

## **Independent Auditor's Report**

**To**

**The Members of Panasonic Carbon India Co. Limited**

### **Report on the Audit of the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **Panasonic Carbon India Co. Ltd.** ("the Company"), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss, the statement of changes in equity and the statement of cash flows for the year then ended, and summary of the significant accounting policies and other explanatory information. (herein after referred to as "Ind AS financial statements")

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 Ind AS 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### **Other Matters**

The comparative financial information of the Company for

## PANASONIC CARBON INDIA CO. LIMITED

the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 10 May 2017 and 25 May 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

### 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March

2018 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements; - Refer Note 34 to the Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable loss.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
  - iv. The disclosures in the Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the period ended 31 March 2017 have been disclosed.

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Place : Chennai

**K Raghuram**

Date : 16 May 2018 Partner Membership No.: 211171



## PANASONIC CARBON INDIA CO. LIMITED

### Annexure A to the Independent Auditor's Report to the members of Panasonic Carbon India Co. Ltd. for the year ended 31 March 2018

- (i) (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 fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and 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 on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, has been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, or made any investments, or given any guarantee or provided any security as covered under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted deposits from the public during the year. Accordingly, paragraph 3(v) of the order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for sale of goods and the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other material statutory dues have been generally deposited regularly during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other material statutory dues were in arrears as at 31

March 2018 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, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of a dispute, except for items as set out in Appendix 1.
- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings to any financial institution, banks, government or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration during the year in accordance with the requisite approvals as per provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, 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, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101248W/W-100022

Place : Chennai  
Date : 16 May 2018 **K Raghuram**  
Partner Membership No.: 211171

## PANASONIC CARBON INDIA CO. LIMITED

Appendix I to the Independent Auditors' Report of Panasonic Carbon India Co. Ltd. as of and for the year ended 31 March 2018 (referred to in our report even date)

Name of the statute/ period to which it relates	Nature of dues	Amount (INR in thousands)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	71.86	2001-2002	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	735.4	2002-2003	High Court of Madras
Income Tax Act, 1961	Income Tax	1,739.64	2003-2004	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	8,437.72	2008-2009	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	81.69	2009-2010	Assessing Officer
Income Tax Act, 1961	Income Tax	129.78	2010-2011	Assessing Officer
Income Tax Act, 1961	Income Tax	5,983.24	2011-2012	Assistant Commissioner of Income Tax
Finance Act, 1994	Service tax	2.89	For the period 2009-10 to 2011-12	Appellate Tribunal
Finance Act, 1994	Service tax	14.32	2012-2013	Commissioner- Appeals
Finance Act, 1994	Service tax	15.01	2013-2014	Commissioner- Appeals
Finance Act, 1994	Service tax	0.14	For the period July 2012 to March 2015	Commissioner- Appeals

According to the information and explanation given to us, the items set out above do not include disputed matters settled in the favour of the Company by the relevant forums, for which the Company is yet to receive rectification orders from the assessing officer.

# PANASONIC CARBON INDIA CO. LIMITED

## Balance Sheet as at 31st March 2018

(All amounts are in thousands of INR)

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	91,726.96	98,454.10	25,864.72
Capital work-in-progress	4	1,595.00	-	-
Financial assets				
Investments	5	51.50	10.90	10.90
Loans	6	4,336.62	4,286.62	4,325.55
Other financial assets	7	20,000.00	5,000.00	-
Deferred tax assets (net)	31	-	-	336.69
Other tax assets- Income tax	31	584.71	-	-
<b>Total non-current assets</b>		<b>1,18,294.79</b>	<b>1,07,751.62</b>	<b>30,537.86</b>
<b>Current assets</b>				
Inventories	8	32,106.87	21,497.73	2,54,20.99
Financial assets				
Trade receivables	9	26,586.51	36,601.97	32,356.27
Cash and cash equivalents	10	13,110.81	22,256.15	10,339.60
Bank balances other than cash and cash equivalents	11	8,26,465.45	7,52,023.44	7,41,280.35
Loans	12	328.20	336.60	343.05
Other financial assets	13	6,636.90	14,735.09	9,366.32
Other current assets	14	4,605.98	10,362.67	6,455.57
<b>Total current assets</b>		<b>9,09,840.71</b>	<b>8,57,813.65</b>	<b>8,25,562.15</b>
<b>Total assets</b>		<b>10,28,135.50</b>	<b>9,65,565.27</b>	<b>8,56,100.01</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	15	48,000.00	48,000.00	48,000.00
Other equity	16	9,13,034.89	8,48,810.45	7,48,686.07
<b>Total equity</b>		<b>9,61,034.89</b>	<b>8,96,810.45</b>	<b>7,96,686.07</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	31	14,192.56	9,942.72	-
Provisions	23	2,763.93	4,706.12	1,797.27
<b>Total non-current liabilities</b>		<b>16,956.49</b>	<b>14,648.84</b>	<b>1,797.27</b>
<b>Current liabilities</b>				
Financial liabilities				
Trade payables	20	35,170.14	37,831.01	40,478.95
Other financial liabilities	21	3,239.86	3,172.94	3,052.81
Other current liabilities	22	9,613.13	10,473.57	8,991.07
Provisions	23	2,120.99	1,887.91	245.30
Current tax liabilities (net)		-	740.55	4,848.54
<b>Total current liabilities</b>		<b>50,144.12</b>	<b>54,105.98</b>	<b>57,616.67</b>
<b>Total liabilities</b>		<b>67,100.61</b>	<b>68,754.82</b>	<b>59,413.94</b>
<b>Total equity and liabilities</b>		<b>10,28,135.50</b>	<b>9,65,565.27</b>	<b>8,56,100.01</b>

Significant accounting policies 3

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

As per our report of even date

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

**K Raghuram**

Partner

Membership No.: 211171

Place : Chennai

Date: 16 May 2018

for and on behalf of the board of directors of

**Panasonic Carbon India Co. Ltd.**

CIN: L29142TN1982PLC009560

**R. Senthil Kumar**

Managing Director

DIN: 02170079

**Vinayagam Sume**

Chief Financial Officer

Place : Chennai

Date: 16 May 2018

**V.R. Gupte**

Director

DIN: 00309699

**P. Maheswari**

Company Secretary

# PANASONIC CARBON INDIA CO. LIMITED

## Statement of Profit and Loss for the year ended 31st March 2018

(All amounts are in thousands of INR)

Particulars	Note	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Revenue from operations	24	4,44,888.52	5,08,403.69
Other income	25	66,179.22	60,839.43
<b>Total income</b>		<b>5,11,067.74</b>	<b>5,69,243.12</b>
<b>Expenses:</b>			
Cost of materials consumed	26	1,31,968.99	1,24,447.39
Changes in inventories of work-in-progress	27	(2,986.51)	3,604.78
Excise duty		6,733.48	19,755.60
Employee benefits expense	29	75,885.68	71,170.11
Depreciation expense	28	13,270.02	4,964.36
Other expenses	30	1,10,925.64	1,13,731.36
<b>Total expenses</b>		<b>3,35,797.30</b>	<b>3,37,673.60</b>
<b>Profit before exceptional item and tax</b>		<b>1,75,270.44</b>	<b>2,31,569.52</b>
Add: Exceptional item	42	-	13,669.33
<b>Profit before tax</b>		<b>1,75,270.44</b>	<b>2,45,238.85</b>
Current tax	31	47,555.37	74,079.30
Deferred tax	31	4,673.53	10,279.41
<b>Income tax expense</b>		<b>52,228.90</b>	<b>84,358.71</b>
<b>Profit for the year</b>		<b>1,23,041.54</b>	<b>1,60,880.14</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit and loss			
Remeasurement of defined benefit liability/ (asset)		(1,469.12)	(4,563.39)
Income tax relating to items that will not be reclassified to profit or loss		423.69	1,579.30
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>(1,045.43)</b>	<b>(2,984.09)</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>(1,045.43)</b>	<b>(2,984.09)</b>
<b>Total comprehensive income for the year</b>		<b>1,21,996.11</b>	<b>1,57,896.05</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (INR)	19	25.63	33.52
Significant accounting policies	3		

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

As per our report of even date

for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

for and on behalf of the board of directors of  
**Panasonic Carbon India Co. Ltd.**  
CIN: L29142TN1982PLC009560

**K Raghuram**  
Partner  
Membership No.: 211171

**R. Senthil Kumar**  
Managing Director  
DIN: 02170079  
**Vinayagam Sume**  
Chief Financial Officer

**V.R. Gupte**  
Director  
DIN: 00309699  
**P. Maheswari**  
Company Secretary

Place : Chennai  
Date: 16 May 2018

Place : Chennai  
Date: 16 May 2018

# PANASONIC CARBON INDIA CO. LIMITED

## Statement of changes in equity for the year ended 31 March 2018

(All amounts are in thousands of INR)

a. Equity share capital	Note	Amount (INR)
<b>Balance as at 01 April 2016</b>		<b>48,000.00</b>
Changes in equity share capital during 2016-17	15	-
<b>Balance as at 31 March 2017</b>		<b>48,000.00</b>
Changes in equity share capital during 2017-18	15	-
<b>Balance as at 31 March 2018</b>		<b>48,000.00</b>

Particulars	Attributable to the owners of the Company			Total
	Reserves and Surplus			
	General Reserves (See note 16a)	Securities Premium (See note 16b)	Retained earnings	
<b>Balance as at 01 April 2016</b>	6,60,000.00	27,000.00	61,686.07	<b>7,48,686.07</b>
<b>Total comprehensive income for the year ended 31 March 2017</b>				
Profit or loss	-	-	1,60,880.14	<b>1,60,880.14</b>
Other comprehensive income (net of tax) (See note 17)	-	-	(2,984.09)	<b>(2,984.09)</b>
Transfer to general reserve	1,00,000.00	-	(1,00,000.00)	-
<b>Total comprehensive income</b>	<b>7,60,000.00</b>	<b>27,000.00</b>	<b>1,19,582.12</b>	<b>9,06,582.12</b>
<b>Transactions with owners, recorded directly in equity- Distributions to owners</b>				
Dividends	-	-	(48,000.00)	<b>(48,000.00)</b>
Dividend distribution tax	-	-	(9,771.67)	<b>(9,771.67)</b>
<b>Balance at 31 March 2017/ 1 April 2017</b>	<b>7,60,000.00</b>	<b>27,000.00</b>	<b>61,810.45</b>	<b>8,48,810.45</b>
<b>Total comprehensive income for the year ended 31 March 2018</b>				
Profit or loss	-	-	1,23,041.54	1,23,041.54
Other comprehensive income (net of tax) (See note 17)	-	-	(1,045.43)	(1,045.43)
Transfer to general reserve	-	-	-	-
<b>Total comprehensive income</b>	<b>7,60,000.00</b>	<b>27,000.00</b>	<b>1,83,806.56</b>	<b>9,70,806.56</b>
<b>Transactions with owners, recorded directly in equity- Distributions to owners</b>				
Dividends	-	-	(48,000.00)	(48,000.00)
Dividend distribution tax	-	-	(9,771.67)	(9,771.67)
<b>Balance as at 31 March 2018</b>	<b>7,60,000.00</b>	<b>27,000.00</b>	<b>1,26,034.89</b>	<b>9,13,034.89</b>

Significant accounting policies

3

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

As per our report of even date

for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

**K Raghuram**  
Partner  
Membership No.: 211171

Place : Chennai  
Date: 16 May 2018

for and on behalf of the board of directors of  
**Panasonic Carbon India Co. Ltd.**  
CIN: L29142TN1982PLC009560

**R. Senthil Kumar**  
Managing Director  
DIN: 02170079  
**Vinayagam Sume**  
Chief Financial Officer

Place : Chennai  
Date: 16 May 2018

**V.R. Gupte**  
Director  
DIN: 00309699  
**P. Maheswari**  
Company Secretary

# PANASONIC CARBON INDIA CO. LIMITED

## Statement of cash flow for the year ended 31 March 2018

(All amounts are in thousands of INR)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Cash flow from operating activities</b>			
Profit for the year		1,75,270.44	2,31,569.52
Adjustments for:			
Depreciation	28	13,270.02	4,964.36
Gain on sale of property, plant and equipment	25	(967.48)	13,669.33
Change in fair value of investment	25	(40.60)	-
Interest income	25	(54,297.77)	(58,313.44)
		<b>1,33,234.61</b>	<b>1,91,889.77</b>
Working capital adjustments:			
(Increase)/ decrease in inventories		(10,609.14)	3,923.26
(Increase)/ decrease in trade receivables and loans		23,832.63	(13,273.10)
Increase in prepayments		(3.88)	(203.10)
Increase/ (decrease) in trade payables, and other financial liabilities and provisions		(6,699.54)	(1,177.39)
		<b>1,39,754.68</b>	<b>1,81,159.44</b>
<b>Cash generated from operating activities</b>		<b>1,39,754.68</b>	<b>1,81,159.44</b>
Income tax paid (net)		(48,880.64)	(76,607.98)
<b>Net cash from operating activities (A)</b>		<b>90,874.04</b>	<b>1,04,551.46</b>
<b>Cash flow from investing activities</b>			
Interest received		54,297.77	58,313.44
Proceeds from sales of property, plant and equipment		2,286.19	530.68
Acquisition of property, plant and equipment, and capital work-in-progress	4	(9,456.58)	(78,084.41)
Redemption/maturity of bank deposits (having original maturity of more than 3 months)		(89,442.01)	(15,743.09)
		<b>(42,314.63)</b>	<b>(34,983.38)</b>
<b>Net cash flow used in investing activities (B)</b>		<b>(42,314.63)</b>	<b>(34,983.38)</b>
<b>Cash flow from financing activities (Refer note)</b>			
Dividends paid (and related dividend distribution tax)		(57,704.75)	(57,651.54)
<b>Net cash flow used in financing activities (C)</b>		<b>(57,704.75)</b>	<b>(57,651.54)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(9,145.34)</b>	<b>11,916.54</b>
Cash and cash equivalents at the beginning of the year		22,256.15	10,339.60
<b>Cash and cash equivalents at the end of the year</b>	10	<b>13,110.81</b>	<b>22,256.14</b>

### Note:

#### Reconciliation of liabilities from financing activities

Particulars	As at 31 March 2017	Dividend declared	Dividend paid	As at 31 March 2018
		(including dividend distribution tax)		
Unpaid dividends	3,172.94	57,771.67	(57,704.75)	3,239.86
<b>Total liabilities from financing activities</b>	<b>3,172.94</b>	<b>57,771.67</b>	<b>(57,704.75)</b>	<b>3,239.86</b>

Significant accounting policies

3

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

As per our report of even date

for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

for and on behalf of the board of directors of  
**Panasonic Carbon India Co. Ltd.**  
CIN: L29142TN1982PLC009560

**K Raghuram**  
Partner  
Membership No.: 211171

**R. Senthil Kumar**  
Managing Director  
DIN: 02170079  
**Vinayagam Sume**  
Chief Financial Officer

**V.R. Gupte**  
Director  
DIN: 00309699  
**P. Maheswari**  
Company Secretary

Place : Chennai  
Date: 16 May 2018

Place : Chennai  
Date: 16 May 2018

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the Financial Statements for the year ended 31st March 2018

(All amounts are in thousands of INR)

### 1 Reporting entity

Panasonic Carbon India Co. Ltd (the 'Company') is a company domiciled in India, with its registered office situated at Pottipati Plaza, 3rd floor, 77, Nungambakkam High Road, Nungambakkam, Chennai - 600034. The Company has been incorporated under the provisions of Indian Companies Act, 2013 and its equity shares are listed on the Bombay Stock Exchange (BSE). The Company is primarily involved in manufacturing carbon rods.

### 2 Basis of preparation

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ("previous GAAP").

As this is the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 36.

The financial statements were authorised for issue by the Company's Board of Directors on 16 May, 2018.

Details of the Company's accounting policies are included in Note 3.

#### 2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest thousands, unless otherwise stated.

#### 2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Investments	Fair value

#### 2.4 Use of estimates and judgements

In preparing these financial statements, management has made estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes: Note 3.3 - estimated useful life of property, plant and equipment and intangible assets. Note 3.7 and Note 34 - recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources. Note 31D - recognition of deferred tax assets; availability of future taxable profit against which deferred tax assets will be recovered in future periods. Notes 17, 32 - measurement of defined benefit obligations: key actuarial assumptions

#### 2.5 Measurement of fair values

A few of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 1 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).





## PANASONIC CARBON INDIA CO. LIMITED

expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

### **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

#### **iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### **3.3 Property, Plant and Equipment**

#### **i. Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### **ii. Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 36A).

#### **iii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### **iv. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is recognised in the statement of profit and loss. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

<b>Asset category</b>	<b>Management estimate of useful life</b>	<b>Useful life as per Schedule II</b>
Buildings	30- 60 years	30- 60 years
Plant and equipment	8 years	8 years
Solar power plant	25 years	8 years
Office equipment	5 years	5 years
Furnitures and fixtures	10 years	10 years
Motor vehicles	10 years	10 years

With respect to solar power plant the Company has, based on technical evaluation estimated the useful life as 25 years.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

### **3.4 Inventories**

Inventories are valued at lower of cost and net realisable value.

The cost of inventories is based on the 'first-in-first-out' formula, and includes expenditure incurred in acquiring the inventory, or conversion costs and other costs incurred in bringing them to their present location and condition.

## PANASONIC CARBON INDIA CO. LIMITED

In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, components 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.

### 3.5 Impairment

#### *i. Impairment of financial instruments*

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

#### **Measurement of expected credit losses**

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### *ii. Impairment of non-financial assets*

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset). The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made 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.

### 3.6 Employee Benefits

#### *i. Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### *ii. Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### **iii. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### **iv. Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

## **3.7 Provisions (other than for employee benefits)**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive 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 determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

## **3.8 Revenue**

### **Sale of goods**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

## **3.9 Government grants**

Export benefits in the nature of duty drawback are accounted as income in the year of exports based on eligibility/expected eligibility duly considering the entitlements as per the policy, industry specific developments, interpretations arising out of judicial/regulatory proceedings where applicable, management assessment etc. and when there is no uncertainty in receiving the same. Export benefits in the nature of Merchandise Export from India Scheme (MEIS) are accrued when there is no uncertainty in receiving / utilizing the same, taking into consideration the prevailing regulations. Adjustments, if any, to the amounts recognised in accordance with the accounting policy, based on final determination by the authorities, are dealt with appropriately in the year of final determination and acceptance.

## **3.10 Leases**

### **i. Determining whether an arrangement contains a lease**

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a

## PANASONIC CARBON INDIA CO. LIMITED

liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

### *ii. Lease payments*

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

The Company does not have any finance leases.

### **3.11 Recognition of dividend income, interest income or expense**

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established. Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### **3.12 Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### *i. Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### *ii. Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2018

(All amounts are in thousands of INR)

### 4 Property, Plant and Equipment

See accounting policies in Note 3.3

#### A Reconciliation of carrying amount

	Land	Buildings	Plant and Equipment	Solar Power Plant	Office Equipments	Furniture and Fixtures	Vehicles	Total (A)	Capital work-in-progress (B)	Total (A+B)
<b>Cost or deemed cost (gross carrying amount)</b>										
Balance at 1 April 2016	1,932.54	18,293.06	3,114.18	-	560.04	143.11	1,821.79	<b>25,864.72</b>	-	<b>25,864.72</b>
Additions	-	1,015.08	3,905.43	72,500.12	128.37	535.41	-	<b>78,084.41</b>	-	<b>78,084.41</b>
Disposals	530.67	-	-	-	-	-	-	<b>530.67</b>	-	<b>530.67</b>
<b>Balance at 31 March 2017</b>	<b>1,401.87</b>	<b>19,308.14</b>	<b>7,019.61</b>	<b>72,500.12</b>	<b>688.41</b>	<b>678.52</b>	<b>1,821.79</b>	<b>1,03,418.46</b>	-	<b>1,03,418.46</b>
Balance at 1 April 2017	1,401.87	19,308.14	7,019.61	72,500.12	688.41	678.52	1,821.79	<b>1,03,418.46</b>	-	<b>1,03,418.46</b>
Additions	-	154.06	5,292.82	800.00	-	-	1,614.70	<b>7,861.58</b>	1,595.00	<b>9,456.58</b>
Disposals	-	-	28.55	1,304.98	-	-	-	<b>1,333.53</b>	-	<b>1,333.53</b>
<b>Balance at 31 March 2018</b>	<b>1,401.87</b>	<b>19,462.20</b>	<b>12,283.88</b>	<b>71,995.14</b>	<b>688.41</b>	<b>678.52</b>	<b>3,436.49</b>	<b>1,09,946.51</b>	<b>1,595.00</b>	<b>1,11,541.51</b>
<b>Accumulated depreciation</b>										
Depreciation for the year	-	1,587.75	1,501.80	840.45	407.19	30.97	596.20	<b>4,964.36</b>	-	<b>4,964.36</b>
Adjustments	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	-	<b>1,587.75</b>	<b>1,501.80</b>	<b>840.45</b>	<b>407.19</b>	<b>30.97</b>	<b>596.20</b>	<b>4,964.36</b>	-	<b>4,964.36</b>
Balance at 1 April 2017	-	1,587.75	1,501.80	840.45	407.19	30.97	596.20	<b>4,964.36</b>	-	<b>4,964.36</b>
Depreciation for the year	-	1,525.78	2,747.30	8,056.31	230.24	146.08	564.31	<b>13,270.02</b>	-	<b>13,270.02</b>
Disposals	-	-	13.29	1.54	-	-	-	<b>14.83</b>	-	<b>14.83</b>
<b>Balance at 31 March 2018</b>	-	<b>3,113.53</b>	<b>4,235.81</b>	<b>8,895.22</b>	<b>637.43</b>	<b>177.05</b>	<b>1,160.51</b>	<b>18,219.55</b>	-	<b>18,219.55</b>
<b>Carrying amount (net)</b>										
As at 1 April 2016	1,932.54	18,293.06	3,114.18	-	560.04	143.11	1,821.79	<b>25,864.72</b>	-	<b>25,864.72</b>
As at 31 March 2017/ 1 April 2017	1,401.87	17,720.39	5,517.81	71,659.67	281.22	647.55	1,225.59	<b>98,454.10</b>	-	<b>98,454.10</b>
As at 31 March 2018	<b>1,401.87</b>	<b>16,348.67</b>	<b>8,048.07</b>	<b>63,099.92</b>	<b>50.98</b>	<b>501.47</b>	<b>2,275.98</b>	<b>91,726.96</b>	<b>1,595.00</b>	<b>93,321.96</b>

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2018

(All amounts are in thousands of INR)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>5 Investments</b>			
See accounting policies in note 3.2			
<b>Quoted equity shares</b>			
Equity shares at FVTPL			
(i) 100 (31 March 2017- 100; 1 April 2016- 100) equity share of Eveready Industries India Limited	37.21	5.45	5.45
(ii) 100 (31 March 2017- 100; 1 April 2016- 100) equity share of McLeod Russel India Limited	14.29	5.45	5.45
	<b>51.50</b>	<b>10.90</b>	<b>10.90</b>
Aggregate book value of quoted investments	10.90	10.90	10.90
Aggregate market value of the quoted investments	51.50	42.85	49.96
Aggregate amount of impairment in value of investments	-	-	-
<b>6 Non-current loans</b>			
<i>(unsecured, considered good, unless otherwise stated)</i>			
Security deposits	4,336.62	4,286.62	4,325.55
	<b>4,336.62</b>	<b>4,286.62</b>	<b>4,325.55</b>
<b>7 Non-current other financial assets</b>			
<i>(unsecured, considered good, unless otherwise stated)</i>			
Bank balances in deposit accounts	20,000.00	5,000.00	-
	<b>20,000.00</b>	<b>5,000.00</b>	<b>-</b>
<b>8 Inventories</b>			
See accounting policy in note 3.4			
Raw materials	17,591.54	10,576.32	11,330.15
Work in progress	11,910.78	8,924.27	12,529.05
Stores and spares	2,604.55	1,997.14	1,561.79
	<b>32,106.87</b>	<b>21,497.73</b>	<b>25,420.99</b>
<b>9 Trade receivables</b>			
See accounting policy in note 3.2			
<b>Trade receivables</b>			
Unsecured, considered good	26,586.51	36,601.97	32,356.27
Doubtful	-	-	-
	<b>26,586.51</b>	<b>36,601.97</b>	<b>32,356.27</b>
Non-current	-	-	-
Current	26,586.51	36,601.97	32,356.27
	<b>26,586.51</b>	<b>36,601.97</b>	<b>32,356.27</b>
Of the above, trade receivables from related parties are as below:			
Total trade receivables from related parties	24,355.86	29,881.79	24,007.50
For terms and conditions of trade receivables owing from related parties, see Note 35C.			
The Company's exposure to credit and currency risk and loss allowance relating to trade receivables are disclosed in Note 33.			

## PANASONIC CARBON INDIA CO. LIMITED

### Notes to the financial statements for the year ended 31 March 2018

(All amounts are in thousands of INR)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>10 Cash and cash equivalents</b>			
Cash on hand	134.13	447.90	144.95
Balances with banks			
In current accounts	12,976.68	21,808.25	10,194.65
	<b>13,110.81</b>	<b>22,256.15</b>	<b>10,339.60</b>
<b>11 Bank balances other than cash and cash equivalents</b>			
In deposit accounts*	8,23,225.59	7,48,850.50	7,38,227.54
In earmarked accounts			
Unpaid dividend accounts	3,239.86	3,172.94	3,052.81
	<b>8,26,465.45</b>	<b>7,52,023.44</b>	<b>7,41,280.35</b>
* includes accrued interest	13,225.59	13,850.50	16,238.44
<b>12 Current loans</b>			
<i>(unsecured, considered good unless otherwise stated)</i>			
Loans to employees	328.20	336.60	343.05
	<b>328.20</b>	<b>336.60</b>	<b>343.05</b>
<b>13 Other current financial assets</b>			
Export incentive receivable	6,636.90	14,735.09	9,366.32
	<b>6,636.90</b>	<b>14,735.09</b>	<b>9,366.32</b>
<b>14 Other current assets</b>			
Advance payments to suppliers	256.34	334.06	773.19
Prepaid expenses	710.36	706.48	503.39
Balance with Government Authorities	3,639.28	9,322.13	5,178.99
	<b>4,605.98</b>	<b>10,362.67</b>	<b>6,455.57</b>
<b>15 Share Capital</b>			
<b>15.1 Equity Share Capital</b>			
<b>a Authorised:</b>			
10,000 (31 March 2017 - 10,000; 01 April 2016 - 10,000) equity shares of INR 10 each	1,00,000.00	1,00,000.00	1,00,000.00
<b>b Issued, subscribed and paid-up:</b>			
4,800 thousand (31 March 2017 - 4,800 thousand, 01 April 2016 - 4,800 thousand) equity shares of INR 10 each	48,000.00	48,000.00	48,000.00
All issued shares are fully paid-up.			
<b>15.2 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period</b>			
<b>Particulars</b> <i>(In thousands)</i>	<b>As at 31 March, 2018</b>	<b>As at 31 March, 2017</b>	
At the commencement and at the end of the period	48,00	48,00	

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2018

(All amounts are in thousands of INR)

### 15.3 Rights, preferences and restrictions attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. 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.

### 15.4 Shares held by holding company

<i>(In thousands)</i>	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares of INR 10 each fully paid up held by Panasonic Corporation, Japan	3,036.82	30,368.20	3,036.82	30,368.20

### 15.5 Particulars of shareholders holding more than 5% of a class of shares

<i>(In thousands)</i>	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% of holding	Number of shares	% of holding
Panasonic Corporation, Japan	3,036.82	63.267%	3,036.82	63.267%

### 16 Other Equity

#### Reserves and Surplus

##### a. General Reserve

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Balance as at the commencement of the year	7,60,000.00	6,60,000.00	5,85,000.00
Add: Transfer from statement of profit and loss	-	1,00,000.00	75,000.00
<b>Balance as at the end of the year</b>	<b>7,60,000.00</b>	<b>7,60,000.00</b>	<b>6,60,000.00</b>

General Reserve is an accumulation of retained earnings of the Company, apart from the statement of profit and loss balance, which is utilised for meeting future obligations.

##### b. Securities Premium

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Balance as at the commencement and end of the year	27,000.00	27,000.00	27,000.00

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with provisions of Companies Act, 2013.

#### Dividends

The following dividends were declared and paid by the Company during the year:

	31 March 2018	31 March 2017
INR 10 per equity share (31 March 2017: INR 10)	48,000.00	48,000.00
Dividend Distribution Tax (DDT) on dividend to equity shareholders	9,771.67	9,771.67
	<b>57,771.67</b>	<b>57,771.67</b>



## PANASONIC CARBON INDIA CO. LIMITED

### Notes to the financial statements for the year ended 31 March 2018

(All amounts are in thousands of INR)

#### Dividends (continued)

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

	31 March 2018	31 March 2017
INR 10 per equity share (31 March 2017: INR 10)	48,000.00	48,000.00
	<b>48,000.00</b>	<b>48,000.00</b>

#### 17 Analysis of accumulated OCI, net of tax

a. Items of OCI	31 March 2018	31 March 2017	01 April 2016
Remeasurement of defined benefit liability (asset) (Refer note)	-	-	-
<b>Note:</b>			
Opening balance	-	-	-
Remeasurement of defined benefit liability (asset)	1,045.43	2,984.09	-
Less: Transferred to retained earnings	(1,045.43)	(2,984.09)	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

Remeasurements of defined benefit liability (asset) comprise actuarial gain and losses and return on plan assets (excluding interest income)

#### 18 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The Company's funding requirements are met entirely through equity and internal accretions. The management monitors the return on capital, as well as the level of dividends paid to the equity share holders. The constituents of capital (Equity share capital and other equity) are listed out as a part of the "Statement of changes in equity".

	Year ended 31 March 2018	Year ended 31 March 2017	As at 01 April 2016
<b>Return on capital</b>			
Profit after tax for the year (a)	1,23,041.54	1,60,880.14	1,33,715.11
Paid-up share capital (b)	48,000.00	48,000.00	48,000.00
Other equity (c )	9,13,034.89	8,48,810.45	7,48,686.07
<b>Return on capital (a/(b+c))</b>	<b>12.80%</b>	<b>17.94%</b>	<b>16.78%</b>
<b>Dividend payout</b>			
Dividend declared for the year (c )	48,000.00	48,000.00	48,000.00
<b>Dividend payout (c/a)</b>	<b>39.01%</b>	<b>29.84%</b>	<b>35.90%</b>

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2018

(All amounts are in thousands of INR)

### 19 Earning per share

#### Basic and diluted earnings per share

The calculation of basic earnings per share is based on profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding as follows:

	As at 31 March 2018	As at 31 March 2017
Profit attributable to the equity shareholders of the Company	1,23,041.54	1,60,880.14
Weighted average number of equity shares	4,800.00	4,800.00
Basic and diluted earnings per share (EPS)	25.63	33.52

### 20 Trade payables

Trade payables to related parties :

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
total outstanding dues of micro and small enterprises	-	-	-
total outstanding dues of creditors other than micro and small enterprises	15,771.34	14,762.00	14,815.09

To others :

total outstanding dues of micro and small enterprises	-	-	-
total outstanding dues of creditors other than micro and small enterprises	19,398.80	23,069.01	25,663.86
	<b>35,170.14</b>	<b>37,831.01</b>	<b>40,478.95</b>

All trade payables are "current"

#### Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

As at 31 March 2018, the Company had no outstanding dues to Micro and Small enterprises (for 31 March 2017- INR Nil; 01 April 2016- INR Nil). The list of Micro and Small enterprises was determined by the Company on the basis of information available with the Company. The Company also had no outstanding dues that require to be furnished under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006.

The Company's exposure to currency and liquidity risks related to financial liabilities is disclosed in Note 33.

### 21 Other financial liabilities

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Unpaid dividends	3,239.86	3,172.94	3,052.81

### 22 Other current liabilities

Statutory dues	2,666.62	3,313.35	1,643.13
Employee benefits payable	5,201.01	4,684.66	5,067.78
Director's commission payable	1,745.50	2,357.75	2,161.98
Advance received from customers	-	117.81	118.18
	<b>9,613.13</b>	<b>10,473.57</b>	<b>8,991.07</b>

### 23 Provisions

See accounting policy in note 3.6 and 3.7

	Non - current as at			Current as at		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
<b>Provision for employee benefits (refer note 32)</b>						
Liability for gratuity	1,999.56	4,706.12	1,462.91	1,390.28	952.03	146.00
Liability for compensated absences	764.37	-	334.36	730.71	935.88	99.30
<b>Total provision for employee benefits</b>	<b>2,763.93</b>	<b>4,706.12</b>	<b>1,797.27</b>	<b>2,120.99</b>	<b>1,887.91</b>	<b>245.30</b>
<b>Total provisions</b>	<b>2,763.93</b>	<b>4,706.12</b>	<b>1,797.27</b>	<b>2,120.99</b>	<b>1,887.91</b>	<b>245.30</b>

## PANASONIC CARBON INDIA CO. LIMITED

### Notes to the financial statements for the year ended 31 March 2018

(All amounts are in thousands of INR)

	Year ended 31 March 2018	Year ended 31 March 2017
<b>24 Revenue from operations</b>		
See accounting policy in Note 3.8		
Sale of products (including excise duty)	4,32,702.60	4,93,826.48
<b>Total sale of products (A)</b>	<b>4,32,702.60</b>	<b>4,93,826.48</b>
<b>Other operating revenues</b>		
Scrap sales	454.81	474.37
Export incentives	11,731.11	14,102.84
<b>Total other operating revenues (B)</b>	<b>12,185.92</b>	<b>14,577.21</b>
<b>Total revenue from operations (A+B)</b>	<b>4,44,888.52</b>	<b>5,08,403.69</b>
<b>25 Other income</b>		
See accounting policy in Note 3.11		
Interest income under the effective interest method on cash and cash equivalents	54,297.77	58,313.44
Dividend income on equity securities-at FVTPL	-	0.30
Mandatorily measured financial assets at FVTPL-net change in fair value of investments	40.60	-
Net gain on sale of property, plant and equipment	967.48	-
Sale of electricity	10,708.46	15.00
Miscellaneous income	164.91	2,510.69
	<b>66,179.22</b>	<b>60,839.43</b>
<b>26 Cost of materials consumed</b>		
Inventory of materials at the beginning of the year	10,576.32	11,330.15
Add: Purchases	1,38,984.21	1,23,693.56
Less : Inventory of materials at the end of the year	17,591.54	10,576.32
<b>Cost of materials consumed</b>	<b>1,31,968.99</b>	<b>1,24,447.39</b>
<b>27 Changes in inventories of work-in-progress</b>		
Opening inventory	8,924.27	12,529.05
Closing inventory	11,910.78	8,924.27
(Increase) /decrease in inventory	<b>(2,986.51)</b>	<b>3,604.78</b>
<b>28 Depreciation expense</b>		
(See accounting policy in Note 3.3)		
Depreciation of property, plant and equipment (refer note 4)	13,270.02	4,964.36
	<b>13,270.02</b>	<b>4,964.36</b>
<b>29 Employee benefit expenses</b>		
(See accounting policy in Note 3.6)		
Salaries, wages and bonus	61,831.97	57,674.77
Contribution to provident fund	5,056.26	5,189.53
Expenses related to post-employment defined benefit plans (refer note 32)	1,414.17	1,283.80
Staff welfare expenses	7,583.28	7,022.01
	<b>75,885.68</b>	<b>71,170.11</b>

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2018

(All amounts are in thousands of INR)

	Year ended 31 March 2018	Year ended 31 March 2017
<b>30 Other expenses</b>		
Consumption of stores and spare parts	12,089.48	13,001.12
Power and fuel	40,718.42	38,196.91
Rent	2,871.86	2,960.13
Repairs and maintenance		
Buildings	4,823.05	6,347.31
Machinery	7,773.65	11,220.09
Others	7,484.47	6,626.12
Rates and taxes	855.77	1,564.44
Freight and forwarding charges	3,615.66	4,104.05
Travelling and conveyance	1,561.98	1,693.28
Legal and professional fees	1,572.97	702.33
Payment to auditors (see note (i) below)	1,100.00	756.61
Advertisement and sales promotion	33.01	72.89
Expenditure on corporate social responsibility (see note (ii) below)	3,837.07	3,174.00
Insurance	780.61	626.89
Communication expenses	1,621.47	1,441.92
Commission to Non-whole time directors	1,745.50	2,357.75
Sitting fees	285.00	295.00
Royalty and brand license fees	16,272.76	16,402.22
Net loss on foreign currency transactions	354.59	859.27
Miscellaneous	1,528.32	1,329.03
	<b>1,10,925.64</b>	<b>1,13,731.36</b>

### Note:

(i) Payments to auditors (excluding service tax and GST)

#### As auditor

Statutory audit	500.00	300.00
Tax audit	-	225.00
Limited review and other services	600.00	231.61
	<b>1,100.00</b>	<b>756.61</b>

(ii) Details of corporate social responsibility expenditure

(a) Amount required to be spent by Company during the year	3,837.07	3,174.00
(b) Amount spent during the year (in cash)		
(i) On construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	3,837.07	3,174.00

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2018

(All amounts are in thousands of INR)

### 31 Income Tax

See accounting policy in Note 3.12

#### A. Amounts recognised in profit or loss

	Year ended 31 March 2018	Year ended 31 March 2017
<b>i. Current tax</b>		
Current period	47,555.37	74,079.30
<b>ii. Deferred tax</b>		
<i>Attributable to–</i>		
Origination and reversal of temporary differences	3,156.95	10,279.41
Reduction in tax rate	1,516.58	-
<b>Tax expense of continuing operations (i)+(ii)</b>	<b>52,228.90</b>	<b>84,358.71</b>

Consequent to Finance Bill, 2017, the applicable base tax rate for the company has reduced to 25% from 30%. This has resulted in reversal of opening deferred tax asset of INR 15,16.58.

#### B. Income tax recognised in other comprehensive income

	31 March 2018			31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of defined benefit liability (asset) (1,469.12)	(1,469.12)	423.69	(1,045.42)	(4,563.39)	1,579.30	(2,984.09)
<b>Total</b>	<b>(1,469.12)</b>	<b>423.69</b>	<b>(1,045.42)</b>	<b>(4,563.39)</b>	<b>1,579.30</b>	<b>(2,984.09)</b>

#### C. Reconciliation of effective tax rate

	31 March 2018		31 March 2017	
Profit before tax	1,75,270.44		2,45,238.85	
Tax using the Company's domestic tax rate	28.84%	50,548.00	34.61%	84,872.26
Effect of:				
Non-deductible expenses	0.63%	1,106.61	0.45%	1,098.46
Lower tax on capital gains on sale of land	-	-	-0.81%	(1,988.34)
Decrease in tax rate	0.87%	1,516.58	0.00%	-
Others	-0.54%	(942.28)	0.15%	376.33
<b>Effective tax rate</b>	<b>29.80%</b>	<b>52,228.90</b>	<b>34.40%</b>	<b>84,358.71</b>

#### D. Recognised deferred tax (assets) and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets)/ liabilities	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Property, plant and equipment	-	-	14,616.25	9,942.72	14,616.25	9,942.72
Provisions - Employee benefits	(423.69)	-	-	-	(423.69)	-
<b>Net deferred tax (assets)/ liabilities</b>	<b>(423.69)</b>	<b>-</b>	<b>14,616.25</b>	<b>9,942.72</b>	<b>14,192.56</b>	<b>9,942.72</b>

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2018

(All amounts are in thousands of INR)

### 32 Assets and liabilities relating to employee benefits

	31 March 2018	31 March 2017	01 April 2016
<b>Net defined benefit liability- Gratuity plan</b>	3,389.83	5,658.15	1,608.91
Non-current	1,999.55	4,706.12	1,462.91
Current	1,390.28	952.03	146.00
<b>Net defined benefit liability - Compensated absences</b>	1,495.08	935.88	433.66
Non-current	764.37	-	334.36
Current	730.71	935.88	99.30
<b>Total employee benefit liabilities</b>	<b>4,884.91</b>	<b>6,594.03</b>	<b>2,042.57</b>

For details about the related employee benefit expenses, see Note 29.

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The defined benefit plan for gratuity is administered by a single gratuity fund (Life Insurance Corporation of India) that is legally separate from the Company.

#### A. Funding

The Plan is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions have been set out in (E). Employees do not contribute to the plan.

#### B. Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

<b>Reconciliation of present value of defined benefit obligation</b>	<b>Year ended 31 March 2018</b>	<b>Year ended 31 March 2017</b>
Balance at the beginning of the year	31,461.85	24,244.12
Benefits paid	(2,044.61)	(597.96)
Current service cost	1,332.89	1,164.12
Interest cost	2,130.78	1,915.61
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	(37.04)	0.00
- changes in financial assumptions	(624.73)	1,608.69
- experience adjustments	2,248.99	3,127.27
<b>Balance at the end of the year</b>	<b>34,468.13</b>	<b>31,461.85</b>

<b>Reconciliation of the present value of plan assets</b>	<b>Year ended 31 March 2018</b>	<b>Year ended 31 March 2017</b>
Balance at the beginning of the year	25,803.70	22,748.20
Contributions paid into the plan	5,149.38	1,684.95
Benefits paid	(2,042.40)	(597.96)
Interest income	2,049.50	1,795.94
Return on plan assets recognised in other comprehensive income	118.12	172.57
<b>Balance at the end of the year</b>	<b>31,078.30</b>	<b>25,803.70</b>
<b>Net defined benefit (asset)</b>	<b>3,389.83</b>	<b>5,658.15</b>

## PANASONIC CARBON INDIA CO. LIMITED

### Notes to the financial statements for the year ended 31 March 2018

(All amounts are in thousands of INR)

C. i. Expense recognised in profit or loss	Year ended 31 March 2018	Year ended 31 March 2017
Current service cost	1,332.89	1,164.12
Interest cost	2,130.78	1,915.61
Interest income	(2,049.50)	(1,795.93)
	<b>1,414.17</b>	<b>1,283.80</b>
<b>ii. Remeasurements recognised in other comprehensive income</b>		
Actuarial (gain)/ loss on defined benefit obligation	1,587.24	4,735.97
Return on plan assets excluding interest income	(118.12)	(172.58)
	<b>1,469.12</b>	<b>4,563.39</b>

#### D. Plan assets

Plan assets comprise LIC fund maintained by Company.

#### E. Defined benefit obligation

##### i. Principal actuarial assumptions at the reporting date:

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016
Discount rate	7.50%	7.00%	8.00%
Future salary growth	8.00%	8.00%	8.00%
Attrition rate	2.00%	1.00-3.00%	1.00-3.00%

Assumptions regarding future mortality are based on published statistics and mortality tables.

##### ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Year ended 31 March 2018		Year ended 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1,167.25)	1,279.38	(1,845.95)	1,561.57
Future salary growth (1% movement)	1,487.22	(1,387.80)	1,745.31	(1,628.67)
Attrition rate (1% movement)	(34.37)	37.06	(1.91)	2.18

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2018

(All amounts are in thousands of INR)

### 33 Financial instruments - Fair value and risk management

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2018	Carrying amount			
	At FVTPL - others- Level 1 fair value	Other financial assets- amortised cost	Other financial liabilities	Total carrying amount
<b>Financial assets measured at fair value</b>				
Investments	51.50	-	-	51.50
	<b>51.50</b>	-	-	<b>51.50</b>
<b>Financial assets not measured at fair value (Refer note)</b>				
Loans	-	4,664.82	-	4,664.82
Trade receivables	-	26,586.51	-	26,586.51
Cash and cash equivalents	-	13,110.81	-	13,110.81
Bank balances other than cash and cash equivalents	-	8,26,465.45	-	8,26,465.45
Other financial assets	-	26,636.90	-	26,636.90
	-	<b>8,97,464.48</b>	-	<b>8,97,464.48</b>
<b>Financial liabilities not measured at fair value (Refer note)</b>				
Trade payables	-	-	35,170.14	35,170.14
Other financial liabilities	-	-	3,239.86	3,239.86
	-	-	<b>38,410.00</b>	<b>38,410.00</b>
<b>31 March 2017</b>				
	Carrying amount			
	At FVTPL - others- Level 1 fair value	Other financial assets- amortised cost	Other financial liabilities	Total carrying amount
<b>Financial assets measured at fair value</b>				
Investments	10.90	-	-	10.90
	<b>10.90</b>	-	-	<b>10.90</b>
<b>Financial assets not measured at fair value (Refer note)</b>				
Loans	-	4,623.22	-	4,623.22
Trade receivables	-	36,601.97	-	36,601.97
Cash and cash equivalents	-	22,256.15	-	22,256.15
Bank balances other than cash and cash equivalents	-	7,52,023.44	-	7,52,023.44
Other financial assets	-	19,735.09	-	19,735.09
	-	<b>8,35,239.87</b>	-	<b>8,35,239.87</b>
<b>Financial liabilities not measured at fair value (Refer note)</b>				
Trade payables	-	-	37,831.01	37,831.01
Other financial liabilities	-	-	3,172.94	3,172.94
	-	-	<b>41,003.95</b>	<b>41,003.95</b>



# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2018

(All amounts are in thousands of INR)

01 April 2016	Carrying amount			
	At FVTPL - others- Level 1 fair value	Other financial assets- amortised cost	Other financial liabilities	Total carrying amount
<b>Financial assets measured at fair value</b>				
Investments	10.90	-	-	10.90
	<b>10.90</b>	-	-	<b>10.90</b>
<b>Financial assets not measured at fair value (Refer note)</b>				
Loans	-	4,668.59	-	4,668.59
Trade receivables	-	32,356.27	-	32,356.27
Cash and cash equivalents	-	10,339.60	-	10,339.60
Bank balances other than cash and cash equivalents	-	7,41,280.35	-	7,41,280.35
Other financial assets	-	9,366.32	-	9,366.32
	-	<b>7,98,011.13</b>	-	<b>7,98,011.13</b>
<b>Financial liabilities not measured at fair value (Refer note)</b>				
Trade payables	-	-	40,478.95	40,478.95
Other financial liabilities	-	-	3,052.81	3,052.81
	-	-	<b>43,531.76</b>	<b>43,531.76</b>

**Note:** The Company has not disclosed fair values of financial instruments such as trade receivables, loans, cash and cash equivalents, Bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities, since their carrying amounts are reasonable approximates of fair values.

## B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:-

- a. credit risk (see (B)(ii));
- b. liquidity risk (see (B)(iii));
- c. market risk (see (B)(iv)).

### i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

## PANASONIC CARBON INDIA CO. LIMITED

### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amounts of financial assets represent the maximum credit risk exposure.

The maximum exposure to credit risk for trade and other receivables are as follows:

	Carrying amount		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Trade receivables	26,586.51	36,601.97	32,356.27
<b>Cash and bank balances</b>			
Cash and cash equivalents	13,110.81	22,256.15	10,339.60
Bank balances other than cash and cash equivalent	8,26,465.45	7,52,023.44	7,41,280.35
Loans	4,664.82	4,623.22	4,668.60
Other financial assets	26,636.90	19,735.09	9,366.32

#### Trade receivables

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, country in which the customer operates, has an influence on credit risk assessment. Credit risks are managed by the Company through credit approvals, and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of business. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of nil credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Revenue from one customer of the Company is INR 116,375 (2016-17- INR 118,665) which is more than ten percent of the Company's total revenue.

The Company's exposure to credit risk for trade receivables by geographic region is as follows.

	Carrying amount		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
India	5,775.04	10,232.59	8,337.87
Rest of the world	20,811.47	26,369.38	24,018.40

The Company's exposure to credit risk for trade receivables by relationship with customers is as follows.

	Carrying amount		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Third parties	2,230.46	6,720.18	6,474.95
Related parties	24,356.04	29,881.79	25,881.32

#### Cash and bank balances

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

## PANASONIC CARBON INDIA CO. LIMITED

### Loans

This balance primarily constitute of rental deposits given to lessors and electricity deposit given to Electricity Board. The Company does not expect any losses from non-performance by these counter parties.

### Other financial assets

Other financial assets also comprises fixed deposits, interest accrued on fixed deposits and export incentives receivable. These fixed deposits are held with credit worthy banks and financial institutions. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good with low credit risk. Export incentive receivable pertains to duty drawback and rebate income receivable from Customs authorities. The Company does not expect any losses from non-performance by these counter parties.

### iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	Contractual cash flows					
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	More than 2 years
<b>As at 31 March 2018</b>						
Trade payables	35,170.14	35,170.14	35,170.14	-	-	-
Other financial liabilities	3,239.86	3,239.86	3,239.86	-	-	-
<b>As at 31 March 2017</b>						
Trade payables	37,831.01	37,831.01	37,831.01	-	-	-
Other financial liabilities	3,172.94	3,172.94	3,172.94	-	-	-
<b>As at 31 March 2016</b>						
Trade payables	40,478.95	40,478.95	40,478.95	-	-	-
Other financial liabilities	3,052.81	3,052.81	3,052.81	-	-	-

### iv. Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to the risk of foreign exchange receivables.

### Currency risk

Foreign currency risk arise in USD and JPY and other foreign currency denominated transactions mainly from monetary receivables gives rise to exchange rate fluctuation risk.

# PANASONIC CARBON INDIA CO. LIMITED

## Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows.

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	USD	JPY	USD	JPY	USD	JPY
Trade receivables	319.96	-	406.69	-	362.09	-
Trade payables	(4.93)	(24,896.35)	-	(25,469.29)	-	(25,084.82)
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>315.03</b>	<b>(24,896.35)</b>	<b>4,06.69</b>	<b>(25,469.29)</b>	<b>362.09</b>	<b>(25,084.82)</b>

## Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against USD and JPY at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

<i>Effects in INR</i>	(Profit) or Loss	
	Strengthening	Weakening
<b>As at 31 March 2018</b>		
USD (1% movement)	3.15	(3.15)
JPY (1% movement)	(248.96)	248.96
<b>As at 31 March 2017</b>		
USD (1% movement)	4.07	(4.07)
JPY (1% movement)	(254.69)	254.69
<b>As at 01 April 2016</b>		
USD (1% movement)	3.62	(3.62)
JPY (1% movement)	(250.85)	250.85

## 34 Contingent liabilities

*(to the extent not provided for)*

### Contingent liabilities

Claims against the Company not acknowledged as debt

	31 March 2018	31 March 2017
Income tax matters	3,732.66	14,932.08
Excise duty, service tax and customs duty matters	3,674.45	-

## 35 Related parties

### A Parent and ultimate controlling party

The parent and ultimate controlling party of the Company as at 31 March 2018 is Panasonic Corporation, Japan

### List of related parties with whom transactions have taken place during the year :

Holding company	Panasonic Corporation, Japan
Fellow subsidiaries under common control	Panasonic Energy India Co Ltd Panasonic Energy Tanzania Co. Ltd., Tanzania Panasonic Peruana S.A., Peru

## PANASONIC CARBON INDIA CO. LIMITED

P.T. Panasonic Gobel Energy Indonesia, Indonesia  
 Panasonic Energy Poland S.A., Poland  
 Panasonic Centroamericana, S.A., Costa Rica  
 Panasonic Management (Thailand) Co. Ltd, Thailand  
 Panasonic Do Brasil Limitada, Brazil  
 Panasonic Energy (Shanghai) Co. Ltd, Shanghai  
 Panasonic India Pvt Ltd  
 Panasonic Asia Pacific Pte. Limited, Singapore

Key Management Personnel

Mr.R. Senthil Kumar, Managing Director  
 Mr. K. Subramanian, Independent Director  
 Mr. A.R.Rao, Independent Director  
 Mr. V.R. Gupte, Independent Director  
 Ms. C. Jayashree, Independent Woman Director

### B Transactions with key management personnel

#### Key management personnel compensation

	Year ended 31 March 2018	Year ended 31 March 2017
Managerial Remuneration*	7,026.80	6,124.29
Sitting fees	285.00	295.00
Directors' commission	1,745.50	2,357.75

#### Key management personnel compensation payable

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 01 April 2016
Directors' commission payable	1,745.50	2,357.75	2,161.98

\* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (See note 29)

### C Related party transactions other than those with key management personnel Transaction value

#### Sale of goods

	Year ended 31 March 2018	Year ended 31 March 2017
Panasonic Energy India Co Ltd	53,425.90	64,316.05
Panasonic Energy Tanzania Co. Ltd., Tanzania	5,422.23	24,626.33
Panasonic Peruana S.A.,Peru	29,438.03	33,148.65
P.T. Panasonic Gobel Energy Indonesia, Indonesia	22,480.13	29,385.58
Panasonic Energy Poland S.A., Poland	1,16,374.92	1,18,664.53
Panasonic Centroamericana, S.A., Costa Rica	6,619.59	6,811.23
Panasonic Management (Thailand) Co. Ltd, Thailand	28,660.50	29,698.36
Panasonic Do Brasil Limitada, Brazil	62,138.73	54,293.51
Panasonic Energy (Shanghai) Co. Ltd, Shanghai	11,988.71	10,381.59

## PANASONIC CARBON INDIA CO. LIMITED

### C Related party transactions other than those with key management personnel (continued)

	Transaction value	
	Year ended 31 March 2018	Year ended 31 March 2017
<b>Purchase of goods</b>		
Panasonic Asia Pacific Pte. Limited, Singapore	5,938.60	36,00.15
<b>Dividend paid</b>		
Panasonic Corporation, Japan	303.68	303.68
<b>Royalty and brand license fees</b>		
Panasonic Corporation, Japan	15,929.02	16,402.22
Panasonic India Pvt Ltd	343.73	-
<b>Reimbursement of expenses</b>		
Panasonic Corporation, Japan	33.85	61.30
Panasonic India Pvt Ltd	1,512.69	1,546.66

	Balance outstanding		
	31 March 2018	31 March 2017	01 April 2016
<b>Balance due from related parties</b>			
Panasonic Energy India Co Ltd	3,544.58	3,512.41	1,873.82
Panasonic Energy Tanzania Co. Ltd., Tanzania	-	1,096.12	-
Panasonic Peruana S.A., Peru	4,690.58	4,696.48	2,694.41
P.T. Panasonic Gobel Energy Indonesia, Indonesia	1,038.90	2,166.90	2,201.80
Panasonic Energy Poland S.A., Poland	7,765.33	10,356.41	13,989.25
Panasonic Centroamericana, S.A., Costa Rica	2,218.70	2,211.06	-
Panasonic Management (Thailand) Co. Ltd, Thailand	-	-	-
Panasonic Do Brasil Limitada, Brazil	5,097.96	5,842.42	5,122.04
Panasonic Energy (Shanghai) Co. Ltd, Shanghai	-	-	-
<b>Balance due to related parties</b>			
Panasonic Corporation, Japan	15,640.91	14,762.00	14,815.09
Panasonic India Pvt Ltd	130.43	-	-

### 36 Explanation of transition to Ind AS

As stated in Note 2.1, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

#### Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

# PANASONIC CARBON INDIA CO. LIMITED

## A Optional Exemptions Availed

### Property, plant and equipment

As per Ind AS 101 an entity may elect to use carrying values of property, plant and equipment as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment.

## B Mandatory exceptions

### 1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Impairment of financial assets based on the expected credit loss model.
- Determination of the Fair value of Investments
- Determination of the discounted value for financial instruments carried at amortised cost.

### 2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

## 36 Explanation of transition to Ind AS (continued)

### I. Reconciliation of equity

	Note	As at date of transition 01 April 2016			As at 31 March 2017		
		Previous GAAP* Ind AS	Adjustment on transition to	Ind AS	Previous GAAP* Ind AS	Adjustment on transition to	Ind AS
<b>Assets</b>							
<b>Non-current assets</b>							
Property, Plant and Equipment		25,864.72	-	25,864.72	98,454.10	-	98,454.10
Financial assets							
Investments		10.90	-	10.90	10.90	-	10.90
Loans		4,325.55	-	4,325.55	4,286.62	-	4,286.62
Other financial assets		-	-	-	5,000.00	-	5,000.00
Deferred tax assets (net)		336.69	-	336.69	-	-	-
<b>Total non-current assets</b>		<b>30,537.86</b>	<b>-</b>	<b>30,537.86</b>	<b>1,07,751.62</b>	<b>-</b>	<b>1,07,751.62</b>

# PANASONIC CARBON INDIA CO. LIMITED

	Note	As at date of transition 01 April 2016			As at 31 March 2017		
		Previous GAAP* Ind AS	Adjustment on transition to	Ind AS	Previous GAAP* Ind AS	Adjustment on transition to	Ind AS
<b>Current assets</b>							
Inventories		25,420.99	-	25,420.99	21,497.73	-	21,497.73
Financial assets :							
Trade receivables		32,356.27	-	32,356.27	36,601.97	-	36,601.97
Cash and cash equivalents		10,339.60	-	10,339.60	22,256.15	-	22,256.15
Bank balances other than cash and cash equivalents		7,41,280.35	-	7,41,280.35	7,52,023.44	-	7,52,023.44
Loans		343.05	-	343.05	336.60	-	336.60
Other financial assets		9,366.32	-	9,366.32	14,735.09	-	14,735.09
Other current assets		6,455.57	-	6,455.57	10,362.67	-	10,362.67
<b>Total current assets</b>		<b>8,25,562.15</b>	<b>-</b>	<b>8,25,562.15</b>	<b>8,57,813.66</b>	<b>-</b>	<b>8,57,813.66</b>
<b>Total assets</b>		<b>8,56,100.01</b>	<b>-</b>	<b>8,56,100.01</b>	<b>9,65,565.28</b>	<b>-</b>	<b>9,65,565.28</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
Equity share capital		48,000.00	-	48,000.00	48,000.00	-	48,000.00
Other equity	E, F	6,90,914.40	57,771.67	7,48,686.07	8,488,10.45	-	8,48,810.45
<b>Total equity</b>		<b>7,38,914.40</b>	<b>57,771.67</b>	<b>7,96,686.07</b>	<b>8,96,810.45</b>	<b>-</b>	<b>8,96,810.45</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
Deferred tax liabilities (net)		-	-	-	9,942.72	-	9,942.72
Provisions		1,797.27	-	1,797.27	4,706.12	-	4,706.12
<b>Total non - current liabilities</b>		<b>1,797.27</b>	<b>-</b>	<b>1,797.27</b>	<b>14,648.84</b>	<b>-</b>	<b>14,648.84</b>
<b>Current Liabilities</b>							
Financial liabilities							
Trade payables		40,478.95	-	40,478.95	37,831.01	-	37,831.01
Other financial liabilities		3,052.81	-	3,052.81	3,172.94	-	3,172.94
Provisions	D	58,016.97	(57,771.67)	245.30	1,887.91	-	1,887.91
Other current liabilities		8,991.07	-	8,991.07	10,473.57	-	10,473.57
Current tax liabilities (net)		4,848.54	-	4,848.54	740.55	-	-
<b>Total current liabilities</b>		<b>1,15,388.34</b>	<b>(57,771.67)</b>	<b>57,616.67</b>	<b>54,105.98</b>	<b>-</b>	<b>53,365.42</b>
<b>Total liabilities</b>		<b>1,17,185.61</b>	<b>(57,771.67)</b>	<b>59,413.94</b>	<b>68,754.82</b>	<b>-</b>	<b>68,014.25</b>
<b>Total equity and liabilities</b>		<b>8,56,100.01</b>	<b>-</b>	<b>8,56,100.01</b>	<b>9,65,565.27</b>	<b>-</b>	<b>9,65,565.27</b>

## II. Reconciliation of total comprehensive income for the year ended 31 March 2017

	Note	Year ended 31 March 2017		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Revenue from operations	A	4,88,648.09	19,755.60	5,08,403.69
Other income		60,839.43	-	60,839.43
<b>Total income</b>		<b>5,49,487.51</b>	<b>19,755.60</b>	<b>5,69,243.12</b>
<b>Expenses</b>				
Cost of materials consumed		1,24,447.39	-	1,24,447.39
Changes in inventory of finished goods and work-in-progress		3,604.78	-	3,604.78
Excise duty	A	-	19,755.60	19,755.60
Employee benefits expense	B	75,733.50	(4,563.39)	71,170.11
Depreciation and amortisation expense		4,964.36	-	4,964.36
Other expenses		1,13,731.36	-	1,13,731.36
<b>Total expenses</b>		<b>3,22,481.39</b>	<b>15,192.21</b>	<b>3,37,673.60</b>
<b>Profit before exceptional item and tax</b>		<b>2,27,006.12</b>	<b>4,563.39</b>	<b>2,31,569.52</b>
Add: Exceptional item		13,669.33	-	13,669.33
<b>Profit before income tax</b>		<b>2,40,675.45</b>	<b>4,563.39</b>	<b>2,45,238.85</b>



## PANASONIC CARBON INDIA CO. LIMITED

	Note	Year ended 31 March 2017		Ind AS
		Previous GAAP*	Adjustment on transition to Ind AS	
Current tax	C	72,500.00	1,579.30	74,079.30
Deferred tax		10,279.41	-	10,279.41
<b>Income tax expense</b>		<b>82,779.41</b>	<b>1,579.30</b>	<b>84,358.71</b>
<b>Profit for the year</b>		<b>1,57,896.05</b>	<b>2,984.09</b>	<b>1,60,880.14</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Remeasurement of defined benefit liability (asset)	B	-	(4,563.39)	(4,563.39)
Income tax relating to items that will not be reclassified to profit or loss	C	-	1,579.30	1,579.30
<b>Net other comprehensive income not to be classified to profit or loss</b>		<b>-</b>	<b>(2,984.09)</b>	<b>(2,984.09)</b>
<b>Other comprehensive income for the period, net of income tax</b>		<b>-</b>	<b>(2,984.09)</b>	<b>(2,984.09)</b>
<b>Total comprehensive income for the period</b>		<b>1,57,896.05</b>	<b>-</b>	<b>1,57,896.05</b>

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

### A Excise duty

Under previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of profit and loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2017. The total comprehensive income for the year then ended and equity as at 31 March 2017 has remained unchanged.

The impact arising from the change is summarized as follows:

	Year ended 31 March 2017	
<b>Statement of Profit and Loss</b>		
Revenue from operations		19,755.60
Excise duty		19,755.60
<b>Adjustment before income tax</b>		<b>-</b>
<b>Balance sheet</b>	01 April 2016	31 March 2017
<b>Adjustment to retained earnings</b>	-	-

### B Remeasurement of defined benefit liability (asset)

Under the previous GAAP, i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability was forming part of the profit or loss for the year. However under Ind AS 19, it is recognised in other comprehensive income.

The impact arising from the change is summarized as follows:

	Year ended 31 March 2017	
<b>Statement of profit and loss</b>		
Employee benefits expenses		(4,563.39)
		<b>(4,563.39)</b>
<b>Other comprehensive income</b>		
Remeasurement of defined benefit liability/ (assets)		4,563.39
		<b>4,563.39</b>
<b>Adjustment before income tax</b>		<b>-</b>
<b>Balance sheet</b>	01 April 2016	31 March 2017
<b>Adjustment to retained earnings</b>	-	-

## PANASONIC CARBON INDIA CO. LIMITED

### C Current tax

The impact arising from the change is summarized as follows:

	<b>Year ended 31 March 2017</b>	
<b>Statement of profit and loss</b>		
Current tax on actuarial gain or loss reclassified		1,579.30
		<u>1,579.30</u>
<b>Other comprehensive income</b>		
Income tax relating to items that will not be reclassified subsequently to profit or loss		(1,579.30)
		<u>(1,579.30)</u>
	<b>01 April 2016</b>	<b>31 March 2017</b>
<b>Balance sheet</b>		
Current tax liabilities (net)	-	-
<b>Adjustment to retained earnings</b>	-	-

### D Proposed dividend

Under previous GAAP, upto the year ended 31 March 2016 dividends proposed by the board of directors after the reporting date but before the approval of financial statements were considered to be adjusting events and accordingly recognised (along with related dividend distribution tax) as liabilities at the reporting date. Under Ind AS, dividends so proposed by Board are considered to be non-adjusting event. Accordingly, provision for proposed dividend and dividend distribution tax recognised under the previous GAAP have been reversed.

The impact arising from the change is summarized as follows:

	<b>Year ended 31 March 2017</b>	
<b>Statement of profit and loss</b>		-
	<b>01 April 2016</b>	<b>31 March 2017</b>
<b>Balance sheet</b>		
Provisions- Proposed dividend	(48,000.00)	(48,000.00)
Provisions- Dividend distribution tax on proposed dividend	(9,771.67)	(9,771.67)
<b>Adjustment to retained earnings</b>	<u>(57,771.67)</u>	<u>(57,771.67)</u>

### E Capital reserve

Under the previous GAAP, the Company had recognised a subsidy received from the Government of Andhra Pradesh towards setting up of factory in specified area, amounting to INR 1,003.25 thousands, as capital reserve. Under IndAS 20, subsidy received from the Government, in a Company where there is no equity participation by the Government, is required to be accounted as deferred income and recognised on a systematic basis, in the statement of profit and loss, over the period in which the Company recognises as expenses, the related costs which the grant is intended to compensate. As the Company had already recognised the related costs associated with the grant in the statement of profit and loss before 31 March 2016, the capital reserve amounting to INR 1,003.25 as at 31 March 2016 has been transferred to retained earnings in the opening IndAS financial statements.

### F Reconciliation to equity

The above changes (decreased)/ increased the total equity as follows:

	<b>01 April 2016</b>	<b>31 March 2017</b>
Proposed dividend	48,000.00	-
Tax effects on above adjustment	9,771.67	-
<b>Increase in total equity</b>	<u>57,771.67</u>	<u>-</u>

### G Adjustments to statement of cash flows

There were no material differences between the statement of cash flows presented under Ind AS and the Previous GAAP.

## PANASONIC CARBON INDIA CO. LIMITED

### 37 Transfer Pricing

The Company has international/ domestic transactions with related parties. For the year ended 31 March 2017, the Company has obtained an Accountant's report from a Chartered Accountant in respect of international/domestic transactions with related parties as required by the relevant provisions of the Income tax act, 1961 and the same has been filed with the tax authorities.

For the current year, the Company confirms that it has maintained documents as prescribed by the Income-tax Act, 1961 to prove that these international/domestic transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

### 38 Research and development

Cost of research and development revenue expenditure aggregated to INR 2,682 K (31 March 2017 INR 2,179 K) which has been debited to various heads of account in the statement of profit and loss. There was no capital expenditure in relation to the same during the year as well as in the previous year.

### 39 Disclosure of specified bank notes (SBN)

During the previous year ended 31 March 2017, the Company had specified bank notes or other denomination note as defined in the MCA Notification G.S.R 308(E) dated 31 March 2017 on the details of specified bank notes ('SBN') held and transacted during the period from 08 November 2016 to 30 December 2016. The denomination wise SBN and other notes as per the notification are given below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	108.00	31.06	139.06
Add: Permitted receipts/ withdrawal from bank	-	897.15	897.15
Less: Permitted payments	-	719.01	719.01
Less: Amount deposited in banks (net of withdrawal)	108.00	-	108.00
<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>209.20</b>	<b>209.20</b>

For the purpose of this clause, the term, specified bank note shall have the same meaning provided in the notification of the Government of India, the Ministry of Finance - Department of Economic Affairs No. S.O.3407 (E), dated November 8, 2016.

### 40 Segment information

#### a. Operating segments

The Company has a single operating segment, namely, carbon rods and services and the information reported to the Managing Director (MD) for the purposes of resource allocation and assessment of performance focusses on this operating segment

#### b. Geographical information

The geographical information analyses the Company's revenue and non-current assets by the Company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets which have been based on the geographical location of the assets.

<b>(i) Revenue</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2018</b>	<b>31 March 2017</b>
India (a)	1,36,670.52	1,77,800.65
Rest of the world (b)	2,96,032.09	3,16,025.82
<b>Total (a+b)</b>	<b>4,32,702.60</b>	<b>4,93,826.48</b>
<b>(ii) Non-current assets*</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
India	93,321.96	98,454.10

\*Non-current assets exclude financial instruments, deferred tax assets and post-employment benefit assets.

## PANASONIC CARBON INDIA CO. LIMITED

### c. Major customer

Revenue from one customer of the Company is INR 1,16,375 K (2016-17- INR 1,18,665 K) which is more than ten percent of the Company's total revenue.

### 41 Standards issued but not yet effective

#### *IndAS 115- Revenue from contract with customers*

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly. The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements, and expects that adjustments, if any on account of transition would be insignificant. The Company will adopt the standard on April 01, 2018 by using the cumulative catch-up transition method and accordingly the comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted.

### 42 Exceptional item

In the previous year, the Company had sold one of its land which was originally held for the purpose of construction of staff quarters, at a profit of INR 13,669.33 K. As this transaction is not recurring in nature and since the profit derived therefrom is significant, the same has been considered as an exceptional item.

### 43 Events after the balance sheet date

The Board of Directors have recommended a dividend of INR 10/- per share amounting to INR 48,00,000 on Equity Shares of INR 10/- each for the year, subject to approval from Shareholders. Dividend distribution tax on the same amounts to INR 97,71,671.

As per our report of even date

for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

**K Raghuram**  
Partner  
Membership No.: 211171

Place : Chennai  
Date: 16 May 2018

for and on behalf of the board of directors of  
**Panasonic Carbon India Co. Ltd**  
CIN: L29142TN1982PLC009560

**R. Senthil Kumar**  
Managing Director  
DIN: 02170079  
**Vinayagam Sume**  
Chief Financial Officer

Place : Chennai  
Date: 16 May 2018

**V.R. Gupte**  
Director  
DIN: 00309699  
**P. Maheswari**  
Company Secretary





## PROXY FORM

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

### PANASONIC CARBON INDIA CO. LIMITED

(CIN: L29142TN1982PLC009560)

Regd.Office: "Pottipati Plaza", Third Floor, No.77, Nungambakkam High Road, Chennai - 600 034

Website: www.panasoniccarbon.co.in

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

I/We being the member(s) of.....shares of the above named Company hereby appoint:

- (1) Name:..... Address:.....  
E-mail Id:..... Signature: .....,or failing him/her;
- (2) Name:..... Address: .....,or failing him/her;  
E-mail Id:..... Signature: .....,or failing him/her;
- (3) Name:..... Address:.....  
E-mail:..... Signature:.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 8<sup>th</sup> August, 2018 at 3.00 p.m. at Hotel Quality INN Sabari Grand, No. 29, Thirumalai Road, T. Nagar, Chennai-600017 and at any adjournment thereof in respect of such resolutions as are indicated below.

#### Ordinary Business

- Adoption of Financial Statements, Reports of the Board of Directors and Auditors thereon for the year ended 31<sup>st</sup> March, 2018
- Declaration of Dividend on Equity Shareholders of the Company
- Appointment of Mr. Kazuo Tadanobu, Director who retires by rotation and being eligible offers himself for re-appointment

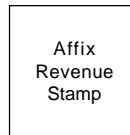
#### Special Business

- Appointment of Mrs. C. Jayashree as an Independent Women Director of the Company
- Appointment of Mr. R. Senthil Kumar as Managing Director of the Company
- Approval of remuneration payable to Mr. R. Senthil Kumar, Managing Director of the Company

Signed this..... day of..... 2018

Signature of Shareholder.....

Signature of Proxy holder (s).....



#### Note:

This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.

#### ATTENDANCE SLIP

(To be presented at the entrance duly signed)

### PANASONIC CARBON INDIA CO. LIMITED

(CIN: L29142TN1982PLC009560)

Regd.Office: "Pottipati Plaza", Third Floor, No.77, Nungambakkam High Road, Chennai - 600 034

Website: www.panasoniccarbon.co.in

#### 36<sup>th</sup> ANNUAL GENERAL MEETING

Regd. Folio/DP ID & Client ID	
Name and Address of the Shareholder	

- I/We hereby record my/our presence at the 36<sup>th</sup> Annual General Meeting of the Company being held on Wednesday, 8<sup>th</sup> August, 2018 at 3.00 p.m. Hotel Quality INN Sabari Grand, No. 29, Thirumalai Road, T. Nagar, Chennai-600017
- Signature of the shareholder/Proxy present
- Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

#### ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User ID	Password / PIN
	Please enter your DPID/ CL ID/ Folio	Use your existing password or enter your PAN with Bank A/c. No. / Date of Birth

**Note :** Please refer to the instructions printed under Notes to the Notice of 36<sup>th</sup> Annual General Meeting. The Voting period starts from 10.00 a.m. (IST) on 5<sup>th</sup> August, 2018 and ends at 5.00 p.m. (IST) on 7<sup>th</sup> August, 2018. The voting module shall be disabled by CDSL for voting thereafter.