



**38<sup>th</sup>**

**Annual Report**

**2019-20**

**Panasonic Carbon India Co. Limited**

**PANASONIC CARBON INDIA CO. LIMITED**  
**38<sup>th</sup> ANNUAL REPORT 2019 - 2020**

<p><b>BOARD OF DIRECTORS</b></p> <p><b>MANAGING DIRECTOR</b> R. SENTHIL KUMAR</p> <p><b>DIRECTORS</b> HIDEYUKI OKUNAGA S. KALYANARAMAN C. JAYASHREE K. PAUL JAYAKAR TADASUKE HOSOYA</p> <p><b>COMPANY SECRETARY</b> P. MAHESWARI</p> <p><b>CHIEF FINANCIAL OFFICER</b> VINAYAGAM SUME</p> <p><b>AUDITORS</b> B S R &amp; Co. LLP Chartered Accountants KRM Tower, 1st &amp; 2nd Floor, No.1, Harrington Road, Chetpet Chennai – 600 031.</p> <p><b>BANKERS</b> CANARA BANK ICICI BANK LIMITED STATE BANK OF INDIA SYNDICATE BANK</p> <p><b>REGISTERED OFFICE</b> Pottipati Plaza 3<sup>rd</sup> Floor, 77 Nungambakkam High Road, Nungambakkam, Chennai – 600 034</p> <p><b>FACTORY</b> Tada Mandal Nellore District , Andhra Pradesh 524 401</p> <p><b>REGISTRAR AND SHARE TRANSFER AGENTS</b> Cameo Corporate Services Ltd., “Subramanian Building” No.1, Club House Road Chennai - 600 002</p>	<table border="1"> <thead> <tr> <th style="text-align: left;">CONTENTS</th> <th style="text-align: right;">PAGE</th> </tr> </thead> <tbody> <tr> <td>Notice of AGM</td> <td style="text-align: right;">3</td> </tr> <tr> <td>Report of Board of Directors with Annexures</td> <td style="text-align: right;">18</td> </tr> <tr> <td>Auditors’ Report</td> <td style="text-align: right;">50</td> </tr> <tr> <td>Balance Sheet</td> <td style="text-align: right;">57</td> </tr> <tr> <td>Statement of Profit &amp; Loss</td> <td style="text-align: right;">58</td> </tr> <tr> <td>Cash Flow Statement</td> <td style="text-align: right;">59</td> </tr> <tr> <td>Notes to the Financial Statements</td> <td style="text-align: right;">60</td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>38<sup>th</sup> Annual General Meeting</b></td> </tr> <tr> <td colspan="2">Deemed Venue : Registered Office through VC/OAVM</td> </tr> <tr> <td>Date</td> <td>: 24<sup>th</sup> September, 2020</td> </tr> <tr> <td>Time</td> <td>: 3.00 p.m.</td> </tr> </tbody> </table>	CONTENTS	PAGE	Notice of AGM	3	Report of Board of Directors with Annexures	18	Auditors’ Report	50	Balance Sheet	57	Statement of Profit & Loss	58	Cash Flow Statement	59	Notes to the Financial Statements	60	<b>38<sup>th</sup> Annual General Meeting</b>		Deemed Venue : Registered Office through VC/OAVM		Date	: 24 <sup>th</sup> September, 2020	Time	: 3.00 p.m.
CONTENTS	PAGE																								
Notice of AGM	3																								
Report of Board of Directors with Annexures	18																								
Auditors’ Report	50																								
Balance Sheet	57																								
Statement of Profit & Loss	58																								
Cash Flow Statement	59																								
Notes to the Financial Statements	60																								
<b>38<sup>th</sup> Annual General Meeting</b>																									
Deemed Venue : Registered Office through VC/OAVM																									
Date	: 24 <sup>th</sup> September, 2020																								
Time	: 3.00 p.m.																								



## PANASONIC CARBON INDIA CO. LIMITED

NOTICE IS HEREBY GIVEN THAT THE THIRTY EIGHTH (38<sup>th</sup>) ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF PANASONIC CARBON INDIA CO. LIMITED (CORPORATE IDENTIFICATION NUMBER: L29142TN1982PLC009560) WILL BE HELD ON THURSDAY, 24<sup>th</sup> SEPTEMBER, 2020 AT 3.00 PM. INDIAN STANDARD TIME ("IST") THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS ("VC/OAVM") FACILITY TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with Reports of the Board of Directors along with Annexures and Auditors Report thereon.
2. To declare Dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2020.
3. To appoint a Director in place of Mr. Hideyuki Okunaga (DIN: 06792183), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. TO CONSIDER AND APPROVE APPOINTMENT OF MR TADASUKE HOSOYA (DIN: 08232012) AS NON EXECUTIVE DIRECTOR:

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 152 and any other applicable provisions of the Companies Act, 2013 and rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr Tadasuke Hosoya (DIN: 08232012), who has been appointed as an additional Director of the Company by the Board of Directors with effect from 30<sup>th</sup> June, 2020 in terms of Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non- Executive Director, liable to retire by rotation.

**RESOLVED FURTHER THAT** Board of Directors / Managing Director/ 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 APPROVE APPOINTMENT OF DR K PAUL JAYAKAR (DIN: 00692315) AS INDEPENDENT DIRECTOR:

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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Dr K Paul Jayakar (DIN: 00692315), (IDDR No. DI-202004-025021), and who has been appointed as an Additional Independent Non-Executive Director of the Company by the Board of Director 30<sup>th</sup> June 2020, for a term of three consecutive years (i.e. upto 29<sup>th</sup> June 2023) who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director of the Company with effect from 30<sup>th</sup> June, 2020, to hold office for a term of three consecutive years i.e. upto 29<sup>th</sup> June 2023.

**"RESOLVED FURTHER THAT** Board of Directors / Managing Director/ 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".

#### 6. TO CONSIDER AND APPROVE RE-APPOINTMENT OF MR R SENTHIL KUMAR (DIN: 02170079) AS MANAGING DIRECTOR OF THE COMPANY:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent 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 up to 31<sup>st</sup> March, 2021 on the following terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee, with liberty to the Board of Directors to alter and vary the

## PANASONIC CARBON INDIA CO. LIMITED

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.

The remuneration payable to Managing Director of the Company with effect from 1<sup>st</sup> April, 2020 as mentioned below:

- (A) Salary & HRA: Rs. 6,60,000/- (Rupees Six Lakhs Sixty thousand only) per month.
- (B) Perquisites:
  - (i) Leave Travel Concession, Medical expenses for self and family including surgical and Hospitalization expenses, Furniture, Furnishings and maintenance cost against actual Bills not to exceed Rs.2,34,000/- per annum.
  - (ii) Use of Company's Car and Telephone at residence.
- (C) Mr R Senthil Kumar, Managing Director shall also be eligible for the following retirement & other benefits, which shall not be included in computation of the ceiling on perquisites specified herein above.
  - (i) Contribution to Provident Fund @ 12% of Salary.
  - (ii) Contribution to Superannuation Fund – Rs.2,00,000/- (Rupees Two Lakhs only) per annum.
  - (iii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of Service.
  - (iv) Encashment of leave, Medical Insurance and Personal accident Insurance as per the Rules of the Company.
  - (v) Reimbursement of entertainment, hotel and other expenses actually and properly incurred for the legitimate business purpose of the Company.
- (D) Mr R Senthil Kumar shall not be paid any sitting fees for attending the meetings of the Board or Committee thereof.
- (E) All other terms and conditions as applicable to norms of the Company.

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

**RESOLVED FURTHER THAT** during the tenure as the Managing Director Mr R Senthil Kumar, shall be entitled to be paid / reimbursed by the Company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company.

**RESOLVED FURTHER THAT** Mr R Senthil Kumar in the capacity of the Managing Director will be entrusted with among others the powers, authorities, functions,

duties, responsibilities by Board of Directors of the Company from time to time.

**"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 and all other applicable provisions of the Companies Act, 2013".

**"RESOLVED FURTHER THAT** Board of Directors / Managing Director/ 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".

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

**Resolution:**

### 7. TO CONSIDER AND APPROVAL OF ADOPTION OF NEW SET OF MEMORANDUM OF ASSOCIATION OF COMPANY AS PER THE COMPANIES ACT, 2013

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

**Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 13,15 and all other applicable provisions of the Companies Act 2013 including any statutory modification or re-enactment thereof, for the time being in force, and rules made there under and subject to necessary statutory approvals and modifications, if any, consent of the members be and are hereby accorded to alter the regulations contained in the existing Memorandum of Association (MOA) by incorporating the new regulations in line with the applicable provisions of Companies Act, 2013 and the rules made there under and accordingly to adopt the new regulations in the Memorandum of Association of the Company".

**"RESOLVED FURTHER THAT** Board of Directors / Managing Director/ 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".

### 8. TO CONSIDER AND APPROVAL OF ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF COMPANY AS PER THE COMPANIES ACT, 2013

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

**Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 14,15 and all other applicable provisions of the

## PANASONIC CARBON INDIA CO. LIMITED

Companies Act 2013 including any statutory modification or re-enactment thereof, for the time being in force, and rules made there under and subject to necessary statutory approvals and modifications, if any, consent of the members be and are hereby accorded to alter the regulations contained in the existing Articles of Association (AOA) by incorporating the new regulations in line with the applicable provisions of Companies Act, 2013 and the rules made there under and accordingly to adopt the new regulations in the Articles of Association of the Company”.

“**RESOLVED FURTHER THAT** Board of Directors / Managing Director/ 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”.

**9. TO CONSIDER AND APPROVE THE RELATED PARTY TRANSACTIONS ENTERED INTO BY THE COMPANY WHICH ARE CONSIDER AS MATERIAL DURING THE FINANCIAL YEAR 2019-20**

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

“**RESOLVED THAT** pursuant to Regulation 23(4) read with Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 [hereinafter referred to as “SEBI Regulations, 2015”) and Section 188 of the Companies Act, 2013 read with related Rules thereto, including any amendments and modifications thereof, consent of the Company be and is hereby accorded to the following related party transactions entered into by the Company with the subsidiaries of Company’s parent company all of which are on arm’s length basis and in the ordinary course of business and which are considered as material as the transaction(s) for the sale of carbon rods entered into individually or taken together with previous transactions during the financial year 2019-20 exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the company.”

*(Amounts in Rs. lakhs)*

Name of the Related party	Nature of transactions	Nature of Relationship	Transaction value during the financial year ended 31 <sup>st</sup> March 2020
Panasonic Energy India Co., Ltd, India	Sale of Carbon Rods	Fellow subsidiary under common control of the parent company M/s. Panasonic corporation, Japan	619.49

Panasonic Energy Poland, S.A. Poland	Sale of Carbon Rods	Fellow subsidiary under common control of the parent company M/s. Panasonic corporation, Japan Fellow subsidiary	1,023.14
Panasonic Do Brasil Limitada, Brazil	Sale of Carbon Rods	Fellow subsidiary under common control of the parent company M/s. Panasonic corporation, Japan Fellow subsidiary	579.18

**10. TO CONSIDER AND APPROVE THE RELATED PARTY TRANSACTIONS ENTERED/ TO BE ENTERED INTO BY THE COMPANY DURING THE PERIOD 1ST APRIL 2020 TO 31ST MARCH 2023.**

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

“**RESOLVED THAT** pursuant to Regulation 23(4) read with Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 [hereinafter referred to as “SEBI Regulations, 2015”) and Section 188 of the Companies Act, 2013 read with related Rules thereto, including any amendments and modifications thereof, consent of the Company be and is hereby accorded for the following related party transactions entered/to be entered into by the Company with the subsidiaries of Company’s parent company all of which are on arm’s length basis and in the ordinary course of business and which are considered as material (as detailed in the explanatory statement annexed to the Notice) for a sum not exceeding Rs. 20 Crores (Rupees Twenty Crores only) per party per annum for the period commencing from 1st April, 2020 up to the end of the financial year 2022-23 (ie) up to 31<sup>st</sup> March 2023.”.

S No.	Name of the Related Party	Nature of Transaction	Nature of Relationship
1	M/s. Panasonic Energy India Co. Ltd (PECIN)	Sale of Carbon Rods	Fellow Subsidiary
2	M/s. Panasonic Peruana S.A., Peru (PANAPERU)	Sale of Carbon Rods	Fellow Subsidiary
3	M/s. PT Panasonic Gobel Energy Indonesia, Indonesia (PECGI)	Sale of Carbon Rods	Fellow Subsidiary
4	M/s. Panasonic energy Poland., S.A. Poland (PECPL)	Sale of Carbon Rods	Fellow Subsidiary

## PANASONIC CARBON INDIA CO. LIMITED

5	Panasonic Centro Americana, S.A., Costa Rica (PCA)	Sale of Carbon Rods	Fellow Subsidiary
6	Panasonic Management Thailand Co. Ltd, Thailand (PMT)	Sale of Carbon Rods	Fellow Subsidiary
7	Panasonic Do Brasil Limitada, Brazil (PANABRAS)	Sale of Carbon Rods	Fellow Subsidiary
8	Panasonic Energy (Shanghai) Co. Ltd, Shanghai (PECSH)	Sale of Carbon Rods	Fellow Subsidiary
9	Panasonic Asia Pacific Pte. Limited, Singapore (PAPP)	Purchases	Fellow Subsidiary
10	Panasonic India Pvt. Ltd. (PI)	IT Services	Fellow Subsidiary

**“RESOLVED FURTHER THAT** Board of Directors / Managing Director/ 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

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

**Place: Chennai**

**Date: 30<sup>th</sup> June, 2020**

**R. SENTHIL KUMAR  
MANAGING DIRECTOR  
(DIN: 02170079)**

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)

### IMPORTANT NOTES:

1. Explanatory statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of the Special Business as set out in the Notice is annexed hereto and forms part of this Notice.
2. General instructions for accessing and participating in the 38<sup>th</sup> AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting.
  - a. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate

Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Members may note that to protect the health and safety of all the Stakeholders including Shareholders in view of the continuing Covid-19 pandemic, there will be no physical meeting of the Shareholders taking place at a common venue in respect of the 38<sup>th</sup> AGM. Hence, Members have to attend and participate in the ensuing AGM through VC/OAVM.

- b. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 38<sup>th</sup>AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members maybe appointed for the purpose of voting through remote e-Voting, for participation in the 38<sup>th</sup>AGM through VC/OAVM Facility and E-Voting during the 38<sup>th</sup> AGM.
- c. In Compliance with the MCA Circulars and SEBI Circular dated 12<sup>th</sup> May,2020, the Notice of the 38<sup>th</sup> E-AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company Depositories. Members may note that the Notice and Annual Report 2019-20 will be available on the website of the Company at [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in), on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
- d. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
- e. CDSL will be providing facility for voting through remote e-Voting, for participation in the 38<sup>th</sup> AGM through VC/OAVM Facility and e-Voting during the 38<sup>th</sup>AGM.
- f. Members may join the 38<sup>th</sup>AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 2.45 p.m. IST i.e. 15 minutes before the time scheduled to start the 38<sup>th</sup>AGM

and the Company may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 38<sup>th</sup>AGM.

- g. Members may note that the VC/OAVM Facility, provided by CDSL, allows participation of atleast 1000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 38<sup>th</sup>AGM without any restriction on account of first-come first basis.
- h. Attendance of the Members participating in the 38<sup>th</sup> AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act
- i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 38<sup>th</sup>AGM and facility for those Members participating in the 38<sup>th</sup>AGM to cast vote through e-Voting system during the 38<sup>th</sup> AGM.

3. The instructions for shareholders voting electronically are as under:

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 9.00 A.M. on 21<sup>st</sup> September, 2020 and ends at 5.00 p.m. on 23<sup>rd</sup> September, 2020. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Record Date of 17<sup>th</sup> September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (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" module.
- (v) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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 e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both 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 (v).</li> </ul>



## PANASONIC CARBON INDIA CO. LIMITED

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholders will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders

who do not wish to speak during the AGM but have queries may send their queries in advance seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- 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 linked in the login 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [maheswari.p@in.panasonic.com](mailto:maheswari.p@in.panasonic.com) or [lbandco.cs@gmail.com](mailto:lbandco.cs@gmail.com)

If they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & -Voting from the e-Voting System, 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 contact Mr.NitinKunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

4. The Register of Members and Share Transfer Books of the Company will remain closed from 18<sup>th</sup> September 2020 to 24<sup>th</sup> September 2020 (both days inclusive).
5. The Dividend upon its declaration at the Meeting will be paid to those Members, whose names appear in the Register of Members as on 17<sup>th</sup> September,2020 (record date for payment of Dividend to the Shareholders).
  - a. Members may note that the Income Tax

## PANASONIC CARBON INDIA CO. LIMITED

Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act :- For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid PAN 7.5% or as notified by the Government of India Members not having PAN / valid PAN 20% or as notified by the Government of India However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed Rs.5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above. Form 15G/15H can be downloaded from the weblink: <https://investors.cameoindia.com> to avail the benefit and e-mail to [murali@cameoindia.com](mailto:murali@cameoindia.com) & [investor@cameoindia.com](mailto:investor@cameoindia.com) provision to upload Form 15G/15H in the weblink viz., <https://investors.cameoindia.com> provided by Company's RTA. No communication would be accepted from members after September 18, 2020 regarding the tax withholding matters. For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable.

However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under

the DTAA, non-resident shareholders will have to provide the following: i) Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member ii) Copy of Tax Residency Certificate (TRC) for the FY 2020-21 obtained from the revenue authorities of the country of tax residence, duly attested by member iii) Self-declaration in Form 10F iv) Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty v) Self-declaration of beneficial ownership by the non-resident shareholder vi) Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess). The aforementioned documents are required to be submitted by e-mail to [murali@cameoindia.com](mailto:murali@cameoindia.com) by 11.00 a.m (IST) on or before 18<sup>th</sup> September, 2020. No communication would be accepted from members after 18<sup>th</sup> September, 2020 regarding the tax withholding matters. If you need any clarification, in this regard you may contact Mr.Murali, Assistant Manager, Cameo Corporate Services Ltd. (+91-44-044-40020700/0710).

- b. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations], the Company shall use any of the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend. Members holding shares in demat mode are requested to submit their Bank details viz. Bank Account Number, Name of the Bank, Branch details, MICR Code, IFS Code to the Depository Participants with whom they are maintaining their demat account and Members holding shares in physical mode are requested to submit the said bank details to the Company's RTA by [murali@cameoindia.com](mailto:murali@cameoindia.com). p) SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). ). Members holding shares in physical form are required to submit their PAN details to the RTA by e-mail to [murali@cameoindia.com](mailto:murali@cameoindia.com) . Members are requested to notify Change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their

ID No. and in case of physical shares to the RTA by e-mail to [murali@cameoindia.com](mailto:murali@cameoindia.com).

6. 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.
7. 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:-

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.

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.

8. Pursuant to Section 124 of the Companies Act, 2013 an amount of Rs. 4,47,216/- remaining unclaimed out of the dividend for the Financial Year 2011-12 was transferred to the Investor Education and Protection Fund (IEPF) Account constituted by the Central Government on 3<sup>rd</sup> October, 2019. No claim shall be entertained against the Company for the amounts so transferred.

Members who have not encashed the Dividend warrants for the subsequent financial years are advised to the Company immediately claiming Dividends declared by the Company..

The unclaimed dividend, if any, for the Financial Year 2012-13 will become transferable to the "Investor Education and Protection Fund Account" on or before 30<sup>th</sup> September, 2020. Therefore, Members are requested to send their claims, if any, for the Financial Year 2012-13 onwards before the respective amounts become due for transfer to the fund.

As per the Section 124 (6) of the Act read with IEPF rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more have been transferred to the IEPF Account.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a duly signed physical copy of the same to the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

The Ministry of Corporate Affairs (MCA) on 10<sup>th</sup> May, 2012 notified the IEPF Rules, which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders to ascertain status of the unclaimed amounts. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends from the financial years 2012-13 as on the date of the 38<sup>th</sup> Annual General Meeting (AGM) on the website of the Company **viz. [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)**

9. 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
10. The Shares of the Company have been activated for Dematerialization 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).
11. 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.
12. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, the Notice of the 38<sup>th</sup> AGM and the Annual Report for the Financial year 2019- 2020 including therein the Audited Financial Statements for the year 2020, is being sent only through electronic mode to the Members by email whose email addresses are registered with the Company or relevant Depositories. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository

## PANASONIC CARBON INDIA CO. LIMITED

Participants and who wish to receive the Notice of the 38th AGM and the Annual Report for the Financial year 2019- 2020 and all other communication can send their request to the Company secretary/Registrar and transfer agent of the Company M/s. Cameo Corporate Services Limited, from time to time and also the Notice of the 38<sup>th</sup> AGM and the Annual Report for the Financial year 2019- 2020 can be download from the Company's website.

13. 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.
14. Members may also note that the Notice of the 38<sup>th</sup> Annual General Meeting and the Annual Report for the year 2019-20 will also be available on the Company's website [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)
15. In view of the circular issued by SEBI dated 20<sup>th</sup> April, 2018 ref: SEBI/HO/MIRSD/DOP1/CIR/P/2018/73, it is also mandatory to provide the Bank Mandate (Beneficiary Bank name and Beneficiary Account Number and IFSC Code) on the face of the Warrant / DD for all warrant printing cases / DD cancellation & reissuance / initial DD issuance / DD issuance against electronic payment rejects.
16. Members are requested to notify immediately any changes for the below mentioned details to the Company/ Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited :
  - (a) Any change in their residential address.
  - (b) Income-tax Permanent Account Number (PAN).
  - (c) Bank details - Name and address of the Bank; A/c No.; type of A/c, IFSC Code

### **SPECIFIC INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM:**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system on September 24, 2020 at 3.00 PM. (IST) . Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login

by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / I Pads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Registration as speaker at the AGM: Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request along with queries in advance at least 7 days prior to meeting (by September 17, 2020, 5.00 P.M. IST) mentioning their name, demat account number/folio number, email id, mobile number at [maheswari.p@in.panasonic.com](mailto:maheswari.p@in.panasonic.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied at the 38<sup>th</sup> AGM. The Company reserves the right to restrict the number of questions depending upon the availability of time for the AGM.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions, which have already been submitted 7 days in advance, during the AGM
7. CDSL E-Voting period begins on 9.00 A.M. on 21<sup>st</sup> September 2020 and end on 23<sup>rd</sup> September 2020 at 5.00 P.M.
8. Members whose name is recorded in the register of members or in the register of beneficial owners maintained by the relevant depository as on the cut-off date ie.17<sup>th</sup> September, 2020 (record date) shall be entitled to avail the facility of remote e-voting at the Meeting. A person who is not a member as on the cut off date should treat this notice for information purpose only.
9. The Company has appointed Ms.S. Lalitha, Practising Company Secretary, Partner of M/S LB & CO, Company Secretaries firm, Chennai to act as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for the said purpose.

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

### Item No.4:

At the Board Meeting held on 30<sup>th</sup> June 2020, Mr. Tadasuke Hosoya was appointed as an Non-Executive Additional Director pursuant to Section 161 and any other applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company. Mr. Tadasuke Hosoya, Director is liable to retire by rotation. He represents the Promoter Director on the Board and pursuant to Section 161(1) of the Act, Mr. Tadasuke Hosoya shall hold office up to the date of this AGM and is eligible to be appointed as Director.

He shall not be paid Sitting Fee for attending the Meetings of the Board. He does not hold by himself or on behalf of any other person on a beneficial basis, any Shares in the Company.

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

None of the Directors and Key Managerial Personnel of the Company is interested in this resolution except Mr. Tadasuke Hosoya.

The Board recommends passing of this Resolution represents his appointment as set out at item No.4 of the Notice convening the Meeting.

### Item No.5:

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, on 30<sup>th</sup> June, 2020 appointed Dr. K. Paul Jayakar ((DIN: 00692315) (IDDR No. DI-202004-025021), as an Additional Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 for a term of three consecutive years to hold office from 30<sup>th</sup> June, 2020 to 29<sup>th</sup> June 2023. His appointment is subject to the approval of the Members. A notice has been received from a Member proposing Dr. K. Paul Jayakar as a candidate for the office of Director of the Company.

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

He shall be paid sitting fees for attending the Meetings of the Board and Committees if any thereof. He does not hold by himself or for any other person on a beneficial basis, any Shares in the Company.

Dr. K. Paul Jayakar has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Dr. K. Paul Jayakar fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Non- Executive Director of the Company and is independent of the management.

None of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5

The Board recommends passing of this Resolution represents his appointment as set out at item No.5 of the Notice convening the Meeting.

### Item No.6:

At the Annual General Meeting of the Company held on 8<sup>th</sup> August, 2019, 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, 2020. Accordingly, the present term of his appointment has been renewed on 1<sup>st</sup> April 2020.

The Board of Directors at their meeting held on 14<sup>th</sup> February 2020 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, 2021 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.6

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 14<sup>th</sup> February, 2020 also revised his remuneration with effect from 1<sup>st</sup> April, 2020 subject to your approval. The revised remuneration as detailed in resolution is now placed before you for your consideration and approval under item no.6

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 and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6

## PANASONIC CARBON INDIA CO. LIMITED

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

### **Item No.7:**

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Memorandum of the Company needs to be re-aligned as per the provisions of the new Act.

The Board of Directors in its meeting held on 30<sup>th</sup> June, 2020 decided (subject to the approval of members) to adopt a new set of Memorandum of Association in place of and to the exclusion of existing Memorandum of Association of the Company.

The draft of the new set of Memorandum proposed for approval in this notice of the Annual General Meeting is also available for inspection by the shareholders of the Company during normal business hours at the registered office of the Company.

In terms of Section 13 and 15 of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and rules made there under and subject to the consent of the Members by way of Special resolution is required for adoption of new set of Memorandum of Association of the Company.

None of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7

The Board commends passing of this resolution as set out as item No.7 of the Notice convening the Meeting.

### **Item No.8:**

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of the Company needs to be re-aligned as per the provisions of the new Act.

The Board of Directors in its meeting held on 30<sup>th</sup> June, 2020 decided (subject to the approval of members) to adopt a new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company.

The draft of the new set of Articles proposed for approval in this notice of the Annual General Meeting is also available for inspection by the shareholders of the Company during normal business hours at the registered office of the Company.

In terms of Section 14 and 15 of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and rules made there under and subject to the consent of the Members by way of Special resolution is required for adoption of new set of Articles of Association of the Company.

None of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8

The Board commends passing of this resolution as set out as item No.8 of the Notice convening the Meeting.

### **Item No. 9:**

As per regulation 23 (4) of (Listing Obligations and disclosure Requirements), Regulations, 2015 including any modification or amendment thereof, (hereinafter referred to as "SEBI Regulation 2015") all material related party transactions shall require approval of the Shareholders through resolutions. As per explanation to Regulation 23(1) of "SEBI Regulation 2015", 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 10% of the annual consolidated turnover of the company as per the last audited financial statements of the listed entity.

The company sells carbon rods for the past so many years to battery manufacturers which are fellow subsidiaries under common control of the parent company M/s. Panasonic Corporation, Japan. All such transactions were on an arm's length basis and in the ordinary course of business.

The particulars of all material contracts or arrangements or transactions at Arm's length basis entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 have been given in Annexure – 7 to 38<sup>th</sup> Annual Report of the Board of Directors as well as in note no. 35 to the Financial statements for the year ended 31<sup>st</sup> March 2020 both of which have been circulated to the shareholders seeking their approval.

Hence, resolution No.9 of the Notice convening the 38<sup>th</sup> Annual General Meeting of the Company is placed before the shareholders seeking their approval for ratification of the material related party transactions listed in the said resolution entered into during the financial year 2019-20.

The above information shall be considered as additional information required to be disclosed pursuant to rule 15 of Companies (Meeting of Board and its power) Rules,

## PANASONIC CARBON INDIA CO. LIMITED

2014. According to the provisions of Regulation 23(4) of SEBI Regulation, 2015 related parties shall abstain from voting on this Resolution.

None of the Directors and Key Managerial Personnel (KMP) of the Company except Mr. Hideyuki Okunaga is interested in this Resolution. The Board commends passing of the resolution as set out at item no.9 of the notice convening the 38<sup>th</sup> annual General Meeting.

### **Item No. 10:**

As per regulation 23 (4) of (Listing Obligations and disclosure Requirements), Regulations, 2015 including any modification or amendment thereof, (hereinafter referred to as "SEBI Regulation 2015") all material related party transactions shall require approval of the Shareholders through resolutions. As per explanation to Regulation 23(1) of "SEBI Regulation 2015", 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 10% of the annual consolidated turnover of the company as per the last audited financial statements of the listed entity.

The company sells carbon rods for the past so many years to batter manufacturers which are fellow subsidiaries under common control of the parent company M/s. Panasonic Corporation, Japan. All such transactions were on an arm's length basis and in the ordinary course of business.

Hence, it is proposed to secure shareholders' approval on resolution No.9 of the Notice convening the Annual General Meeting for approving the prospective material related party transactions for the period commencing from 1st April, 2020 up to the end of the financial year 2022-23 (ie) up to 31<sup>st</sup> March 2023

The above information shall be considered as additional information required to be disclosed pursuant to Rule 15 of Companies (Meeting of Board and its power) Rules, 2014. According to the provisions of Regulation 23(4) of SEBI Regulation, 2015 related parties shall abstain from voting on this Resolution.

None of the Directors and Key Managerial Personnel (KMP) of the Company except Mr. Hideyuki Okunaga and Mr. Tadasuke Hosoya are interested in this Resolution. The Board commends passing of the resolution as set out at item no.10 of the notice convening the 38<sup>th</sup> annual General Meeting.

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

### **Mr. Tadasuke Hosoya**

Tadasuke Hosoya (DIN: 08232012), born on 1<sup>st</sup> June, 1972, aged about 48 years had completed his Degree in Bachelor of Economics in March, 1995 from Keio University, Tokyo, Japan. Immediately after his graduation, he joined Matsushita Electric Industrial Co Ltd (Panasonic Corporation). Tadasuke Hosoya is having vast experience in Sales and Marketing for more than two decades and also worked at various senior positions in the overseas operations.

Currently, Tadasuke Hosoya is the Chairman and Managing Director of Panasonic Energy India Co. Limited with effect from 1<sup>st</sup> April, 2020. Now, he was appointed as an additional Director in your Company with effect from 30<sup>th</sup> June, 2020. He is nominated by our Collaborators

### **Dr.K. Paul Jayakar:**

Dr. K. Paul Jayakar (DIN: 00692315) is a Fellow Member of the Institute of Chartered Accountants of India since 1981. He was a Rank holder in all India rank in the Intermediate exam of the Institute of Chartered Accountants of India. He is also a Diploma holder in Insurance and Risk Management from the Institute of Chartered Accountants of India apart from a P.H.D degree holder from University of Madras

He has 40 years of rich and vast experience in handling consultancy assignment in risk Management and Governance, Risk and Compliance ("GRC") in various organisations in India and abroad. He has served as Director in both Public and Private Companies. He was a visiting faculty in professional and educational institutions. He is a member of various committees in professional bodies and University of Madras.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Dr. K. Paul Jayakar as an Independent Non-Executive Director for a term of three consecutive years from 30<sup>th</sup> June, 2020 to 29<sup>th</sup> June 2023. Dr. K. Paul Jayakar would bring with him immense experience to the Company in the areas of Risk Management, Governance and Compliance, strategic planning, internal control and advisory. Accordingly, based on recommendation of Nomination and Remuneration Committee, the Board recommends Ordinary Resolution as set out at Item No. 5 of the accompanying Notice of 38<sup>th</sup>AGM for the approval by the Members.

### **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



## PANASONIC CARBON INDIA CO. LIMITED

has evinced lot of interest in Factory operations and Human Relations related to the Personnel Department apart from improving his Departmental work. During his past 38 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 contributed his skill and efforts in the factory to improve the Production by using various simplified machines and equipments to reduce the cost of the production and to increase the sales .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 2019, 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 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.

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

**Place: Chennai  
Date: 30<sup>th</sup> June, 2020**

**R. SENTHIL KUMAR  
MANAGING DIRECTOR  
(DIN: 02170079)**

CIN: L29142TN1982PLC009560  
Regd.Office: "Pottipati Plaza", Third Floor,  
No.77, Nungambakkam High Road, Chennai - 600 034  
Phone: 044-28275216/26, Fax: 044-28263010  
Website: [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)

## PANASONIC CARBON INDIA CO. LIMITED

Annexure to the Notice

<b>Details of Directors seeking appointment/re-appointment at the Annual General Meeting</b>			
<b>Particulars</b>	<b>Dr.Paul Jayakar</b>	<b>Mr. Tadasuke Hosoya</b>	<b>Mr. R.Senthil Kumar</b>
Date of Birth	23/05/1956	01/06/1972	21/04/1957
DIN	00692315	08232012	02170079
Date of Appointment Qualifications	June 30, 2020 Fellow member Institute of Chartered Accountants of India and P.H.D from Madras University-	June 30, 2020 Bachelor of Economics, Keio University, Tokyo , Japan	April 01, 2019 Bachelor of Commerce, Madras University
Expertise in specific functional areas	Wide and vast experience in Risk Management, Governance and Compliance, strategic planning, internal control and advisory.	Wide and rich experience in Sales, Marketing and Administration	Wide experience in Finance, Accounts, Secretarial, taxation, Legal, Personnel, administrative areas, Factory operational functions and other factory administrative areas
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Nil	Panasonic Energy India Co. Limited	Nil
Committee / Executive position held in other companies	Nil	Chairman and Managing Director of Panasonic Energy India Co. Limited	NIL
Number of shares held in the Company	NIL	NIL	700 Shares
Relationship with other Directors	He is not related to any other Directors	He is not related to any other Directors	He is not related to any other Directors

For other details such as the number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the Corporate Governance Report which is a part of this Annual Report.

# PANASONIC CARBON INDIA CO. LIMITED

## 38<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 38<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2020 and the Auditors' Report thereon.

### 1. FINANCIAL RESULTS:

The summarized working results for the year ended 31<sup>st</sup> March, 2020 as compared with the earlier year are as under:

Rs. in Lakhs

Particulars	2019-20	2018-19
Gross income	5347.83	5281.93
Profit before depreciation and tax	2386.68	1884.90
Provision for depreciation	124.13	133.15
Net Profit after depreciation but before tax	2,262.55	1751.75
Provision for tax	567.07	521.92
Net Profit after tax	1695.48	1229.83
Other comprehensive income (Net of tax)	(28.05)	(2.01)
Total comprehensive income for the year	1667.43	1227.82
Balance of profit brought forward from previous year	659.49	1260.34
Balance available for appropriation	2,326.92	2488.16
Transfer to General Reserve	1250.00	1250.00
Less : Dividend paid during the year for FY 2018-19	(480.00)	(480.00)
Less: Tax on above dividend	(98.70)	(98.67)
Surplus carried to Balance Sheet	498.22	659.49

### 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. As per the present provision of the Income Tax Act, there would be no liability of dividend distribution tax on the dividend. This dividend if approved by you at the ensuing 38<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.

The dividend, when approved, will entail payment to all the shareholders of the Company. It will be tax free income in the hands of recipients till the amount of dividend does not exceed Rs.5000.

### 3. TRANSFER TO RESERVE

The Board of Directors of your company, have decided to transfer an amount of Rs. 12.50 Crores to the Reserves for the year under review.

### 4. MANAGEMENT DISCUSSION AND ANALYSIS:

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

Our Company sold 2518.17 mln pieces of Carbon Rod, as against 2510.16 mln pieces which is 100.32% Sales of last year.

The Domestic Sales Quantity and Value were 958.97 mln pieces and Rs.14.57 crores respectively which works out to 100.03% of the Sales by quantity and 106.69% by value of last year.

The Export Sales Quantity and value were 1559.20 Mln. Pcs. and Rs.29.33 Crores (FOB basis) respectively in the year under review as compared to last year's quantity of 1551.49 Mln. Pcs. and value of Rs.30.24 Crores which works out to 100.50% by quantity and 97.01% by value. 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. In view of the outbreak of COVID-19 Pandemic, we could not get the orders from outside the Country in the end of March, 2020.

Your Company reduced the impact of the cost increases through Energy and fuel usage reduction and improving overall yield and productivity. By implementing various cost reduction measures, the impact of reduction of price in material and fuel, the profitability compared to previous year increased substantially by Rs. 510.80 lakhs.

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

The Company has developed skills to In-house design and fabricate special purpose machines/equipment required for Carbon rod manufacturing. Introducing low cost automations to lift and transfer the materials to reduce operator fatigue, to improve working conditions and to improve productivity.

Your Company is also hopeful of improving its Domestic and Export sales by improving its competitive power compared to Chinese and Indonesia manufacturers by continually putting efforts in developing cost effective new grade carbon rods. Further by manufacturing consistent quality and timely

supply, your Company is confident of at least maintaining the domestic and export sales at the current year's level in the coming years.

The Directors assure that all steps are being taken by the Company to achieve greater 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.

**5. 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% and export sales constituted the remaining 67% out of the total sales.

**6. FINANCIAL ARRANGEMENTS AND DEPOSITS:**

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. Your Company had not accepted any Public Deposits under Chapter V of the Companies Act, 2013 (Act).

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014

Your Company disclose the following details as per regulation 52 of SEBI (LODR) Regulation, 2015, amended on 7<sup>th</sup> May, 2019.

- (i) Debtors Turnover : 27.9 days
- (ii) Inventory Turnover : 22.8 days
- (iii) Interest Coverage Ratio : NA
- (iv) Current Ratio : 20.5
- (v) Debt Equity Ratio : 0.05
- (vi) Operating Profit Margin (%) : 34.9%
- (vii) Net Profit Margin (%) : 50.7%
- (viii) Interest for Debentures /Deposits : Not Applicable
- (ix) Due date for payment of interest or Principal of Debentures : Not Applicable

**7. 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.

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

**8. HUMAN RESOURCE DEVELOPMENT:**

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

**9. 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 2019-20 in time and there were no arrears.

**10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, 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-1** herewith.

**11. CODE OF CORPORATE GOVERNANCE:**

Pursuant to the Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailed report on Corporate Governance as updated with the particulars of this financial year, is annexed to this report as

## PANASONIC CARBON INDIA CO. LIMITED

**Annexure-2** together with Report of the Auditors on the compliance with the said Code.

### 12. EXPORT HOUSE STATUS:

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

### 13. AEO-T1 Status:

Your Company has been accredited the Authorized Economic Operator (AEO-T1) status, by Central Board of Indirect Taxes and Customs, Ministry of Finance, Government of India.

### 14. 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 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 "Say NO to Single use plastic " on 27 th June, 2019 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 KGBV High School for Girls. Conducted Awareness rally in the Village with participation of the Students and Company employees and distributed eco friendly re-usable bags to all the houses in Tada Village. The Company actively makes effort to increase awareness among the students about the conservation of water and given tips to sustain the environment and environmental protection.

### 15. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### A. Composition of the Board of Directors and Key Managerial Personnel:

The Board of Directors of the Company as on 31<sup>st</sup> March 2020, consisted of Mr.R. Senthilkumar (DIN: 02170079), Managing Director, and Independent Non-Executive Directors Mr.S. Kalyanaraman (DIN: 08317984) and Mrs. Jayashree Chandrasekaran (DIN: 07055905) and Non-Executive, Promoter Director Mr. Hideyuki Okunaga (DIN : 06792183). The composition of the Board of Directors is in compliance with Section 149 of the Companies Act, 2013.

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 2019-20 are provided in Extract of the Annual Return which forms part of this Directors' report.

#### B. Changes in Directors and Key Managerial Personnel

The tenure of Mr. R. Senthil Kumar expires on 31/03/2020, On the recommendation of our Collaborators, M/s. Panasonic Corporation, Japan, he was again re-appointed as Managing Director of the Company for further period of one year with effect from 1st April 2020 and the same was approved by the Board of the Directors of the Company at their meeting held on 14<sup>th</sup> February, 2020.

At the Board Meeting held on 30<sup>th</sup> June, 2020 Dr.K. Paul Jayakar (DIN : 00692315 ) was appointed as an Additional Independent Director of the Company in terms of section 161 of the Companies Act, 2013 and Articles of Association of the Company and accordingly his appointment is placed for approval of the shareholders.

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

At the same Board Meeting held on 30<sup>th</sup> June, 2020 Mr. Tadasuke Hosoya (DIN: 08232012) was appointed as an Additional Director of the Company pursuant to section 161 of the Companies Act, 2013 and Articles of Association of the Company. Mr.T.Hosoya represents the Promoters on the Board and was nominated by our Collaborators, M/s. Panasonic Corporation, Japan and accordingly his appointment is placed for approval of the shareholders.

The Board recommends passing of the Resolution set out at item No.5 of the Notice convening the Meeting.

### 16. MEETINGS OF THE BOARD:

Four meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report. The intervening gap between the Meetings was within the period as prescribed under the Companies Act, 2013

### 17. PERFORMANCE EVALUATION:

The Board of Directors have carried out an annual

evaluation of its own performance, Board committees, and Individual Directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In the Board meeting that followed the meeting of the Independent Directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire board, excluding the independent director being evaluated.

### **18. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

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.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)

### **19. 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;
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.

### **20. 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 brief outline of the CSR Policy and the CSR initiatives undertaken by the Company during the financial year

## PANASONIC CARBON INDIA CO. LIMITED

under review are provided in the Annual Report on Corporate Social Responsibility Activities 2019-20 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))

### 21. AUDIT COMMITTEE:

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which is a part of this report

### 22. GREEN INITIATIVE:

During the year 2019-20, we continued the 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 2019-20 and Notice of the 38<sup>th</sup> AGM are sent to all members whose email addresses are registered with the Company / Depository Participant(s).

As per the SEBI Circular vide SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, the requirements of sending physical Annual Report to those Shareholders who have not registered their email addresses as per the Regulations 36 (1) (b) and (c) of the SEBI (LODR) are dispensed with for listed entities who conduct their AGMs during the calendar year 2020 (i.e. till December 31, 2020). However, for members who have not registered their email addresses, those 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 and Video conference e-voting procedures are provided in the Notice.

### 23. EXTRACT OF ANNUAL RETURN:

As per the requirements of Section 134 (3)(a) read with Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2019-20 is given in **Annexure-4** in the prescribed Form No.MGT-9, which is a part of this report. The same is available on [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in).

### 24. 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, 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**.

There are no qualifications or adverse remarks in the Secretarial Auditors' Report which require any clarification/ explanation.

### 25. 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**.

### 26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) 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 2019-20 under review.

### 27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

### 28. 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.

Two resolutions (Resolutions no.9 & 10) relating to related party transactions are placed before the shareholders at this 38<sup>th</sup> AGM seeking their consent. The Board recommends passing of the said resolutions in item no. 9 and 10 of this notice.

### **29. 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 2019-20.

### **30. 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 remuneration as may be recommended by the Audit Committee in consultation with the Auditors.

Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and the remuneration for the financial year 2019-20 is as per notes to the financial statement 30 (i).

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

### **31. COST AUDITORS:**

In terms of Section 148 of the Companies Act, 2013

read with Companies (Cost Records and Audits) rules, 2014, as amended, Carbon Rods manufactured by your Company are not covered under the ambit of mandatory cost audit.

### **32. INDEPENDENT DIRECTORS:**

Pursuant to the provisions of Section 149 of the Act, the Independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

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 Independent Directors of the Company had met during the year on 14<sup>th</sup> February, 2020 to review the performance of Non- Independent Directors 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.

During the year under review, the non-executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, Commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

### **33. RISK MANAGEMENT:**

As per Regulation 21 of SEBI (LODR) Regulations, 2015, amendments regulation with effect from 10/01/2020, the provisions of this regulation shall be applicable to top 100 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year. Hence it is not applicable to us since we are not falling under the category of top 100 listed entities.

However, in the Board of Directors' Meeting discussed about the elements of risk in different areas of operations and to develop various suitable actions associated to mitigate the risks.



## PANASONIC CARBON INDIA CO. LIMITED

### 34. SHARES:

#### a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the financial year 2019-20.

#### b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the financial year 2019-20.

#### c. BONUS SHARES

No Bonus Shares were issued during the financial year 2019-20.

#### d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees during the financial year 2019-20.

### 35. INFORMATION ABOUT HOLDING / SUBSIDIARY/ JV/ ASSOCIATE COMPANY:

Your Company continues to be the subsidiary of M/s. Panasonic Corporation, Japan and the Company does not have any Subsidiary, Joint Venture or Associate Company

### 36. OTHER DISCLOSURES:

- a) 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.
- b) There was no change in the nature of business during FY 2019-20
- c) 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.
- d) There is no such fraud required to be reported under section 143(12) of the Companies Act, 2013

- e) The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

### 37. CAUTIONARY STATEMENT:

The cautionary Statement in this Report, more particularly those which relate to Management Discussion and Analysis as explained in the Directors Report, describing the Company's business overview, projections, operational performances, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

### 38. 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  
Date: 30<sup>th</sup> June, 2020**

**S.KALYANARAMAN  
DIRECTOR  
DIN : 08317984**

**R. SENTHIL KUMAR  
MANAGING DIRECTOR  
DIN: 02170079**

## Annexure - 1 to the 38<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 there is a reduction in electricity consumption by Improving Crushing Process and Extruding process productivity and by using energy efficient motors in Mixing & Extruding and Baking process, Reduction of energy and water consumption by installing auto water level controllers for storage tanks and creating rain water harvesting system all-round the factory.

During the year under review, 7% reduction in fuel consumption was achieved by introducing high efficiency and high speed Mixers in mixing process and reducing the Mixing process time in some sizes of carbon rods.

##### B. TECHNOLOGY ABSORPTION:

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

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

- Introduction of alternate material in place of Needle Coke due to non-availability and import restrictions – Continuity of Production Reduction of Cost.
- Modification of Impregnation process for one grade of carbon rod for reduction of process time and re-processing.
- Introduction of in-house processed material to replace imported Graphite, resulted in Cost and Inventory reduction.
- Reduction of mixing process time by introducing high speed mixers, resulted in reduced process time and energy saving.

##### 2. Future plan of action:

- Development of Lower cost R03 and R-20 Carbon rods.
- Introduction of semi automation in one size of carbon rod.
- Reduction of Energy and Fuel consumption.

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

Total Expenditure - Revenue	Rs.27,69,491/-
R&D Expenditure as a percentage to total turnover	0.63%

##### 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 Pet Coke in place of Breeze Coke in Baking Process.

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

Considerable Reduction of 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, 2020 towards Import of Raw materials and other remittances like Royalty, Dividend, Brand License Fee etc., was INR 7.07 Crores. With regard to the earning of Foreign Exchange, the direct inflow of foreign currency on our Export sales worked out to INR 29.33 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 14.57 Crores.

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 2 to the 38<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 as on 31<sup>st</sup> March 2020, comprised of one Executive Director, one Non-Executive Promoter Director and two Independent Directors.

During the Financial Year ended 31<sup>st</sup> March, 2020, four Board Meetings were held on 13<sup>th</sup> May, 2019, 8<sup>th</sup> August, 2019, 7<sup>th</sup> November 2019 and 14<sup>th</sup> February, 2020.

The last Annual General Meeting was held on 8<sup>th</sup> August, 2019.

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, 2020 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	Not Related, Executive	4	4	Yes	Nil	Nil
Mr.S.Kalyanaraman	Independent Director, Non-Executive	Not Related, Independent	4	4	Yes	Nil	Nil
Mrs. C. Jayashree	Independent Director, Non-Executive	Not Related, Independent	4	4	Yes	Nil	Nil
Mr.Hideyuki Okunaga	Non- Executive Director	Not Related, Non- Executive	4	1	No	01	Nil

1) Mr. R. Senthil Kumar has been re-appointed as Managing Director of the company for a further period of one year with effect from 1st April 2020 at the Board Meeting held on 14<sup>th</sup> February, 2020

Mr Tadasuke Hosoya has been appointed as a Non- Executive Director with effect from 30<sup>th</sup> June 2020 at the Board Meeting held on 30<sup>th</sup> June 2020.

Dr. K.Paul Jayakar has been appointed as an Independent Non- Executive Director with effect from 30<sup>th</sup> June 2020 at the Board Meeting held on 30<sup>th</sup> June 2020.

\* 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.

Information about the Directors proposed to be appointed/re-appointed which are required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes amendments thereof is furnished under 'Notes' attached to the Notice of the 38<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.

i. The profiles of Directors can be found on [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in). The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

## PANASONIC CARBON INDIA CO. LIMITED

- ii. None of the Directors on the Board holds Directorships in more than Ten Public Companies. None of the Independent Directors serves as an Independent Director on more than Seven Listed entities. Necessary disclosures regarding Committee positions in other public Companies as on March 31, 2020 have been made by the Directors. None of the Directors is related to each other.
- iii. Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the Management.
- iv. Four Board Meetings were held during the financial year and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on 13<sup>th</sup> May 2019, 8<sup>th</sup> August 2019, 7<sup>th</sup> November 2019 and 14<sup>th</sup> February 2020. The necessary quorum was present for all the meetings.
- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a Director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2020 are given below. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations
- vi. During FY 2019-20, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration,
- vii. During FY 2019-20, one meeting of the Independent Directors was held on 14<sup>th</sup> February 2020. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors and Board as a whole taking into account the views of Executive Director and Non-Executive Directors.
- viii. The Board periodically reviews the compliance reports of all laws applicable to the Company.
- ix. Details of equity shares of the Company held by the Directors as on March 31, 2020 are given below:

Name	Category	Number of Equity Shares
Mr. R.Senthil Kumar	Managing Director	700
Mr. Hideyuki Okunaga	Director , Promoter, Non- Executive	NIL
Mr. S. Kalyanaraman	Director, Independent, Non- Executive	NIL
Mrs. C. Jayashree	Director, Independent, Non- Executive	NIL

The Company has not issued any convertible instruments during the financial year 2019-20.

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

### Skill matrix

The Board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the Board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organization evolves and hence the Board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic direction.

The skill sets identified by the Board along with its availability assessment collectively for the Board and individually for all the Directors.

#### 1. Audit Committee:

The composition, powers, role and terms of reference of the Committee are constituted as per Section 177 of 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. The Committee is vested with the necessary powers to achieve its objectives including recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.

# PANASONIC CARBON INDIA CO. LIMITED

## Composition and Meetings:

During the year ended 31<sup>st</sup> March, 2020, the Company had an Audit Committee of the Board consisting of two Non- Executive Independent Directors and the Managing Director. The Audit Committee met four times during the financial year ended 31<sup>st</sup> March, 2020. The Meetings were held on 13<sup>th</sup> May, 2019, 8<sup>th</sup> August 2019, 6<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020.

The details of attendance of Members are as follows:

Name of Director	Status	Designation	No. of Meetings held	No. of Meetings attended
Mr. S. Kalyanaraman	Chairman	Independent, Non-Executive	4	4
Mrs.C. Jayashree	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 is the Secretary of the Committee. The representative of Statutory Auditor and Internal Auditor as well as Chief Financial Officer are also permanent invitees 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 share certificates, recording dematerialization/ re-materialization of shares and related matters.

**Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.**

- Consider and resolve the grievances of security /share holders.
- Consider and approve issue of share certificates, transfer and transmission of securities/ shares, etc.,

### Composition:

Name of Director	Designation in the Company	Status in the Committee
Mr.S. Kalyanaraman	Independent, Non-Executive	Chairman
Mrs.C. Jayashree	Independent, Non-Executive	Member
Mr.R.Senthil Kumar	Non Independent, Executive	Member

The Company Secretary acts as a Compliance Officer to the Committee. During the financial year, one meeting of the Stakeholder's Relationship Committee was held and the same was attended by all the three Members of the Committee.

The detailed particulars of Investors' complaints handled by the Company / Registrar & Share Transfer Agents during the year 2019-20 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 2019-20 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 three Members. The Chairman of the Committee is a Non – Executive and Independent Director.

Name of Director	Designation in the Company	Status in the Committee
Mr.S. Kalyanaraman	Independent, Non-Executive	Chairman
Mrs.C. Jayashree	Independent, Non-Executive	Member
Mr.R.Senthil Kumar	Non Independent, Executive	Member

# PANASONIC CARBON INDIA CO. LIMITED

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. 14<sup>th</sup> February, 2020 which was attended by all the three 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 of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors and Key Managerial Personnel.

Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.

- Recommend to the Board the setup and composition of the Board and its committees.
- Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel.
- Oversee familiarization programs for Directors.

### Composition & Meetings:

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

Name of Director	Designation in the Company	Status in the Committee
Mrs. C. Jayashree	Independent, Non-Executive	Chairman
Mr. S. Kalyanaraman	Independent, Non-Executive	Member
Mr. Hideyuki Okunaga	Non- Executive	Member

The quorum for the Meeting shall be any two of the above three Members. The Company Secretary act as a Secretary of the Committee. The Committee met during the year on 14<sup>th</sup> February, 2020 for re-appointment and Remuneration payable to the Managing Director.

## 5. Remuneration of Directors:

### Executive Director:

The Company has one Executive Director, Mr. R. Senthil Kumar, Managing Director of the Company and his re-appointment and Remuneration was approved by the Shareholders at the Annual General Meeting held on 8<sup>th</sup> August, 2019 for a period of one year effective from 1<sup>st</sup>April,2019 to 31<sup>st</sup> March,2020.

The present term of appointment of Mr. R. Senthil Kumar expired on 31<sup>st</sup>March, 2020. Accordingly, the Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee meeting held on 14<sup>th</sup> February, 2020, 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, 2021

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 details of Remuneration paid to the Executive Director during the Financial Year 2019-20 under review is as under:

## PANASONIC CARBON INDIA CO. LIMITED

Name & Designation	Period	Salary (₹)	Perquisites (₹)	Total (₹)
Mr.R.Senthil Kumar, Managing Director	01-04-2019 to 31-03-2020	72,00,000/-	13,88,800/-	85,88,800/-

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 have decided to pay Remuneration to Independent 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 subject to a ceiling of Rs.5,00,000/- per Independent Director.

None of the Non-Executive Directors of your Company have any pecuniary relationship or material transactions with the Company 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 2019-20.

The details of Remuneration paid to the Non-Executive Directors during the financial year ended 31<sup>st</sup> March, 2020 are as under:

Name of the Director	Commission ₹	Sitting Fees		
		Board Meeting ₹	Audit Committee Meeting ₹	Nomination and Remuneration Committee Meeting ₹
Mr. S. Kalyanaraman	5,00,000	40,000	40,000	5,000
Mrs. C. Jayashree	5,00,000	40,000	40,000	5,000
Mr. Hideyuki Okunaga	Nil	Nil	Nil	Nil
<b>Total</b>	<b>10,00,000</b>	<b>80,000</b>	<b>80,000</b>	<b>10,000</b>

### 6. Details of shareholding of Directors as on 31st March 2020:

Name of the Director	No. of Shares held
Mr. R. Senthil Kumar	700
Mr. S. Kalyanaraman	NIL
Mrs. C. Jayashree	NIL
Mr. Hideyuki Okunaga	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, 2019	3.00 P.M.	Hotel Quality INN Sabari Grand, No.29, Thirumalai Road, T. Nagar, Chennai-600017
8 <sup>th</sup> August, 2018	3.00 P.M.	
8 <sup>th</sup> August, 2017	3.00 P.M.	Hotel Benz Park , No.62, Thirumalai Pillai Road, T. Nagar, Chennai – 600 017

Two Special Resolutions were passed in the last Annual General Meeting held on 8<sup>th</sup> August, 2019 for approval of appointment of Mr. S. Kalyanaraman as Independent Director and approval of payment of Commission to Independent Directors.

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. Policies:

#### a. 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 2019-20.

## PANASONIC CARBON INDIA CO. LIMITED

### b. Sexual Harassment of Women at Workplace prevention Policy:

The Company has formulated a "Sexual Harassment of Women at Workplace prevention Policy" and established for all Women 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 Complaints were received during the year 2019-20, hence there was no complaints pending as on end of the financial year 2019-20.

### 9. Meeting of Independent Directors:

The Independent Directors of the Company had met during the year on 14<sup>th</sup> February, 2020 to review the performance of non-Independent Directors 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:

As per Regulation 21 of the SEBI (LODR) Regulations 2015 as amended the provisions of this regulation shall be applicable to top 100 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year. Hence, it is not applicable to us since we do not fall under the category of top 100 listed entities. The Risk Management function is complimentary to the Internal Control Mechanism of the Company and supplements the audit function. There are no risks which in the opinion of the Board threatens the existence of your Company.

### 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)

The Company sells carbon rods to Battery manufacturers which are subsidiaries of our Parent / Holding 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 35 of notes to the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.

#### ii) Compliances by the Company:

- (a) The Company has complied with the requirements of the Stock Exchange, 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.
- (b) The Company complied with Mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has not adopted the non-mandatory requirements.
- (c) 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.
- (d) The appointments of Independent Directors are in compliance with Regulation 25(1) and (2) of SEBI Regulation, 2015.
- (e) None of the Non-executive Directors have any pecuniary relationship or transactions with the Company.
- (f) There was no non-compliance by the Company during the financial year 2019-20
- (g) All Policies of the Company are posted in our Company website at [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)

### 12. Means of Communication:

The Board of Directors of the Company approve and take on record the Financial Results as per the Proforma 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 English and Regional language news paper. 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



## PANASONIC CARBON INDIA CO. LIMITED

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 incorporates 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, 2020.

### 14. General Shareholders Information:

Annual General Meeting Date and time	: 24 <sup>th</sup> September 2020; 3.00 p.m.
Date of payment of dividend	: 30 <sup>th</sup> September, 2020
Deemed Venue	: Registered office through VC/OAVM
Date of approval of annual results	: 30 <sup>th</sup> June, 2020
Book Closure Date	: 18 <sup>th</sup> September 2020 to 24 <sup>th</sup> September, 2020 (Both days inclusive)
BSE Stock Code	: 508941
Financial Year	: 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020
ISIN	: INE013E01017
Rate of dividend	: 100% (Rs.10/- per share)
CIN	: L29142TN1982PLC009560

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

June 30 <sup>th</sup> 2020	4 <sup>th</sup> week of August, 2020
September 30 <sup>th</sup> 2020	4 <sup>th</sup> week of October, 2020
December 31 <sup>st</sup> 2020	4 <sup>th</sup> week of January, 2021
March 31 <sup>st</sup> 2021	4 <sup>th</sup> week of May, 2021

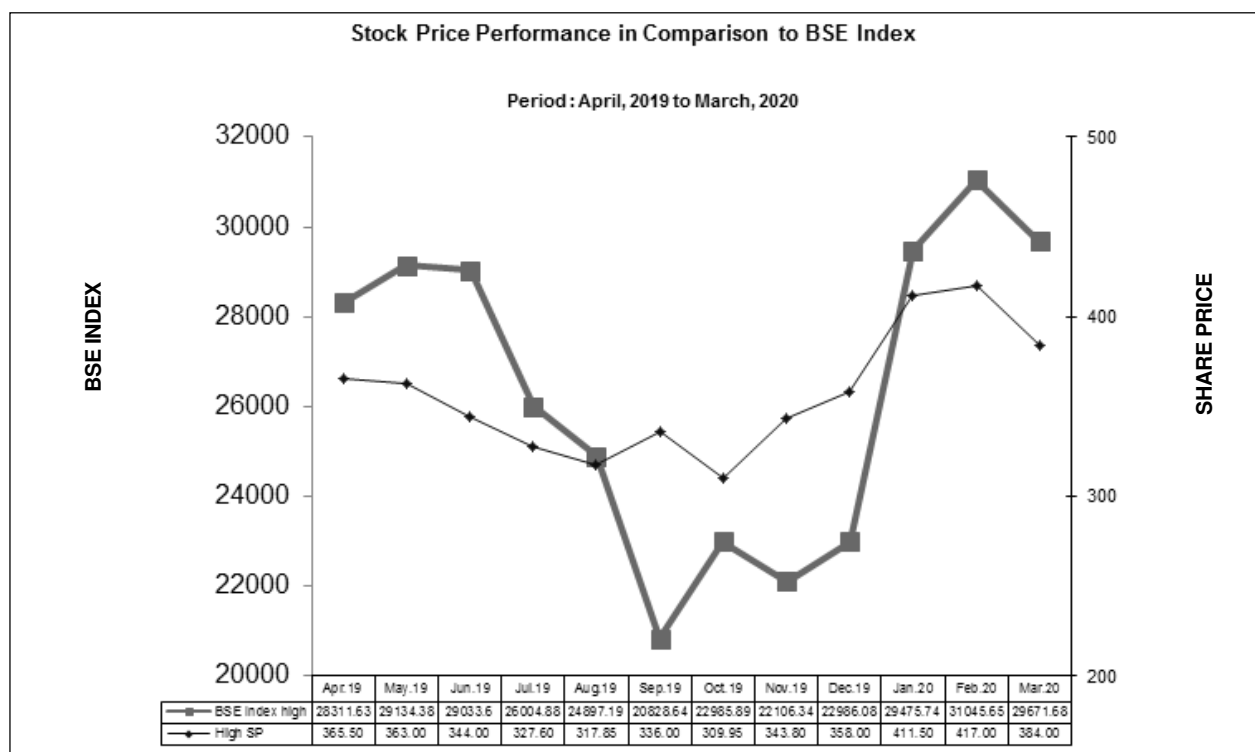
### 16. Listing on Stock Exchanges:

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 2019-20 and there are no arrears.

### 17. Market Price data for the Financial Year ended 31<sup>st</sup> March, 2020:

Month	BSE		Month	BSE	
	High (Rs.P)	Low(Rs.P)		High (Rs.P)	Low(Rs.P)
April, 2019	365.50	332.35	October, 2019	309.95	280.30
May, 2019	363.00	290.15	November, 2019	343.80	289.00
June, 2019	344.00	285.90	December, 2019	358.00	292.35
July, 2019	327.60	280.00	January, 2020	411.50	318.00
August, 2019	317.85	270.00	February, 2020	417.00	362.00
September, 2019	336.00	288.00	March, 2020	384.00	226.05

## PANASONIC CARBON INDIA CO. LIMITED



### 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 Scrip 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:

M/s. Cameo Corporate Services Ltd.,  
"Subramanian Building", No.1, Club House Road,  
Chennai 600 002

#### Name of Contact Person:

Mr.R.D.Ramasamy, Director,  
Phone.No: 0091-44-28460390 (5Lines)  
Fax No. : 0091-44-28460129  
E-mail : investor@cameoindia.com

### 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 dematerialization 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, 2020:

No. of Shares	Number of Shareholders		Number of Shares	
	Number	% of Total	Number	% of Total
1-100	8,235	78.5333	3,36,572	7.0119
101-500	1,726	16.4600	4,05,591	8.4498
501-1000	269	2.5653	2,06,320	4.2983
1001-2000	151	1.4400	2,18,463	4.5513
2001-3000	39	0.3719	99,447	2.0718
3001-4000	17	0.1621	60,277	1.2558
4001-5000	10	0.0954	45,223	0.9421
5001-10000	29	0.2766	2,07,220	4.3171
10001 - And Above	10	0.0954	32,20,887	67.1019
<b>Total</b>	<b>10,486</b>	<b>100.0000</b>	<b>48,00,000</b>	<b>100.0000</b>

## PANASONIC CARBON INDIA CO. LIMITED

### 21. Category wise Shareholding pattern as on 31<sup>st</sup> March, 2020:

Category	No. of Shares Held	% of Shareholding
<b>Promoters</b>		
Indian Promoters	1,800	0.04
Foreign Collaborators	30,36,820	63.27
<b>Others</b>		
Corporate Bodies	93,327	1.94
Individuals	14,74,971	30.72
Mutual Funds & UTI	Nil	Nil
IEPF	20,026	0.42
Foreign Portfolio Investors	Nil	Nil
Banks & Financial Institutions	Nil	Nil
Non-Resident Indians	74,062	1.55
Public	98,994	2.06
<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 ₹
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
2012-13	25 <sup>th</sup> July, 2013	7.00	2017-18	8 <sup>th</sup> August, 2018	10.00
2013-14	31 <sup>st</sup> July, 2014	7.00	2018-19	8 <sup>th</sup> August, 2019	10.00

**Note:** Face value is Rs.10/- per share. Dividend of Rs 10/- per share for the financial year 2019-2020 has been recommended by the Board of Directors on 30<sup>th</sup> June, 2020, is subject to approval by the shareholders at the ensuing Annual General Meeting.

### 23. 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 2020, 98.43% of the paid up share capital representing 47,24,778 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.

#### **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2020 the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

#### **Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

#### **Equity shares in the suspense account:**

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	Nil	Nil
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil

## PANASONIC CARBON INDIA CO. LIMITED

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	Nil	Nil
The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Nil	Nil

The voting rights on the shares outstanding in the suspense account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares

### 24. Transfer of Unclaimed/Unpaid Dividend Amounts to the Investor Education and Protection Fund

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 31.03.2020 (Rs.)	Date of Declaration of Dividend	Proposed date of transfer to IEPF
2012-13	5,03,216	25-07-2013	30-08-2020
2013-14	3,52,674	31-07-2014	05-08-2021
2014-15	4,18,864	23-07-2015	28-08-2022
2015-16	5,79,290	05-08-2016	10-09-2023
2016-17	6,45,840	17-08-2017	22-09-2024
2017-18	2,55,910	17-08-2018	22-09-2025
2018-19	4,36,270	17-08-2019	22-09-2026

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 mentioning the Folio Number.

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in).

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years, of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The members who have a claim on aforesaid dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No.IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No.IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

### 25. 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, 2020, there was

## PANASONIC CARBON INDIA CO. LIMITED

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.

### 26. 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 38<sup>th</sup> Annual General Meeting (AGM) of the Company.

The facility for voting, through ballot / polling paper shall also be made electronically at the 38<sup>th</sup> AGM for those who are not voted during the voting period. 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 remote e-vote again at the AGM.

The Company has appointed Ms. S. Lalitha, Practicing Company Secretary, Partner of LB & Co., Company Secretary Firm, 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 38<sup>th</sup> Annual General Meeting.

### 27. 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, 2020.

### 28. 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.

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

Not Applicable

### 30. Plant/Factory

Tada Mandal, Nellore District, Andhra Pradesh- 524 401
--

#### Location:

Phone: 08623 - 249126 Fax: 08623 - 249049
---

### 31. 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 :0091-44-28275216/226/015 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 : 30<sup>th</sup> June, 2020**

**S.KALYANARAMAN  
DIRECTOR  
DIN:08317984**

**R. SENTHIL KUMAR  
MANAGING DIRECTOR  
DIN : 02170079**

# PANASONIC CARBON INDIA CO. LIMITED

## 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.

For PANASONIC CARBON INDIA CO. LIMITED

Place: Chennai  
Date: 30<sup>th</sup> June, 2020

R. SENTHIL KUMAR  
MANAGING DIRECTOR & CEO  
DIN : 02170079

---

## Independent Auditor's Certificate on Corporate Governance

To

The Members of  
M/s Panasonic Carbon India Co. Limited,  
Pottipati Plaza, 77 (Old No.35), Nungambakkam High Road,  
Third Floor, Nungambakkam, Chennai- 600 034

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by of M/s Panasonic Carbon India Co. Limited having CIN: L29142TN1982PLC009560 having its Registered Office at Pottipati Plaza, 77 (Old No.35), Nungambakkam High Road, Third Floor, Nungambakkam, Chennai - 600 034, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2020. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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.

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the financial year ended 31<sup>st</sup> March, 2020.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 30<sup>th</sup> June, 2020  
Place: Chennai

**CS S Sridevi**  
Company Secretary in Practice  
ACS No: 46537  
CP No: 17176  
UDIN: A046537B000459730

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 3 to the 38<sup>th</sup> Annual Report of the Board of Directors

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) 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 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 S. Kalyanaraman, Chairman (Independent Director)
  2. Mr. R. Senthil Kumar, Member (Managing Director & CEO)
  3. Mrs.C. Jayashree, Member (Independent Director)
3. Average net profit of the company for last three financial years ₹ 19.20 crores
- 4.. Prescribed CSR Expenditure (2% of the amount as in item 3 above)  
The Company is required to spend during the financial year 2019-20 is : Rs. 38,39,156/-
5. Details of CSR spent during the financial year  
Total amount spent for the financial year 2019-20 is :Rs. 38,49,257/-
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 program wise (Amount in ₹)	Amount spent on the projects or Program wise (Amount in ₹)	Cumulative expenditure upto to the reporting period (Amount in ₹)	Amount spent: Direct or through implementing agency
1	Dental Camp for school students ,by providing Dental Kit	Health Care	7 MPP schools, Tada	51162	51162	51162	Directly
2	Painting , renovation of ward room fixing with tiles to walls ,Providing sitting table for patients with granite stone.	Health care	Govt Hospital, Tada	422607	422607	473769	Directly
3	Distribution of Note Books, Pencils, bags and Out door Playing Equipment	Education and sports	6 MPP schools, Tada	943580	943580	1417349	Directly
4	Construction of shed for RO plant & Construction of water sump with pipeline and Extension of Cycle stand	Education	KGBV School, MPP School and ZPP Boys High School Tada	459706	459706	1877055	Directly
5	Distribution of Dual desks, Construction of waste water sump, Painting of compound wall and school buildings .	Education	MPP School, Bodilingala padu, and Kasingadu Kuppam TADA	1332088	1332088	3209143	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 program wise  (Amount in ₹)	Amount spent on the projects or Program wise  (Amount in ₹)	Cumulative expenditure upto to the reporting period  (Amount in ₹)	Amount spent: Direct or through implementing agency
6	Distribution of Dual Desks and School Renovation	Education	MPP school, Anupagunta TADA	392228	392228	3601371	Directly
7	Environment awareness campaign on "say no to single use plastics"	Rural Development	KGBV School, TADA	121499	121499	3722870	Directly
8	Distribution of Uniforms and dress material for orphans and Distribution of New Grinders for their kitchen	Education	JanaHita Vatsalya Orphanage Home,Nellore	126387	126387	3849257	Directly
	<b>Total Amount spent (Rs.)</b>					<b>38,49,257</b>	

8. Responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company;

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and CSR policy of the Company.

**Place : Chennai**  
**Date : 30<sup>th</sup> June 2020**

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

**S.Kalyanaraman**  
Chairman of the CSR Committee  
**DIN: 08317984**

**R.Senthil Kumar**  
Managing Director & CEO  
**DIN :02170079**



# PANASONIC CARBON INDIA CO. LIMITED

Annexure - 4 to the 38<sup>th</sup> Annual Report of the Board of Directors

## EXTRACT OF ANNUAL RETURN

Financial year ended 31.03.2020

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]

Sl 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; Email Id: maheswari.p@in.panasonic.com www.panasoniccarbon.co.in
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	2,000	0	2,000	0.0417	1800	0	1800	0.0375	-0.0041
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	0	0	0	0.0000	0	0	0	0.0000	0.0000
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>2,000</b>	<b>0</b>	<b>2,000</b>	<b>0.0417</b>	<b>1800</b>	<b>0</b>	<b>1800</b>	<b>0.0375</b>	<b>-0.0041</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>30,38,820</b>	<b>0</b>	<b>30,38,820</b>	<b>63.3087</b>	<b>3038620</b>	<b>0</b>	<b>3038620</b>	<b>63.3045</b>	<b>-0.0041</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	0	0	0.0000	1	0	1	0.0000	0.0000
c) Central Govt/State Govt	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Foreign Portfolio Investor (Corporate)	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
<b>Sub-Total (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0.0000</b>	<b>0.0000</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
b) Individuals	116329	991	117320	2.4441	92530	797	93327	1.9443	-0.4998
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	315627	77765	1393392	29.0290	1332338	74298	1406636	29.3049	0.2759
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	65842	0	65842	1.3717	68335	0	68335	1.4236	0.0519
<b>c) Qualified Foreign Investor</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>d) Others</b>									
Foreign Bodies									
NRI / OCBs									
Clearing Members	3623	0	3623	0.0754	3172	0	3172	0.0660	-0.0093
Hindu Undivided Families	92055	0	92055	1.9178	95806	0	95806	1.9959	0.0781
Limited Liability Partnership									
Foreign Portfolio Investor									
EPF	18884	0	18884	0.3934	20026	0	20026	0.4172	0.0237
Non Resident Indians	69922	127	70049	1.4593	73935	127	74062	1.5429	0.0836
Resident HUF									
Trusts	15	0	15	0.0003	15	0	15	0.0003	0.0000
<b>Others</b>	<b>184499</b>	<b>127</b>	<b>184626</b>	<b>3.8463</b>	<b>192954</b>	<b>127</b>	<b>193081</b>	<b>4.0225</b>	<b>0.1761</b>
<b>Sub-Total (B) (2)</b>	<b>1682297</b>	<b>78883</b>	<b>1761180</b>	<b>36.6912</b>	<b>1686157</b>	<b>75222</b>	<b>1761379</b>	<b>36.6953</b>	<b>0.0041</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1682297</b>	<b>78883</b>	<b>1761180</b>	<b>36.6912</b>	<b>1686158</b>	<b>75222</b>	<b>1761380</b>	<b>36.6954</b>	<b>0.0041</b>
<b>Total (A) + (B)</b>	<b>4721117</b>	<b>78883</b>	<b>4800000</b>	<b>100.0000</b>	<b>4724778</b>	<b>75222</b>	<b>4800000</b>	<b>100.0000</b>	<b>0.0000</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>4721117</b>	<b>78883</b>	<b>4800000</b>	<b>100.0000</b>	<b>4724778</b>	<b>75222</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 Jiwaraika	1000	0.0208	-	1000	0.0208	-	0.0000
3	Laxmi Devi Jiwaraika	1000	0.0208	-	800	0.0166	-	0.0000
	<b>Total</b>	<b>3038820</b>	<b>63.3087</b>		<b>3038620</b>	<b>63.3045</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>NIL</b>				

### iv) Shareholding Pattern of Top Twenty Shareholders

Sl No	For Each of the Top 20 Shareholders	Shareholding as on 31-03-2020	
		No. of Shares	% of total shares of the company
1	Ramakant	30,000	0.6250
2	Meka Thirupathi Venkata Pattabhi Rama Rao	28,532	0.5944
3	Aparna Sarees Private Limited	25,824	0.5380
4	Sunil Kumar Gupta	24,000	0.5000
5	Raghvendra	22,900	0.4770
6	Investor Education and Protection Fund	20,026	0.4172
7	Bela Saraf	15,000	0.3125
8	Rutwik Utkarsh Mehta	11,000	0.2291
9	Rameshwar Nath Pandey	10,435	0.2173
10	Subramanyam Pisupati	10,000	0.2083
11	Meka Tirupati Venkata Pattabi Rama Rao	9,852	0.2052
12	Ravindra Sonu Choudhari	9,300	0.1937
13	Venkata Papa Rao Ravipati	9,186	0.1913
14	Padmaja Meka	9,096	0.1895
15	Jitendrakumar Saraiya	9,000	0.1875
16	Pico Capital Private Limited	8,500	0.1770
17	ARM Research Private Limited	8,307	0.1730
18	Santosh Kumar Khemka	8,200	0.1708
19	Vivek Khandelwal	7,500	0.1562
20	Manoj Bhagwan Bhag chandani	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	Cumulative Shareholding during the year	
	No of Shares	% of total shares of the company
<b>Mr. R. Senthil Kumar, Managing Director</b>		
At the beginning of the year	134	0.002791
Transaction (transferred during the year)	566	0.011791
At the end of the year	700	0.014582

Name of the Key Managerial Personnel	Cumulative Shareholding during the year	
	No of Shares	% of total shares of the company
<b>Mr. Vinayagam Sume, CFO</b>		
At the beginning of the year	0	0
Transaction during the year	0	0
At the end of the year	0	0
<b>Ms.P. Maheswari, Company Secretary</b>		
At the beginning of the year	10	0.000208
Transaction during the year	15	0.000312
At the end of the year	25	0.000520

### 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 Director and/or Manager:

Sl.No	Particulars of Remuneration	Mr. R. Senthil Kumar
	Gross Salary	₹
1	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	72,00,000
	b) Value of perquisites under section 17(2) of Income Tax Act, 1961	2,40,000
	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	11,48,800
	<b>Total (A)</b>	<b>85,88,800</b>

### B. Remuneration to other Directors:

#### 1. Independent Directors

Sl.No	Particulars of Remuneration	Name of the Director		Total Amount (₹)
		Mr. S. Kalyanaraman (₹)	Mrs. C. Jayashree (₹)	
1	Fee for attending Board / Committee Meetings	85,000	85,000	<b>1,70,000</b>
2	Commission	5,00,000	5,00,000	<b>10,00,000</b>
3	Others Please Specify	-	-	
	<b>Total (B) (1)</b>	<b>5,85,000</b>	<b>5,85,000</b>	<b>11,70,000</b>

#### 2. Other Non Executive Directors

Sl.No	Particulars of Remuneration	Name of the Director	Total Amount (₹)
		Mr. Hideyuki Okunaga	
1	Fee for attending Board / Committee Meetings	0	0
2	Commission	0	0
3	Others Please Specify	-	0
	<b>Total (B) (2)</b>	<b>0</b>	<b>0</b>
<b>3.</b>	<b>Total (B)=(B)(1)+(B)(2)</b>		<b>11,70,000</b>

## PANASONIC CARBON INDIA CO. LIMITED

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

Sl.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	10,08,600	5,50,848	15,59,448
2	Stock Options	-	-	
3	Sweat Equity	-	-	
4	Commission - as % of profit	-	-	
5	others, (PF, Superannuation & Bonus)	2,18,268	70,944	2,89,212
	<b>Total (C)</b>	<b>12,26,868</b>	<b>6,21,792</b>	<b>18,48,660</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.

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 5 to the 38<sup>th</sup> Annual Report of the Board of Directors

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

**Panasonic Carbon India Co. Limited**

CIN:-L29142TN1982PLC009560

Pottipati Plaza, 77 (Old. No.35),

Nungambakkam High Road,

Third Floor, Nungambakkam, Chennai 600 034.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Panasonic Carbon India Co. Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 and made available to us, 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;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; – Not applicable as the Company has not granted any Options to its employees during the financial year under review;
  - (f) 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;
  - (g) 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;
  - (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
- vi) Other laws applicable specifically to the Company, namely :
- (a) Factories Act, 1948
  - (b) Petroleum Act, 1934
  - (c) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

We report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above.

## PANASONIC CARBON INDIA CO. LIMITED

We further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period of the Company, no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc

**Rabi Narayan Pal**

Rabi Narayan & Associates

Company Secretaries

FCS :4993/ C.P.No.3480

Firm UC No.S2000TN667800

**UDIN number F004993B000404942**

Place: Chennai  
Date: 30/06/2020

**This report is to be read with Annexure A which forms an integral part of this report.**

**"Annexure-A"**

To  
The Members  
**Panasonic Carbon India Co. Limited**  
Pottipati Plaza, 77 (Old. No.35),  
Nungambakkam High Road,  
Third Floor, Nungambakkam, Chennai 600 034.

Our report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the

processes and practices, the company had followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, We have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

**Rabi Narayan Pal**

Rabi Narayan & Associates

Company Secretaries

FCS :4993/ C.P.No.3480

Firm UC No.S2000TN667800

**UDIN number F004993B000404942**

Place: Chennai  
Date: 30/06/2020



# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 6 to 38<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	12%
Mr. Vinayagam Sume	Chief Financial Officer	15%
Ms. P. Maheswari	Company Secretary	13%

c) The percentage increase in the average remuneration of employees in the financial year 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.

d) The number of permanent employees on the rolls of company as on 31/03/2020 :131

e) The Company's PAT has increased from Rs.1229.83 lakhs to Rs. 1695.48 lakhs, an increase of 37.86%.

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	85.89	12%	1695.48	37.86
Mr. Vinayagam Sume	Chief Financial Officer	12.27	15%		
Ms. P. Maheswari	Company Secretary	6.22	13%		

\*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 (Face value of Rs. 10/- each)	EPS Market Price per shares (INR)	PE Ratio	Market	Capitalisation (₹ in Lakhs)
31.03.2020		4,80,00,000	273.90	35.32	7.75	13,147.20
31.03.2019		4,80,00,000	356.85	25.62	13.93	17,128.80
Decrease		NIL	82.95	(9.70)	6.17	3,981.60
% Decrease		NIL	23.25	(37.86)	44.32	23.25
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 10% for employees other than Key Managerial Personnel and 13% 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 : 30th June, 2020

**R. SENTHIL KUMAR  
MANAGING DIRECTOR (DIN: 02170079)**

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 7 to the 38<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 and it was approved on our Board Meeting held on 13/05/2019
- 2 Details of Material contracts or arrangements or transactions at Arm's length basis :** Kindly refer our accounts note no. 35

Place : Chennai  
Date : 30th June, 2020

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

S. KALYANARAMAN  
DIRECTOR  
DIN : 08317984

R. SENTHIL KUMAR  
MANAGING DIRECTOR  
DIN: 02170079

# PANASONIC CARBON INDIA CO. LIMITED

## Independent Auditor's report

To the Members of Panasonic Carbon India Co. Limited

Report on the Audit of the financial statements

### Opinion

We have audited the accompanying financial statements of **Panasonic Carbon India Co. Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue recognition and related party transactions

Refer to notes 3.8, 24 and 35 to the financial statements.

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Company manufactures and sells carbon rods. Revenue is recognised as per the principles laid down under Ind AS 115 Revenue from contracts with customers.</p> <p>We identified revenue recognition as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance indicator. This could create an incentive for revenue to be overstated or recognised before control has been transferred.</p> <p>Majority of revenues are derived from related parties.</p> <p>Related party transactions are regulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Companies Act, 2013. In addition, the relevant accounting standards require specific disclosures of related parties and transactions with them to be made in the financial statements.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"><li>▪ We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</li><li>▪ We evaluated the design and operating effectiveness of the relevant key controls with respect to revenue recognition, segregation of duties and collection on selected transactions.</li><li>▪ We tested underlying documents for revenue recorded during the year using statistical sampling, to test that the revenues and trade receivables are recorded appropriately taking into consideration the terms and conditions of the customer orders, including the shipping terms.</li><li>▪ We obtained independent confirmation of balance from the Company's customers on a sample basis.</li><li>▪ We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period.</li></ul>

(Contd.,)

## PANASONIC CARBON INDIA CO. LIMITED

	<i>How the matter was addressed in our audit</i>
	<ul style="list-style-type: none"> <li>▪ We made inquiries of management regarding the identity of the related parties including changes from the prior year and the nature of relationships and of the transactions with them. We also maintained alertness regarding related party information when examining records or documents regarding undisclosed related party relationships or transactions.</li> <li>▪ We evaluated compliance of related party transactions with applicable laws and regulations.</li> <li>▪ We tested whether the pricing of related party transactions are undertaken at arm's length.</li> <li>▪ Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standards and applicable laws and regulations.</li> </ul>

### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under applicable laws and regulations.

### **Management's Responsibility for the financial statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and 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) specified under section 133 of the Act.

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

In preparing the financial statements, Management and Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of Financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

## PANASONIC CARBON INDIA CO. LIMITED

is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.

## PANASONIC CARBON INDIA CO. LIMITED

- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
3. With respect to the other matters to be included in the Auditors' 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:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 34 to the financial statements;
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable loss.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- d) The disclosures in the 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 in these financial statements since they do not pertain to the financial year ended 31 March 2020.
4. With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Place: Chennai  
Date: 30 June 2020

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

**Harsh Vardhan Lakhotia**  
*Partner*  
Membership No. 222432  
ICAI UDIN: 20222432AAAAAW8286

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure A to the Independent Auditor's Report to the Members of Panasonic Carbon India Co. Limited for the year ended 31 March 2020

### (Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Panasonic Carbon India Co. Limited of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner over two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (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 employees' state insurance, income-tax, duty of customs, goods and services tax and any other material statutory dues have generally been regularly deposited with the appropriate authorities, except in payments of provident fund where there has been a delay in a few cases. As explained to us, the Company did not have any dues on account of sales tax, service tax, value added tax, duty of excise and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and any other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable, except for the items as set out below.

Name of the statute	Nature of dues	Amount (INR in thousands)	Period to which amount relates	Due Date	Date of payment
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	909.28	April-September 2019	Various dates	Not yet paid

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs and goods and services tax which have not been deposited with the appropriate authorities on account of a dispute, except for items as set out below.

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	1,739.64	2003-2004	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	81.69	2009-2010	Assessing Officer
Finance Act, 1994	Service tax	6.76	For the period 2010-2013	Appellate Tribunal

- (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, bank, government or debenture holders during the year.

## PANASONIC CARBON INDIA CO. LIMITED

- (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 by or any material fraud on 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 financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given 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. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

*Chartered Accountants*

Firm Registration No: 101248W/W-100022

**Harsh Vardhan Lakhotia**

*Partner*

Membership No. 222432

ICAI UDIN: 20222432AAAAAW8286

Place: Chennai

Date: 30 June 2020



# PANASONIC CARBON INDIA CO. LIMITED

Annexure B to the Independent Auditor's Report to the members of Panasonic Carbon India Co. Limited for the year ended 31 March 2020

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

## Opinion

We have audited the internal financial controls over financial reporting of Panasonic Carbon India Co. Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## Management's Responsibility for Internal Financial Controls with reference to financial statements

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

## Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that

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

## Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

Firm Registration No: 101248W/W-100022

**Harsh Vardhan Lakhota**

Partner

Membership No. 222432

ICAI UDIN: 20222432AAAAAW8286

Place: Chennai

Date: 30 June 2020

# PANASONIC CARBON INDIA CO. LIMITED

## Balance Sheet as at 31 March 2020

(All amounts are in thousands of INR except share data, unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	73,045.12	83,513.39
Financial assets			
Investments	5	-	27.85
Loans	6	3,338.42	4,522.62
Other financial assets	7	195,900.00	55,236.89
<b>Total non-current assets</b>		<b>272,283.54</b>	<b>143,300.75</b>
<b>Current assets</b>			
Inventories	8	24,485.93	23,359.33
Financial assets			
Trade receivables	9	32,982.09	32,274.39
Cash and cash equivalents	10	7,678.69	13,570.65
Bank balances other than cash and cash equivalents	11	845,016.37	871,221.96
Loans	12	1,432.07	217.47
Other financial assets	13	241.72	1,341.84
Other current assets	14	6,096.94	5,360.38
<b>Total current assets</b>		<b>917,933.81</b>	<b>947,346.02</b>
<b>Total assets</b>		<b>1,190,217.35</b>	<b>1,090,646.77</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	15	48,000.00	48,000.00
Other equity	16	1,086,821.68	977,947.29
<b>Total equity</b>		<b>1,134,821.68</b>	<b>1,025,947.29</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	31	8,590.79	12,655.98
Provisions	23	1,963.42	650.84
<b>Total non-current liabilities</b>		<b>10,554.21</b>	<b>13,306.82</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	20		
- total outstanding dues of micro and small enterprises		-	-
- total outstanding dues of creditors other than micro and small enterprises		22,383.24	34,097.93
Other financial liabilities	21	3,192.06	3,239.86
Other current liabilities	22	13,232.78	11,418.73
Provisions	23	3,574.03	2,374.63
Current tax liabilities (net)		2,459.35	261.51
<b>Total current liabilities</b>		<b>44,841.46</b>	<b>51,392.66</b>
<b>Total liabilities</b>		<b>55,395.67</b>	<b>64,699.48</b>
<b>Total equity and liabilities</b>		<b>1,190,217.35</b>	<b>1,090,646.77</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

**Harsh Vardhan Lakhota**

Partner

Membership No.: 222432

Place : Chennai

Date: 30 June 2020

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: 30 June 2020

**S. Kalyanaraman**

Director

DIN: 08317984

**P. Maheswari**

Company Secretary

# PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

	Note	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Revenue from operations	24	450,049.56	452,722.58
Other income	25	84,733.40	75,470.36
<b>Total income</b>		<b>534,782.96</b>	<b>528,192.94</b>
<b>Expenses:</b>			
Cost of materials consumed	26	117,633.23	142,791.60
Changes in inventories of work-in-progress	27	(2,141.56)	3,915.95
Employee benefits expense	28	81,871.60	78,853.68
Depreciation expense	29	12,412.98	13,315.10
Other expenses	30	98,751.51	114,141.73
<b>Total expenses</b>		<b>308,527.76</b>	<b>353,018.06</b>
<b>Profit before tax</b>		<b>226,255.20</b>	<b>175,174.88</b>
Current tax	31	59,911.55	53,646.26
Deferred tax	31	(3,204.48)	(1,453.88)
<b>Income tax expense</b>		<b>56,707.07</b>	<b>52,192.38</b>
<b>Profit for the year</b>		<b>169,548.13</b>	<b>122,982.50</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit and loss</b>			
Remeasurement of defined benefit liability/ (asset)		(3,748.33)	(284.00)
Income tax relating to items that will not be reclassified to profit or loss		943.38	82.70
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent years</b>		<b>(2,804.95)</b>	<b>(201.30)</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>(2,804.95)</b>	<b>(201.30)</b>
<b>Total comprehensive income for the year</b>		<b>166,743.18</b>	<b>122,781.20</b>
<b>Earnings per share</b>			
(Face value INR 10/- per share)			
Basic and diluted earnings per share (INR)	19	35.32	25.62
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

**Harsh Vardhan Lakhotia**

Partner

Membership No.: 222432

**R. Senthil Kumar**

Managing Director

DIN: 02170079

**Vinayagam Sume**

Chief Financial Officer

**S. Kalyanaraman**

Director

DIN: 08317984

**P. Maheswari**

Company Secretary

Place : Chennai

Date: 30 June 2020

Place : Chennai

Date: 30 June 2020

# PANASONIC CARBON INDIA CO. LIMITED

## Statement of cash flow for the year ended 31 March 2020

(All amounts are in thousands of INR except share data, unless otherwise stated)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Cash flow from operating activities</b>			
Profit for the year		226,255.20	175,174.88
Adjustments for:			
Depreciation and amortisation	29	12,412.98	13,315.10
Gain on sale of property, plant and equipment	25	(351.93)	(610.57)
Change in fair value of investment	30	19.09	23.66
Interest income	25	(71,564.47)	(62,045.12)
Unrealised foreign exchange difference	25	39.55	(906.67)
		<b>166,810.42</b>	<b>124,951.28</b>
<b>Operating cash flow before working capital changes</b>			
Working capital adjustments:			
(Increase)/ decrease in inventories		(1,126.60)	9,654.54
Increase in trade receivables, loans and other assets		(395.42)	(1,222.49)
Decrease in trade payables, provisions and other liabilities		(11,112.02)	(1,410.04)
		<b>154,176.38</b>	<b>131,973.29</b>
<b>Cash generated from operating activities</b>		<b>154,176.38</b>	<b>131,973.29</b>
Income tax paid (net)		(57,713.72)	(52,802.41)
<b>Net cash from operating activities (A)</b>		<b>96,462.66</b>	<b>79,170.88</b>
<b>Cash flow from investing activities</b>			
Interest received		71,059.15	62,045.12
Proceeds from sale of property, plant and equipment	25	351.93	1,537.02
Acquisition of property, plant and equipment, and capital work in progress	4	(1,946.00)	(4,430.98)
Investments in fixed deposits		(113,950.91)	(79,993.40)
		<b>(44,485.83)</b>	<b>(20,842.24)</b>
<b>Net cash used in investing activities (B)</b>		<b>(44,485.83)</b>	<b>(20,842.24)</b>
<b>Cash flow from financing activities (Refer note)</b>			
Dividends paid (and related dividend distribution tax)	16	(57,868.80)	(57,868.80)
		<b>(57,868.80)</b>	<b>(57,868.80)</b>
<b>Net cash flow used in financing activities (C)</b>		<b>(57,868.80)</b>	<b>(57,868.80)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(5,891.97)</b>	<b>459.84</b>
Cash and cash equivalents at the beginning of the year		13,570.65	13,110.81
<b>Cash and cash equivalents at the end of the year</b>	10	<b>7,678.69</b>	<b>13,570.65</b>

### Note:

#### Reconciliation of liabilities from financing activities

Particulars	As at 31 March 2019	Dividend declared	Dividend paid	As at 31 March 2020
		(including dividend distribution tax)		
Unpaid dividends	3,239.86	57,868.80	(57,916.60)	3,192.06
<b>Total liabilities from financing activities</b>	<b>3,239.86</b>	<b>57,868.80</b>	<b>(57,916.60)</b>	<b>3,192.06</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

**Harsh Vardhan Lakhotia**

Partner

Membership No.: 222432

**R. Senthil Kumar**

Managing Director

DIN: 02170079

**Vinayagam Sume**

Chief Financial Officer

Place : Chennai  
Date: 30 June 2020

**S. Kalyanaraman**

Director

DIN: 08317984

**P. Maheswari**

Company Secretary

Place : Chennai  
Date: 30 June 2020

# PANASONIC CARBON INDIA CO. LIMITED

## Statement of changes in equity for the year ended 31 March 2020

(All amounts are in thousands of INR except share data, unless otherwise stated)

a. Equity share capital	Note	Amount
<b>Balance as at 31 March 2018</b>		<b>48,000.00</b>
Changes in equity share capital during 2018-19	15	-
<b>Balance as at 31 March 2019</b>		<b>48,000.00</b>
Changes in equity share capital during 2019-20	15	-
<b>Balance as at 31 March 2020</b>		<b>48,000.00</b>

b. Other equity	Attributable to the owners of the Company			Total
	Reserves and Surplus			
	General Reserves (See note 16a)	Securities Premium (See note 16b)	Retained earnings	
<b>Total comprehensive income for the year ended 31 March 2018</b>	<b>760,000.00</b>	<b>27,000.00</b>	<b>126,034.89</b>	<b>913,034.89</b>
Profit for the year	-	-	122,982.50	122,982.50
Other comprehensive income (net of tax) (See note 17)	-	-	(201.30)	(201.30)
Transfer to general reserve	125,000.00	-	(125,000.00)	-
<b>Total comprehensive income</b>	<b>885,000.00</b>	<b>27,000.00</b>	<b>123,816.09</b>	<b>1,035,816.09</b>
<b>Transactions with owners, recorded directly in equity-</b>				
<b>Distributions to owners</b>				
Dividends	-	-	(48,000.00)	(48,000.00)
Dividend distribution tax	-	-	(9,868.80)	(9,868.80)
<b>Balance at 31 March 2019 / 1 April 2019</b>	<b>885,000.00</b>	<b>27,000.00</b>	<b>65,947.29</b>	<b>977,947.29</b>
<b>Total comprehensive income for the year ended 31 March 2020</b>				
Profit for the year	-	-	169,548.13	169,548.13
Other comprehensive income (net of tax) (See note 17)	-	-	(2,804.95)	(2,804.95)
Transfer to general reserve	125,000.00	-	(125,000.00)	-
<b>Total comprehensive income</b>	<b>1,010,000.00</b>	<b>27,000.00</b>	<b>107,690.48</b>	<b>1,144,690.48</b>
<b>Transactions with owners, recorded directly in equity-</b>				
<b>Distributions to owners</b>				
Dividends	-	-	(48,000.00)	(48,000.00)
Dividend distribution tax	-	-	(9,868.80)	(9,868.80)
<b>Balance as at 31 March 2020</b>	<b>1,010,000.00</b>	<b>27,000.00</b>	<b>49,821.68</b>	<b>1,086,821.68</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

**Harsh Vardhan Lakhotia**

Partner

Membership No.: 222432

Place : Chennai

Date: 30 June 2020

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: 30 June 2020

**S. Kalyanaraman**

Director

DIN: 08317984

**P. Maheswari**

Company Secretary

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the Financial Statements for the year ended 31 March 2020

(All amounts are in thousands of INR except share data, unless otherwise stated)

### 1 Reporting entity

Panasonic Carbon India Co. Ltd. ('the Company') is involved in manufacture of Carbon Rods. The Company is a public limited company incorporated and domiciled in India and has its registered office at Pottipati Plaza, 3rd floor, 77, Nungambakkam High Road, Nungambakkam, Chennai - 600034. The equity shares of the company are listed on the Bombay Stock Exchange (BSE).

### 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 accounting policies adopted are consistent with those of the previous financial year except for changes in leases.

The financial statements were authorised for issue by the Company's Board of Directors on 30 June 2020.

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:

<u>Items</u>	<u>Measurement basis</u>
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Certain financial assets and liabilities	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 23, 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.

# PANASONIC CARBON INDIA CO. LIMITED

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).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes: • Note 33 – financial instruments

## 3 Significant accounting policies

### 3.1 Foreign currency

#### ***Foreign currency transactions***

Transactions in foreign currencies are translated into the functional currency of company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in Statement of profit or loss.

### 3.2 Financial instruments

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

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### ***ii. Classification and subsequent measurement***

##### ***Financial assets***

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### ***Financial assets: Subsequent measurement and gains and losses***

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

# PANASONIC CARBON INDIA CO. LIMITED

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

## **Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### **iii. Derecognition**

#### **Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset 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. 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.

### **iii. 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:



## PANASONIC CARBON INDIA CO. LIMITED

Asset category	Management estimate of useful life	Useful life as per Schedule II
Buildings	30- 60 years	30 years
Plant and equipment	8 years	8- 20 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.

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.

# PANASONIC CARBON INDIA CO. LIMITED

## **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 is recognised when a performance obligation in a customer contract has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as applicable taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices.

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

## **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 / utilising 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**

The Company adopted Ind AS 116, Leases with effect from 1 April 2019. This standard replaces the earlier standard Ind AS 17. Ind AS 116 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the earlier standard – i.e., lessors continue to classify leases as finance or operating leases. ]

The Company has adopted Ind AS 116 and applied the Standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application (1 April 2019). Accordingly, the information presented for the for the year ended 31 March 2019 has not been restated – i.e. it is presented, as previously reported, under Ind AS 17. The Company has elected to measure right-of-use asset for all leases at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Further, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Company has used the following practical expedients permitted under Ind AS 116:

(a) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.

## PANASONIC CARBON INDIA CO. LIMITED

(b) The accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases.

(c) Not to separate non-lease components from lease components where information is not clearly evident and instead account for each lease component and any associated non-lease components as a single lease component.

(d) Not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17.

The effect of this adoption did not have a material impact on the statement of profit and loss for the year ended 31 March 2020.

The accounting policy followed in the previous year under Ind AS 17 is as follows:

### **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 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 did 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;

## PANASONIC CARBON INDIA CO. LIMITED

- 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.

### 3.13 Current / Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

### 3.14 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

# PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

### 4 Property, Plant and Equipment

See accounting policies in Note 3.3

#### 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)
Cost (gross carrying amount)										
<b>Balance at 1 April, 2018</b>	1,401.87	19,462.21	12,283.88	71,995.14	688.41	678.52	3,436.49	109,946.52	1,595.00	<b>111,541.51</b>
Additions/ Adjustments	-	-	3,819.03	-	163.39	12.66	2,030.90	6,025.98	-	6,025.98
Disposals	-	-	185.00	992.02	99.12	-	1,428.60	2,704.74	1,595.00	4,299.74
<b>Balance at 31 March 2019</b>	<b>1,401.87</b>	<b>19,462.21</b>	<b>15,917.91</b>	<b>71,003.12</b>	<b>752.68</b>	<b>691.18</b>	<b>4,038.79</b>	<b>113,267.76</b>	-	<b>113,267.75</b>
<b>Balance at 1 April, 2019</b>	1,401.87	19,462.21	15,917.91	71,003.12	752.68	691.18	4,038.79	113,267.76	-	<b>113,267.75</b>
Additions/ Adjustments	-	-	1,700.00	-	246.00	-	-	1,946.00	-	1,946.00
Disposals	-	-	3,598.00	-	182.00	-	-	3,780.00	-	3,780.00
<b>Balance at 31 March 2020</b>	<b>1,401.87</b>	<b>19,462.21</b>	<b>14,019.91</b>	<b>71,003.12</b>	<b>816.68</b>	<b>691.18</b>	<b>4,038.79</b>	<b>111,433.76</b>	-	<b>111,433.75</b>
Accumulated depreciation										
<b>Balance at 1 April, 2018</b>	-	3,113.53	4,235.81	8,895.22	637.43	177.05	1,160.51	18,219.55	-	<b>18,219.55</b>
Depreciation for the year	-	1,367.79	3,741.13	7,089.92	89.86	100.62	925.78	13,315.10	-	13,315.10
Adjustments	-	(6.16)	(84.54)	(27.00)	(74.47)	188.60	3.57	(0.00)	-	-
Disposals	-	-	185.00	169.40	99.12	-	1,326.77	1,780.29	-	1,780.29
<b>Balance at 31 March 2019</b>	-	<b>4,475.16</b>	<b>7,707.40</b>	<b>15,788.74</b>	<b>553.70</b>	<b>466.27</b>	<b>763.09</b>	<b>29,754.36</b>	-	<b>29,754.36</b>
<b>Balance at 1 April, 2019</b>	-	4,475.16	7,707.40	15,788.74	553.70	466.27	763.09	29,754.36	-	<b>29,754.36</b>
Depreciation for the year	-	1,234.35	3,099.79	6,748.69	134.69	107.78	1,087.68	12,412.98	-	12,412.98
Adjustments	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	3,597.84	-	180.86	-	-	3,778.70	-	3,778.70
<b>Balance at 31 March 2020</b>	-	<b>5,709.51</b>	<b>7,209.35</b>	<b>22,537.43</b>	<b>507.53</b>	<b>574.05</b>	<b>1,850.77</b>	<b>38,388.64</b>	-	<b>38,388.64</b>
Carrying amount (net)										
<b>As at 31 March 2019</b>	<b>1,401.87</b>	<b>14,987.05</b>	<b>8,210.51</b>	<b>55,214.38</b>	<b>198.98</b>	<b>224.91</b>	<b>3,275.70</b>	<b>83,513.39</b>	-	<b>83,513.39</b>
<b>As at 31 March 2020</b>	<b>1,401.87</b>	<b>13,752.70</b>	<b>6,810.56</b>	<b>48,465.69</b>	<b>309.15</b>	<b>117.13</b>	<b>2,188.02</b>	<b>73,045.12</b>	-	<b>73,045.12</b>

# PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
<b>5 Investments</b>		
See accounting policies in note 3.2		
<b>Quoted equity shares</b>		
Equity shares at FVTPL		
(i) Nil (31 March 2019 - 100) equity shares of Eveready Industries India Limited	-	19.27
(ii) Nil (31 March 2019 - 100) equity shares of McLeod Russel India Limited	-	8.58
	-	<b>27.85</b>
Aggregate book value of quoted investments	-	10.90
Aggregate market value of the quoted investments	-	27.85
Aggregate amount of impairment in value of investments	-	-
<b>6 Non-current loans</b>		
<i>(unsecured, considered good unless otherwise stated)</i>		
Security deposits	3,338.42	4,522.62
	<b>3,338.42</b>	<b>4,522.62</b>
<b>7 Non-current other financial assets</b>		
<i>(unsecured, considered good, unless otherwise stated)</i>		
Bank balances in deposit accounts*	195,900.00	55,236.89
	<b>195,900.00</b>	<b>55,236.89</b>
* includes accrued interest	322.36	236.89
<b>8 Inventories</b>		
See accounting policy in note 3.4		
Raw materials	13,549.81	13,511.94
Work in progress	10,136.40	7,994.83
Stores and spares	799.72	1,852.56
	<b>24,485.93</b>	<b>23,359.33</b>
<b>9 Trade receivables</b>		
See accounting policy in note 3.2		
Unsecured, considered good	32,982.09	32,274.39
Doubtful	-	-
	<b>32,982.09</b>	<b>32,274.39</b>
Non-current	-	-
Current	32,982.09	32,274.39
	<b>32,982.09</b>	<b>32,274.39</b>
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties, Refer note 35	27,522.09	28,847.30
The Company's exposure to credit and currency risk and loss allowance relating to trade receivables are disclosed in note 33.		
<b>10 Cash and cash equivalents</b>		
Cash on hand	73.68	41.64
Balances with banks		
In current accounts	7,604.99	13,529.01
	<b>7,678.69</b>	<b>13,570.65</b>

## PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>11 Bank balances other than cash and cash equivalents</b>		
In deposit accounts*	841,824.31	867,982.10
In earmarked accounts		
Unpaid dividend accounts	3,192.06	3,239.86
	<b>845,016.37</b>	<b>871,221.96</b>
* includes accrued interest	17,401.94	16,982.10
<b>12 Current loans</b>		
<i>(unsecured, considered good unless otherwise stated)</i>		
Security deposits	1,243.20	-
Loans to employees	188.87	217.47
	<b>1,432.07</b>	<b>217.47</b>
<b>13 Other current financial assets</b>		
Export incentive receivable	241.72	1,341.84
	<b>241.72</b>	<b>1,341.84</b>
<b>14 Other current assets</b>		
Advance payments to suppliers	3,892.34	1,065.42
Prepaid expenses	579.70	889.93
Balance with government authorities	1,624.90	3,405.03
	<b>6,096.94</b>	<b>5,360.38</b>
<b>15 Share Capital</b>		
<b>15.1 Equity Share Capital</b>		
<b>a Authorised:</b>		
10,000 thousand (31 March 2019 - 10,000 thousand) equity shares of INR 10 each	1,00,000.00	1,00,000.00
<b>b Issued, subscribed and paid-up:</b>		
4,800 thousand (31 March 2019 - 4,800 thousand, 01 April 2018 - 4,800 thousand) equity shares of INR 10 each	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>		
At the commencement and at the end of the year <i>(in thousands)</i>	4,800.00	4,800.00
<b>15.3 Rights, preferences and restrictions attached to equity shares</b>		
<p>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.</p>		



# PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

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 2020		As at 31 March 2019	
	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

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding
<i>(In thousands)</i> Panasonic Corporation, Japan	3,036.82	63.27%	3,036.82	63.27%

### 16 Other Equity

Reserves and surplus	As at 31 March 2020	As at 31 March 2019
<b>a. General reserve</b>		
Balance as at the commencement of the year	885,000.00	7,60,000.00
Add: Transfer from statement of profit and loss	1,25,000.00	1,25,000.00
<b>Balance as at the end of the year</b>	<b>1,010,000</b>	<b>8,85,000.00</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

Balance as at the commencement and end of the year	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 2020	31 March 2019
INR 10 per equity share (31 March 2019: INR 10)	48,000.00	48,000.00
Dividend distribution tax (DDT) on dividend to equity shareholders	9,868.80	9,868.80
	<b>57,868.80</b>	<b>57,868.80</b>

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

	31 March 2020	31 March 2019
INR 10 per equity share (31 March 2019: INR 10)	48,000.00	48,000.00
	<b>48,000.00</b>	<b>48,000.00</b>

## PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
<b>17 Analysis of accumulated OCI, net of tax</b>		
<b>Items of OCI</b>		
Remeasurement of defined benefit liability/(asset)	-	-
<b>Note:</b>		
Opening balance	-	-
Remeasurement of defined benefit liability/(asset)	(2,804.95)	(201.30)
Less: Transferred to retained earnings	2,804.95	201.30
<b>Closing balance</b>	<u>-</u>	<u>-</u>
Remeasurements of defined benefit liability / (asset) comprise actuarial gain and losses and return on plan assets (excluding interest income), Refer Note 32		

### 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 2020	Year ended 31 March 2019
<b>Return on capital</b>		
Profit after tax for the year (a)	169,548.13	122,982.50
Paid up share capital (b)	48,000.00	48,000.00
Other equity (c)	1,086,821.68	977,947.29
<b>Return on capital (a/(b+c))</b>	<u>15%</u>	<u>12%</u>
<b>Dividend payout</b>		
Dividend declared for the year (d)	48,000.00	48,000.00
<b>Dividend payout (d/a)</b>	<u>28%</u>	<u>39%</u>

### 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 2020	As at 31 March 2019
Profit attributable to the equity shareholders of the Company	169,548.13	122,982.50
Weighted average number of equity shares	4,800.00	4,800.00
Basic and diluted earnings per share (EPS)	35.32	25.62

# PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
<b>20 Trade payables</b>		
Trade payables to related parties	6,450.55	15,045.19
To others		
total outstanding dues of micro and small enterprises	-	-
total outstanding dues of creditors other than micro and small enterprises	15,932.69	19,052.73
	<b>22,383.24</b>	<b>34,097.93</b>

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

As at 31 March 2020, the Company had no outstanding dues to Micro and Small enterprises (for 31 March 2019- 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

Unpaid dividends	3,192.06	3,239.86
------------------	----------	----------

### 22 Other current liabilities

Statutory dues	5,955.04	4,617.25
Employee benefits payable	5,995.93	5,051.48
Director's commission payable	1,000.00	1,750.00
Advance from customers	281.81	-
	<b>13,232.78</b>	<b>11,418.73</b>

### 23 Provisions

See accounting policy in note 3.6 and 3.7

	Non - current as at		Current as at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Provision for employee benefits (refer note 32)</b>				
Liability for gratuity	1,963.42	229.03	3,096.91	1,908.45
Liability for compensated absences	-	421.81	477.12	466.18
<b>Total provision for employee benefits</b>	<b>1,963.42</b>	<b>650.84</b>	<b>3,574.03</b>	<b>2,374.63</b>

## PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>24 Revenue from operations</b>		
See accounting policy in Note 3.8		
Sale of products	439,054.26	438,950.56
<b>Total sale of products (A)</b>	<b>439,054.26</b>	<b>438,950.56</b>
<b>Other operating revenues</b>		
Scrap sales	341.40	298.86
Export incentives	10,653.90	13,473.16
<b>Total other operating revenues (B)</b>	<b>10,995.30</b>	<b>13,772.02</b>
<b>Total revenue from operations (A+B)</b>	<b>450,049.56</b>	<b>452,722.58</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	71,564.47	62,045.12
Net gain on sale of property, plant and equipment	351.93	610.57
Sale of electricity	10,586.69	11,145.97
Foreign exchange fluctuations (net)	1,562.23	906.67
Miscellaneous income	668.08	762.03
	<b>84,733.40</b>	<b>75,470.36</b>
<b>26 Cost of materials consumed</b>		
Inventory of materials at the beginning of the year	13,511.94	17,591.54
Add: Purchases	117,671.10	138,712.00
Less : Inventory of materials at the end of the year	(13,549.81)	(13,511.94)
<b>Cost of materials consumed</b>	<b>117,633.23</b>	<b>142,791.60</b>
<b>27 Changes in inventories of work-in-progress</b>		
Opening inventory	7,994.83	11,910.78
Closing inventory	10,136.39	7,994.83
(Increase) / decrease in inventory	<b>(2,141.56)</b>	<b>3,915.95</b>
<b>28 Employee benefits expenses</b>		
(See accounting policy in note 3.6)		
Salaries, wages and bonus	66,922.46	64,481.63
Contribution to provident fund	7,089.11	6,612.53
Expenses related to post-employment defined benefit plans (refer note 32)	1,374.87	1,385.58
Staff welfare expenses	6,485.16	6,373.94
	<b>81,871.60</b>	<b>78,853.68</b>

# PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>29 Depreciation expense</b>		
(See accounting policy in Note 3.3)		
Depreciation of property, plant and equipment (refer note 4)	12,412.98	13,315.10
	<b>12,412.98</b>	<b>13,315.10</b>
<b>30 Other expenses</b>		
Consumption of stores and spare parts	11,915.51	12,193.80
Power and fuel	42,285.53	43,711.63
Rent	3,196.80	3,196.80
Repairs and maintenance		
Buildings	4,092.37	3,744.86
Machinery	7,957.32	7,628.36
Others	6,787.23	6,339.71
Rates and taxes	539.22	2,850.05
Freight and forwarding charges	2,657.66	3,057.05
Travelling and conveyance	1,045.96	1,533.87
Legal and professional fees (see note (i) below)	2,503.38	2,584.78
Advertisement and sales promotion	29.70	51.51
Expenditure on corporate social responsibility (see note (ii) below)	3,849.26	4,057.14
Insurance	585.60	715.72
Communication expenses	1,866.83	1,874.15
Commission to non-whole time directors	1,000.00	1,750.00
Sitting fees	170.00	270.00
Royalty and management fees	6,934.49	17,134.53
Mandatorily measured financial assets at FVTPL-net change in fair value of investments	19.09	23.66
Miscellaneous	1,315.56	1,424.11
	<b>98,751.51</b>	<b>114,141.73</b>
<b>Note:</b>		
<b>(i) Payment to auditors (excluding service tax/ goods and services tax)</b>		
Statutory audit	650.00	500.00
Limited review and other services	600.00	600.00
	<b>1,250.00</b>	<b>1,100.00</b>
<b>(ii) Details of expenditure on corporate social responsibility</b>		
(a) Amount required to be spent by Company during the year	3,839.16	4,057.14
(b) Amount spent during the year (in cash)		
(i) On construction / acquisition of any asset	1,261.04	1,558.54
(ii) On purpose other than (i) above	2,588.22	2,498.60

## PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

#### 31 Income Tax

See accounting policy in Note 3.12

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

	Year ended 31 March 2020	Year ended 31 March 2019
<b>i. Current tax</b>		
Current period	59,911.55	53,646.26
<b>ii. Deferred tax</b>		
Attributable to–		
Origination and reversal of temporary differences	(3,204.48)	(1,453.88)
<b>Tax expense of continuing operations (i)+(ii)</b>	<b>56,707.07</b>	<b>52,192.38</b>

The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and re-measured its deferred taxes on the basis of rate prescribed in the said section.

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

	31 March 2020			31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of defined benefit liability	(3,748.33)	943.38	(2,804.95)	(284.00)	82.70	(201.30)
<b>Total</b>	<b>(3,748.33)</b>	<b>943.38</b>	<b>(2,804.95)</b>	<b>(284.00)</b>	<b>82.70</b>	<b>(201.30)</b>

##### C. Reconciliation of effective tax rate

	31 March 2020		31 March 2019	
Profit before tax		226,255.20		175,174.88
Tax using the Company's domestic tax rate	25.17%	56,943.91	29.12%	51,010.93
Effect of:				
Non-deductible expenses	0.43%	968.78	0.52%	1,181.44
Tax rate change and others (refer note above)	(0.53%)	(1,205.62)	0.00%	0.02
<b>Effective tax rate</b>		<b>25.06%</b>		<b>29.64%</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 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Property, plant and equipment	-	-	10,663.92	13,364.47	10,663.92	13,364.47
Provisions - Employee benefits	(2,073.13)	(708.49)	-	-	(2,073.13)	(708.49)
<b>Net deferred tax (assets)/ liabilities</b>	<b>(2,073.13)</b>	<b>(708.49)</b>	<b>10,663.92</b>	<b>13,364.47</b>	<b>8,590.79</b>	<b>12,655.98</b>

# PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

### 32 Employee benefits obligations

	As at 31 March 2020	As at 31 March 2019
<b>Net defined benefit liability- Gratuity plan</b>	<b>5,060.33</b>	<b>2,137.48</b>
Non-current	1,963.42	229.03
Current	3,096.91	1,908.45
<b>Net defined benefit liability - Compensated absences</b>	<b>477.12</b>	<b>887.99</b>
Non-current	-	421.81
Current	477.12	466.18
<b>Total employee benefit liabilities</b>	<b>5,537.45</b>	<b>3,025.47</b>

For details about the related employee benefit expenses, see note 28.

The Company has also certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of wages as per regulations. The contributions are made to registered provident fund administered by Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is INR. 7,983.17 (March 31, 2019: INR. 7,224.03).

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:

##### i) Reconciliation of present value of defined benefit obligation (Gratuity):

	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning of the year	33,517.63	34,468.15
Benefits paid	(2,077.62)	(2,924.10)
Current service cost	1,471.26	1,303.41
Interest cost	2,491.13	2,475.46
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	-	21.20
- changes in financial assumptions	1,518.81	(249.56)
- experience adjustments	1,790.61	(1,576.93)
<b>Balance at the end of the year</b>	<b>38,711.82</b>	<b>33,517.63</b>

##### Reconciliation of the present value of plan assets

	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning of the year	31,380.15	31,078.31
Contributions paid into the plan	1,922.36	3,173.96
Benefits paid	(2,077.62)	(2,924.10)
Interest income	2,587.52	2,393.30
Return on plan assets recognised in other comprehensive income	(160.93)	(2,341.32)
<b>Balance at the end of the year</b>	<b>33,651.48</b>	<b>31,380.15</b>
<b>Net defined benefit (asset)</b>	<b>5,060.34</b>	<b>2,137.48</b>

## PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

<b>C.</b>	<b>i. Expense recognised in profit or loss</b>		<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
	Current service cost		1,471.26	1,303.41
	Interest cost		2,491.13	2,475.46
	Interest income		(2,587.52)	(2,393.29)
			<b>1,374.87</b>	<b>1,385.58</b>
	<b>ii. Remeasurements recognised in other comprehensive income</b>			
			<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
	Actuarial (gain)/ loss on defined benefit obligation		3,587.40	(2,057.32)
	Return on plan assets excluding interest income		160.93	2,341.32
			<b>3,748.33</b>	<b>284.00</b>

#### D. Plan assets

Plan assets comprise LIC fund maintained by Company.

#### E. Defined benefit obligation

##### i. Actuarial assumptions

	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
<b>Gratuity</b>		
Discount rate	6.63%	7.67%
Future salary growth	8.00%	8.00%
Attrition rate	1.0% to 3.0%	1.0% to 3.0%

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.

	<b>Year ended 31 March 2020</b>		<b>Year ended 31 March 2019</b>	
	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
<b>Gratuity</b>				
Discount rate (1% movement)	(1,458.50)	1,589.48	(1,401.89)	1,518.97
Future salary growth (1% movement)	1,796.18	(1,681.25)	1,703.96	(1,599.91)
Attrition rate (1% movement)	(88.44)	96.53	(30.63)	32.59

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 2020

(All amounts are in thousands of INR except share data, unless otherwise stated)

### 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 2020

	Carrying amount			Total carrying amount
	Mandatorily at FVTPL - others- Level 1 fair value	Other financial assets- amortised cost	Other financial liabilities	
<b>Financial assets measured at fair value</b>				
Investments	-	-	-	-
<b>Financial assets not measured at fair value (Refer note)</b>				
Loans	-	4,770.49	-	4,770.49
Trade receivables	-	32,982.09	-	32,982.09
Cash and cash equivalents	-	7,678.69	-	7,678.69
Bank balances other than cash and cash equivalents	-	845,016.37	-	845,016.37
Other financial assets	-	196,141.72	-	196,141.72
	-	<b>1,086,589.36</b>	-	<b>1,086,589.36</b>
<b>Financial liabilities not measured at fair value (Refer note)</b>				
Trade payables	-	-	22,383.24	22,383.24
Other financial liabilities	-	-	3,192.06	3,192.06
	-	-	<b>25,575.30</b>	<b>25,575.30</b>

#### 31 March 2019

	Carrying amount			Total carrying amount
	Mandatorily at FVTPL - others- Level 1 fair value	Other financial assets- amortised cost	Other financial liabilities	
<b>Financial assets measured at fair value</b>				
Investments	27.85	-	-	27.85
	<b>27.85</b>	-	-	<b>27.85</b>
<b>Financial assets not measured at fair value (Refer note)</b>				
Loans	-	4,740.09	-	4,740.09
Trade receivables	-	32,274.39	-	32,274.39
Cash and cash equivalents	-	13,570.65	-	13,570.65
Bank balances other than cash and cash equivalents	-	871,221.96	-	871,221.96
Other financial assets	-	56,578.73	-	56,578.73
	-	<b>978,385.82</b>	-	<b>978,385.82</b>
<b>Financial liabilities not measured at fair value (Refer note)</b>				
Trade payables	-	-	34,097.93	34,097.93
Other financial liabilities	-	-	3,239.86	3,239.86
	-	-	<b>37,337.79</b>	<b>37,337.79</b>

# PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

**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 ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### 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 2020	As at 31 March 2019
Trade receivables	32,982.09	32,274.39
<b>Cash and bank balances</b>		
Cash and cash equivalents	7,678.69	13,570.65
Bank balances other than cash and cash equivalent	845,016.37	871,221.96
Loans	4,770.49	4,740.09
Other financial assets	196,141.72	56,578.73

#### 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.

# PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

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 behavior and extensive analysis of customer credit risk. As at 31 March 2020, there are no dues collectible which are aged more than 90 days. Revenue from the top 4 customers of the Company is INR 301,907 (2018-19 - INR 308,113) which is 69% 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 2020	As at 31 March 2019
India	9,850.45	5,471.85
Rest of the world	23,131.65	26,802.54

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

	Carrying amount	
	As at 31 March 2020	As at 31 March 2019
Third parties	5,460.00	3,427.09
Related parties	27,522.09	28,847.30

### 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.

### Loans

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

### Other financial assets

Other financial assets 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.

## PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

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.

	Carrying amount	Total	6 months or less	Contractual cash flows		
				6-12 months	1-2 years	More than 2 years
<b>As at 31 March 2020</b>						
Trade payables	22,383.24	22,383.24	22,383.24	-	-	-
Other financial liabilities	3,192.06	3,192.06	3,192.06	-	-	-
<b>As at 31 March 2019</b>						
Trade payables	34,097.93	34,097.93	34,097.93	-	-	-
Other financial liabilities	3,239.86	3,239.86	3,239.86	-	-	-

#### 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.

#### 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 2020		As at 31 March 2019	
	USD	JPY	USD	JPY
Trade receivables	314.02	-	387.48	-
Trade payables	(1.89)	-	(2.00)	(23,259.96)
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>312.13</b>	<b>-</b>	<b>385.48</b>	<b>(23,259.96)</b>

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against USD and JPY at 31 March 2020 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.

<b>Effects in INR</b>	<b>(Profit) or Loss</b>	
	<b>Strengthening</b>	<b>Weakening</b>
<b>As at 31 March 2020</b>		
USD (1% movement)	235.30	(235.30)
JPY (1% movement)	-	-
<b>As at 31 March 2019</b>		
USD (1% movement)	266.64	(266.64)
JPY (1% movement)	(145.42)	145.42

# PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

### 34 Contingent liabilities

(to the extent not provided for)

31 March 2020      31 March 2019

#### Contingent liabilities

- |    |  |          |          |
|----|--|----------|----------|
| a. | Claims against the Company not acknowledged as debt  |          |          |
|    | Income tax matters   | 1,821.33 | 2,562.24 |
|    | Service tax matters  | 6.76     | 574.31   |
| b. | Supreme Court vide their judgement dated February 28, 2019 clarified that Provident fund deduction is to be made on basic salary and on other salary components which are universally made available to all employees. The Company based on legal opinion believes that there are interpretative challenges and significant uncertainties surrounding the determination of liability including the period of assessment, application for present and past employees, Company's liability towards employees' contribution and assessment of interest and penalties. The amount of obligation, therefore, cannot be measured with sufficient reliability for past periods, and hence, disclosed as contingent liability. |          |          |

### 35 Related parties

#### A Parent and ultimate controlling party

The parent and ultimate controlling party of the Company as at 31 March 2020 and 31 March 2019 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, India Panasonic Peruana S.A., Peru PT Panasonic Gobel Energy Indonesia, Indonesia Panasonic Energy Poland., S.A., Poland Panasonic Centro Americana, S.A., Costa Rica Panasonic Management Thailand Co. Ltd, Thailand Panasonic Do Brasil Limitada, Brazil Panasonic Energy (Shanghai) Co. Ltd, China Panasonic India Pvt Ltd, India Panasonic Asia Pacific Pte. Limited, Singapore
Key Management Personnel	Mr.R. Senthil Kumar, Managing Director Mr. S. Kalyanaraman, Independent Director Mr. Vinayagam Sume, Chief Financial Officer Ms. P. Maheswari, Company Secretary Mr. A.R. Rao, Independent Director (upto 31 March 2019) Mr. V.R. Gupte, Independent Director (upto 31 March 2019) Mr. K Subramanian, Independent Director (upto 31 March 2019) Ms. C. Jayashree, Independent Woman Director Mr. Hideyuki Okunaga, Director (w.e.f 13 May 2019)

#### B Transactions with key management personnel

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Key management personnel compensation</b>		
Managerial remuneration		
- Mr.R. Senthil Kumar, Managing Director	8,588.80	7,658.40
- Mr. Vinayagam Sume, Chief Financial Officer	1,008.60	870.67
- Ms. P. Maheswari, Company Secretary	550.85	479.26
Directors' commission	1,000.00	1,750.00
Sitting fees	170.00	270.00

## PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Key management personnel compensation payable</b>		
Directors' commission payable	1,000.00	1,750.00
* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.		
<b>C Related party transactions other than those with key management personnel</b>		
	Transaction value	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Sale of goods</b>		
Panasonic Energy Poland., S.A.Poland	102,314.15	111,602.39
Panasonic Do Brasil Limitada, Brazil	57,917.89	63,673.57
Panasonic Energy India Co. Ltd., India	61,948.64	58,488.61
P.T Panasonic Gobel Energy Indonesia, Indonesia	38,068.41	37,158.57
Panasonic Peruana S.A., Peru	25,140.84	34,234.11
Panasonic Management Thailand Co. Ltd, Thailand	21,558.40	23,644.76
Panasonic Centro Americana, S.A., Costa Rica	24,466.92	10,881.23
Panasonic Energy (Shanghai) Co. Ltd, China	8,016.36	8,355.78
<b>Purchase of goods</b>		
Panasonic Asia Pacific Pte. Limited, Singapore	2,424.17	2,788.00
<b>Dividend paid</b>		
Panasonic Corporation, Japan	30,368.20	30,368.20
<b>Royalty and brand license fees</b>		
Panasonic Corporation, Japan	6,934.49	16,476.11
<b>Reimbursement of expenses</b>		
Panasonic India Pvt Ltd, India	1,400.65	2,045.03
Panasonic Corporation, Japan	40.82	50.28
	Balance outstanding	
	31 March 2020	31 March 2019
<b>Balance due from related parties</b>		
Panasonic Energy Poland., S.A.Poland	-	9,709.50
Panasonic Peruana S.A.,Peru	4,210.84	4,620.36
P.T Panasonic Gobel Energy Indonesia, Indonesia	4,105.38	4,481.58
Panasonic Management Thailand Co. Ltd, Thailand	3,280.95	2,980.25
Panasonic Do Brasil Limitada, Brazil	6,053.60	2,769.70
Panasonic Centro Americana, S.A., Costa Rica	2,351.35	2,241.15
Panasonic Energy (Shanghai) Co. Ltd, China	3,129.53	-
Panasonic Energy India Co. Ltd, India	4,390.44	2,044.75
<b>Balance due to related parties</b>		
Panasonic Corporation, Japan	6,077.60	14,679.55
Panasonic India Pvt Ltd, India	372.95	365.64

#### Note

All transactions with related parties are carried out in the ordinary course of business and priced at arm's length basis. None of the balances are secured.

# PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

**36** In March 2020, World Health Organisation declared COVID-19 to be a pandemic. The Company had to shutdown its plant from 24 March 2020 till 3 May 2020 due to the lockdown and emergency measures taken by the Government of India. Subsequently, it has resumed its operations and taken measures to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalising various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. Based on the preliminary impact assessment of COVID-19, the Company does not foresee any material impact on the profitability, liquidity position, demand and supply chain of the Company. Accordingly, the Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. However, the Company will continue to closely monitor any material changes to future economic conditions.

### **37 Transfer Pricing**

The Company has international/ domestic transactions with related parties. For the year ended 31 March 2019, 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 Disclosure of specified bank notes (SBN)**

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2020.

### **39 Segment information**

#### **a. Operating segments**

The Company has a single operating segment, namely, carbon rods and services. The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Managing Director (MD) of the Company has been identified as the chief operating decision maker who assesses the financial performance and position of the Company, and makes strategic decisions.

#### **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.

##### **(i) Revenue from sale of products**

	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
India (a)	145,716.70	136,581.45
Rest of the world (b)	293,337.56	302,369.11
<b>Total (a+b)</b>	<b>439,054.26</b>	<b>438,950.56</b>

##### **(ii) Non-current assets\***

	<b>31 March 2020</b>	<b>31 March 2019</b>
India	73,045.12	83,513.39

\*Non-current assets exclude financial instruments, deferred tax assets and post-employment benefit assets. All property, plant and equipment are located in India.

# PANASONIC CARBON INDIA CO. LIMITED

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

(All amounts are in thousands of INR except share data, unless otherwise stated)

### c. Major customer

Revenue from the top 4 customers of the Company is INR 301,907 (2018-19 - INR 308,113) which are more than ten percent each of the Company's total revenue.

### 40 Events after the balance sheet date

The Board of Directors have recommended a final dividend of INR 10/- per share amounting to INR 48,000,000 on equity shares of INR 10/- each for the year, subject to approval from shareholders.

---

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

**Harsh Vardhan Lakhota**

Partner

Membership No.: 222432

**R. Senthil Kumar**

Managing Director

DIN: 02170079

**S. Kalyanaraman**

Director

DIN: 08317984

**Vinayagam Sume**

Chief Financial Officer

**P. Maheswari**

Company Secretary

Place : Chennai

Date: 30 June 2020

Place : Chennai

Date: 30 June 2020