

To  
The Maanger – Listing  
The BSE Ltd,  
P. J Towers, Dalal Street,  
Mumbai-400001

6<sup>th</sup> June, 2023

Dear Sir,

Ref: Scrip Code: 508941 ISIN: INE013E01017

Sub: Notice convening the 41<sup>st</sup> Annual General Meeting of the Company

We are enclosing herewith a copy of the notice convening the 41st Annual General Meeting (AGM) of the Company which is scheduled to be held on Wednesday, 28<sup>th</sup> June 2023 (Virtual Meeting) through Video Conferencing ("VC") or other audio visual means ("OAVM").

The AGM is being convened in due compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), the Rules made thereunder read with the earlier MCA's General Circulars, (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular dated May 12, 2020 read with Circular dated January 15, 2021 and dated May 13, 2022 (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue.

In compliance with the MCA Circulars and SEBI Circulars, MCA recent circular No.10-11 dated 28/12/2022 MCA has extended time period of holding of AGM/EGM for passing of Ordinary/Special resolution through Video Conferencing .Hence we plan to conduct the AGM through Video conferencing.

Further, as per the permission granted by MCA and SEBI, the entitlement for appointment of proxy has been dispensed with for AGM to be conducted in electronic mode . Accordingly, the Attendance Slip and Proxy Form have not been annexed to the Notice.

Kindly request you to take the above information on record .

Thanking You,

**For Panasonic Carbon India Co Limited**

*P. Maheswari*  
**P. Maheswari**  
**Company Secretary**



Encl: as above

**Regd. Office :** Pottipati Plaza, 3rd Floor, 77, Nungambakkam High Road, Nungambakkam, Chennai-600 034 India  
**Tel :** +91 44 28275216, 28275226, 28275015

**Factory :** Tada Mandal, Tirupati District, Andhra Pradesh - 524 401 India Tel : +91 72000 43020



41<sup>st</sup> Annual Report  
**2022-23**

**PANASONIC CARBON INDIA CO. LIMITED**



# PANASONIC CARBON INDIA CO. LIMITED

## 41<sup>st</sup> ANNUAL REPORT 2022-2023

<b>BOARD OF DIRECTORS</b>	
<b>MANAGING DIRECTOR</b>	R. SENTHIL KUMAR
<b>DIRECTORS</b>	HIDEYUKI OKUNAGA S. KALYANARAMAN K. PAUL JAYAKAR S. RAJASHREE AKINORI ISOMURA
<b>COMPANY SECRETARY</b>	P. MAHESWARI
<b>CHIEF FINANCIAL OFFICER</b>	VINAYAGAM SUME
<b>AUDITORS</b>	B S R & Co. LLP Chartered Accountants KRM Tower, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor, No.1, Harrington Road, Chetpet Chennai – 600 031.
<b>BANKERS</b>	CANARA BANK ICICI BANK LIMITED STATE BANK OF INDIA
<b>REGISTERED OFFICE</b>	Pottipati Plaza 3 <sup>rd</sup> Floor, 77 Nungambakkam High Road, Nungambakkam, Chennai – 600 034
<b>FACTORY</b>	Tada Mandal Nellore District , Andhra Pradesh 524 401
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	Cameo Corporate Services Ltd., “Subramanian Building” No.1, Club House Road Chennai - 600 002

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41 <sup>st</sup> Annual General Meeting	
Deemed Venue	: Registered Office through VC/OAVM
Date	: 28 <sup>th</sup> June 2023
Time	: 3.00 p.m.



## PANASONIC CARBON INDIA CO. LIMITED

NOTICE IS HEREBY GIVEN THAT THE FORTY FIRST (41<sup>ST</sup>) ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF PANASONIC CARBON INDIA CO. LIMITED (CORPORATE IDENTIFICATION NUMBER:(L29142TN1982PLC009560) WILL BE HELD ON WEDNESDAY, THE 28<sup>TH</sup> JUNE, 2023 AT 3.00 P.M.. INDIAN STANDARD TIME ("1<sup>ST</sup>") 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, 2023 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, 2023.
3. To appoint a Director in place of Mr Akinori Isomura (DIN: 09382377), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. TO CONSIDER AND APPROVE RE-APPOINTMENT OF DR. K PAUL JAYAKAR (DIN: 00692315) AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR:

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 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), 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Dr K Paul Jayakar (DIN: 00692315), (IDDR No. D1-202004-025021 ) who was appointed as an Independent Non- Executive Director with effect from 30<sup>th</sup> June 2020 to 29<sup>th</sup> June 2023 for a period of three Years and has submitted a declaration that he meets the criteria for independence as provided in section 149 (6) of the Act be and is hereby re-appointed, as an Independent Non- Executive Director of the Company, for a second term of three consecutive years with effect from 30<sup>th</sup> June, 2023 to 29<sup>th</sup> June 2026 and not 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, deeds, matters or things and take all such steps as may be necessary, proper , expedient or desirable to give effect to this resolution".

#### 5. 5. 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 a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Articles of Association of the company, consent of the members be and is hereby accorded for the re-appointment of Mr. R Senthil Kumar (DIN: 02170079) as Managing Director of the Company for a further period of one year with effect from 1<sup>st</sup> April 2023 up to 31<sup>st</sup> March, 2024, on the following terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and as set out in the Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 annexed to this notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable between the Board of Directors and Mr. R Senthil Kumar and for this purpose the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary."

**"RESOLVED FURTHER THAT** The remuneration payable to Mr. R Senthil Kumar, Managing Director with effect from 1<sup>st</sup> April, 2023 will be as mentioned below:

- a. Salary & HRA: Rs. 8,21,000/- (Rupees Eight Lakhs twenty one 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

# PANASONIC CARBON INDIA CO. LIMITED

cost against actual Bills not to exceed Rs 2,75,000/- 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. Gratuity payable at a rate not exceeding half a month's salary for each completed year of Service.
  - iii. Encashment of leave, Medical Insurance and Personal accident Insurance as per the Rules of the Company.
  - iv. 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 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".
- e. The other terms and conditions to his appointment as approved by shareholders at Annual General Meeting on 18<sup>th</sup> June 2008 remain unchanged and also the other terms and conditions as applicable to the norms of the Company.
- f. Overall Remuneration: The aggregate of salary, allowances, perquisites in a financial year shall be subject to the limits prescribed under Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any modifications or re-enactment for the time being in force.

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** Board of Directors / Managing Director / Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters or things and take all such steps as may be necessary, proper, expedient or desirable to give effect to this resolution".

## 6. TO CONSIDER AND APPROVE THE RELATED PARTY TRANSACTIONS ENTERED/TO BE ENTERED INTO BY THE COMPANY FOR THE PERIOD COMMENCING FROM 1<sup>st</sup> APRIL, 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 ("Act") read with the related Rules, including any amendments and modifications thereof, as recommended by the Audit Committee and consent of the Company be and is hereby accorded to 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 at an 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 25 Crores (Rupees Twenty five crores only) per party per annum for the period commencing from 1<sup>st</sup> April 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 Subsidiaries
2	M/s. PT Panasonic Gobel Energy Indonesia, Indonesia (PECGI)	Sale of Carbon Rods	Fellow Subsidiaries
3	Panasonic Logistics Asia Pacific (PLAP) Singapore	Sale of Carbon Rods	Fellow Subsidiaries
4	Panasonic Solutions Thailand Co. Ltd, Thailand (PSTH)	Sale of Carbon Rods	Fellow Subsidiaries

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S. No	Name of the Related Party	Nature of Transaction	Nature of Relationship
5	Panasonic Do Brasil Limitada, Brazil (PANABRAS)	Sale of Carbon Rods	Fellow Subsidiaries
6	Panasonic Asia Pacific Pte. Limited, Singapore (PA)	Purchases	Fellow Subsidiaries
7	Panasonic Life Solutions India Pvt Ltd, India	IT Services	Fellow Subsidiaries

**RESOLVED FURTHER THAT** Board of Directors Managing Director/ Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters or things and take all such steps as may be necessary, proper, expedient or desirable to give effect to this resolution”.

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

**R. SENTHIL KUMAR**

MANAGING DIRECTOR

Place: Chennai

Date: 18<sup>th</sup> May 2023

(DIN: 02170079)

CIN: L29142TN1982PLC009560

Regd office: “Pottipati Plaza”, Third floor, No.77,  
Nungambakkam High Road Chennai – 600 034

Website: www.panasoniccarbon.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 41<sup>st</sup> AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting.**

As per the guidelines issued by the Ministry of Corporate Affairs (“MCA Circulars”) and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January 2021 issued by SEBI (SEBI Circular) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

MCA has issued General Circular No 10/2022 and

11/2022 in respect of clarification of holding of AGM & EGM through Video Conferencing (VC).

- MCA has issued so many circulars in 2020, 2021 and 2022 collectively named as MCA circulars in respect of holding of AGM through Video Conferencing and SEBI Circulars also in respect of holding of AGM through Video Conferencing.
- And In the recent Circular No 10-11 dated 28.12.2022 MCA has extended Time period for holding of AGM / EGM for passing of Ordinary/ Special Resolution through Video Conferencing. Hence we conduct this AGM through video conference for to protect the health of the Shareholder’s.
- Members attending AG through VC will be counted for reckoning the quorum under Sec 103 of the Companies Act, 2013.The venue of AGM shall be deemed to be the registered office of the Company.

Members may note that to protect the health and safety of all the Stakeholders including Shareholders in view of the continuing Covid-19 pandameic, physical attendance of the Members is not required at a common venue and AGM can be held through Video conferencing (VC) or other audio visual means (OAVM) in respect of the 41<sup>st</sup> AGM Hence, Members can attend and participate in the ensuing AGM through VC/ OAVM.

- a. 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 applicable for the 41<sup>st</sup> AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 41<sup>st</sup> AGM through VC/OAVM Facility and E-Voting during the 41<sup>st</sup> AGM.
- b. In Compliance with the MCA Circulars and SEBI Circulars, the Notice of the 41<sup>st</sup> E-AGM along with the Annual Report 2022-23 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 2022-23 will



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be available on the website of the Company at [www.panasoniccarbon.in](http://www.panasoniccarbon.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).

- c. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
- d. CDSL will be providing facility for voting through remote e-Voting, for participation in the 41<sup>st</sup> AGM through VC/OAVM Facility and e-Voting during the 41<sup>st</sup> AGM.
- e. Members may join the 41<sup>st</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 41<sup>st</sup> AGM
- f. 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 41<sup>st</sup> AGM without any restriction on account of first- come first basis.
- g. Attendance of the Members participating in the 41<sup>st</sup> AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act
- h. 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 41<sup>st</sup> AGM and facility for those Members participating in the 41<sup>st</sup> AGM to cast vote through e-Voting system during the 41<sup>st</sup> AGM.

### 3. THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on 9.00 A.M. on 25<sup>th</sup> June, 2023 and ends at 5.00 p.m. on 27<sup>th</sup> June, 2023. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the record date of 21<sup>st</sup> June, 2023 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their

mobile number and email Id in their demat accounts in order to access e-Voting facility. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/ NSDL is given below:

### CDSL e-Voting System – For e-voting and Joining Virtual meetings.

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.panasoniccarbon.in](http://www.panasoniccarbon.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

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## THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> 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) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat

account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of share-holders	Login Method
Individual Share-holders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

<p>Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
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<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID

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- 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.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 <b>OR</b> Date of Birth (DOB)	<p>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.</p> <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.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- 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).

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- 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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 mandatory 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; [www.panasoniccarbon.in](mailto:www.panasoniccarbon.in) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/ EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/ EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.

7. 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 **7 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 **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 to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/ EGM 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.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

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 update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update**

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**your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 toll free no. 1800 22 55 33.

## **5. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

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 update your email id & mobile no.with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022- 23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> 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 22<sup>nd</sup> June 2023 to 28<sup>th</sup> June 2023 (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 21<sup>st</sup> June, 2023 (record date for payment of Dividend to the Shareholders) and the dividend tax will be deducted from the Shareholders if it exceeds Rs.5,000/- as per the norms of the Income tax act, Government of India.

As per the Income-tax Act, 1961 ('the Act'), dividends declared or distributed or paid by a Company during the Financial Year 2023-24 shall be taxable in the hands of the Shareholders and the Company shall be required to deduct tax at source ('TDS') at the prescribed rates from the dividend to be paid to shareholders at the time of distribution or payment of dividend. The tax so deducted will be paid to the credit of the Central Government.

The TDS rate would vary depending on the residential status of the Shareholder and the documents submitted by them and accepted by the Company in accordance with the applicable provisions of the above said the Act. Accordingly, the Final Dividend for F.Y. 2022-23 will be paid after deducting TDS if the Dividend amount exceeds Rs.5,000/- per Shareholder's.

No communication would be accepted from members after 21<sup>st</sup> June, 2023 regarding the tax withholding matters. If you need any clarification, in this regard you may contact Mr.Murali, Assistant Manager, Cameo Corporate Services Ltd. (+91-44-40020700/0710) or email at [murali@cameoindia.com](mailto:murali@cameoindia.com).

- 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

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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.

- c. Members holding shares in electronic / physical form are required to submit their PAN details to the RTA by e-mail to 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 Folio No. in case of physical shares to the RTA by e-mail to 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. Pursuant to Section 124 of the Companies Act, 2013 an amount of Rs. 4,18,624/- remaining unclaimed out of the dividend for the Financial Year 2014-15 was transferred to the Investor Education and Protection Fund (IEPF) Account constituted by the Central Government on 20<sup>th</sup> October, 2022. No claim shall be entertained against the Company for the amounts so transferred.

The unclaimed dividend, if any, for the Financial Year 2015-16 will become transferable to the "Investor Education and Protection Fund Account" on or before 30<sup>th</sup> September, 2023. Therefore, Members are requested to send their claims, if any, for the Financial Year 2015-16 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.

8. In respect of shares held in electronic form, the Dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. They may please note that the Dividend payable to them would be paid through National Clearing Services (NECS) at the available RBI locations. The Dividend would be credited to their Bank A/c as per the mandate given by the Members to their Depository Participants (DPs). In absence of availability of NECS facility, the Dividend will be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their Dividend warrants as per the applicable regulations
9. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, the Notice of the 41<sup>st</sup> AGM and the Annual Report for the Financial year 2022-23 including therein the Audited Financial Statements for the year 2022-23, is being sent only through electronic mode to the to the Members by email whose email addresses are registered with the Company or relevant Depositories.

Participants and who wish to receive the Notice of the 41<sup>st</sup> AGM and the Annual Report for the Financial year 2022-23 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 41<sup>st</sup> AGM and the Annual Report for the Financial year 2022-2023 can be download from the Company's website.

10. 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



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## 6. 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 28<sup>th</sup> June, 2023 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 21 June ,2023 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 (company email id). These queries will be replied at the 41<sup>st</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 25<sup>th</sup> June, 2023 and end on 27<sup>th</sup> June,2023 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.21<sup>st</sup> June, 2023 (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 a Mr Praveen Kumar, Practicing Company Secretary, Chennai to act as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.

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

As required by Section 102 of the Companies Act, 2013 (the "Act"), the following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

**Item No.4: TO CONSIDER AND APPROVE RE-APPOINTMENT OF DR. K PAUL JAYAKAR (DIN: 00692315) AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR**

The Members of the Company at the 38<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September 2020 through Video Conference , approved the appointment of Dr K Paul Jayakar (DIN: 00692315) as a Non-Executive Independent Director of the Company to hold office for a period of three years with effect from 30<sup>th</sup> June 2020, Upto 29<sup>th</sup> June, 2023.

The Nomination & Remuneration Committee at its Meeting held on May18, 2023, after taking into account the performance evaluation of Dr K Paul Jayakar during his first term of 3 years and considering the knowledge, acumen, expertise, experience and the contribution made by him, has recommended to the Board that his continued association would be in the interest of the Company.

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, at their meeting held on 18 May, 2023 re-appointed Dr K Paul Jayakar (DIN: 00692315), (IDDR No. IDDB-

DI-202004-025021) as an 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, 2023 to 29<sup>th</sup> June, 2026 and not liable to retire by rotation. His appointment is subject to the approval of the Members of the Company. A notice has been received from a Member proposing Dr K Paul Jayakar as a candidate for the office of Director of the Company.

Dr K Paul Jayakar has given a declaration to the Company that he is not disqualified under Section 164 of the Act for appointment as a Director under the Act and has also given his consent to act as Director of the Company.

Also, in the opinion of the Board, Dr K Paul Jayakar fulfils the terms and conditions as specified in the Companies Act,2013 including the Rules and amendments thereof and the Listing Regulations 2015 for re-appointment as

Independent Director of the Company.

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.

Copy of the draft letter of appointment of Dr K Paul Jayakar setting out the terms and conditions of his appointment is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day and the same has also been hosted on the Company's website [www.panasoniccarbon.in](http://www.panasoniccarbon.in)

The other details of Dr K Paul Jayakar as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are provided in Annexure 2 to this Notice.

Except Dr K Paul Jayakar 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. 4

Accordingly, the Board recommends passing of this Special Resolution regarding his Re-appointment as set out in item No.4 of the Notice convening the Meeting.

**Item No.5: TO CONSIDER AND APPROVE RE-APPOINTMENT OF MR R SENTHIL KUMAR (DIN: 02170079) AS MANAGING DIRECTOR OF THE COMPANY**

At the Annual General Meeting of the Company held on 29<sup>th</sup> June 2022, Mr. R. Senthil Kumar was re- appointed as Managing Director of the Company for a period of one

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year up to 31<sup>st</sup> March, 2023. Accordingly, the present term of his appointment has been renewed on 1<sup>st</sup> April 2023

The Board of Directors at their meeting held on 10<sup>th</sup> February 2023 re-appointed Mr. R. Senthil Kumar as Managing Director of the Company, as recommended by the Collaborators, M/s. Panasonic Holdings Corporation, Japan and 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, 2024 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.

Considering his contribution and performance of 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 18<sup>th</sup> May 2023 has revised his remuneration with effect from 1<sup>st</sup> April, 2023 subject to your approval. The revised remuneration as detailed in resolution is now placed before the Shareholders for your consideration and approval under item no.5

As per the provisions of Section 196, 203 read with Schedule V of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the terms of re-appointment and remuneration are required to be approved by the Members of the Company. Accordingly, his re-appointment as detailed in this resolution is now placed before the Shareholders for your consideration and approval under item no.5 of this notice.

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.

Mr. R. Senthil Kumar has given a declaration to the Company that he is not disqualified under Section 164 of the Act for appointment as a Director under the Act and has also given his consent to act as the Managing Director of the Company.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. R. Senthil Kumar for his Re-appointment to the office of Managing Director.

The additional information required to be furnished in

respect of the aforesaid Director as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in Annexure 2 to this notice.

As per the provisions of Section 196, 203 read with Schedule V of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the terms of re-appointment and remuneration are required to be approved by the Members of the Company.

Except Mr. R. Senthil Kumar 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.

Accordingly, the Board recommends passing of this Special resolution as set out as item No.5 of the Notice convening the Meeting.

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

As per regulations 23(4) of SEBI (Listing obligations and Disclosure Requirements)Regulations, 2015 including any modification or amendment thereof , (hereinafter referred to as "SEBI Regulation 2015") and SEBI Circular and Notification 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 transactions 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.

Hence, it is proposed to secure shareholders approval on resolution no.6 of the Notice convening the Annual General Meeting for approving the Prospective Material related party transactions for the period commencing from 1<sup>st</sup> April 2023 .

There was no transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary and there was no statement that the valuation or other external report that

## PANASONIC CARBON INDIA CO. LIMITED

relied upon by the Company in relation to the proposed transactions.

Justification provided is there was no provision for doubtful debts made and no amounts were written off in respect of all related party transactions of the Company.

The above information shall be considered as an information required to be disclosed pursuant to Rule 15 of Companies (Meeting of Board and its power) Rules, 2014 and SEBI Circular no SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22 November 2021. According to the provisions of Regulation 23(4) of SEBI Regulation, 2015 related parties shall abstain from voting on the Resolution

None of the Directors and Key Managerial Personnel (KMP) of the Company except Mr. Hideyuki Okunaga and

Mr. Akinori Isomura are interested in this Resolution. The Board commends passing of this ordinary resolution as set out at item no.6 of the notice convening the 41<sup>st</sup> Annual General Meeting.

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

**R. SENTHIL KUMAR**

MANAGING DIRECTOR

(DIN: 02170079)

Place: Chennai

Date: 18<sup>th</sup> May, 2023

CIN: L29142TN1982PLC009560

Regd office: "Pottipati Plaza", Third floor, No.77,  
Nungambakkam High Road Chennai – 600 034

Website: [www.panasoniccarbon.in](http://www.panasoniccarbon.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 K Paul Jayakar</b>	<b>Mr. R.Senthil Kumar</b>
Date of Birth	23/05/1956	21/04/1957
DIN	00692315	02170079
Date of Re-appointment & Qualifications	June 30, 2023 fellow member Institute of Chartered Accountants of India and Institute of Company Secretaries of India and P.H.D. from Madras University	April 01, 2023 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 experience in Finance, Accounts, Secretarial, taxation, Legal Personnel and administrative areas and Factory operational functions and other factory administrative areas
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Nil	Nil
Committee / Executive position held in other companies	Nil	NIL
Number of shares held in the Company	NIL	1000 Shares
Relationship with other Directors	He is not related to any other Directors	He is not related to any other Directors

**41<sup>st</sup> ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF THE COMPANY**

Your Directors have pleasure in presenting to you their 41<sup>st</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2023 and the Auditors' Report thereon.

**1. FINANCIAL RESULTS:**

The summarized working results for the year ended 31<sup>st</sup> March, 2023 as compared with the earlier year are as under:

Rs. in Lakhs

Particulars	2022-23	2021-22
Gross income	5756.34	5665.46
Profit before depreciation and tax	1827.17	2145.40
Provision for depreciation	77.38	99.70
Net Profit after depreciation but before tax	1749.79	2045.70
Provision for tax	467.09	510.76
Net Profit after tax	1282.70	1534.94
Other comprehensive income (Net of tax)	0.15	(10.06)
Total comprehensive income for the year	1282.85	1524.88
Balance of profit brought forward from previous year	948.39	649.51
Balance available for appropriation	2231.24	2174.39
Less : Transfer to General Reserve	650.00	650.00
Less : Dividend paid	576.00	576.00
Surplus carried to Balance Sheet	1005.24	948.39

**2. DIVIDEND :**

Your Directors recommend a dividend of Rs.12/- per share (i.e.) 120%. The same is in line with the financial strategy and policy of the Company.

This dividend if approved by you at the ensuing 41<sup>st</sup> Annual General Meeting will be paid to the Shareholders whose names appear in the Register

of Members as on 21<sup>st</sup> June 2023 (Record date for payment of dividend to the shareholders).

The dividend, when approved, will entail payment to all the shareholders of the Company. Applicable tax will be deducted if the Gross Dividend payable exceeds Rs. 5,000/-

**3. TRANSFER TO RESERVE**

The Board of Directors of your company, have decided to transfer an amount of Rs. 6.50 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 2541 mln pieces of Carbon Rod, as against 2735 mln pieces which is 93% Sales of last year.

The Domestic Sales Quantity and Value were 1470 mln pieces and Rs.26.30 crores respectively in the year under review as compared to last year's quantity of 1132 Mln Pcs and value of Rs.17.59 Crores which works out to 129.85% of the Sales by quantity and 149.51% by value of last year.

The Export Sales Quantity and value were 1071 Mln. Pcs. and Rs.23.12 Crores respectively in the year under review as compared to last year's quantity of 1603 Mln. Pcs. and value of Rs.31.20 Crores which works out to 66.81% by quantity and 74.10% by value.

There had been overall steep increase in prices of all raw materials, consumables, packing materials and fuel.

Your Company reduced the impact of the cost increase by implementing cost effective composition, reduction of process losses and Energy and fuel usage.

Inspite of implementing various cost reduction measures, the profitability (before tax) compared to previous year reduced by Rs. 295.91 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

# PANASONIC CARBON INDIA CO. LIMITED

lowcost 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 58% and export sales constituted the remaining 42% 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, as amended

(i) Debtors Turnover	: 30.3 days
(ii) Inventory Turnover	: 31.1 days
(iii) Interest Coverage Ratio	: NA
(iv) Current Ratio	: 22.1

(v) Debt Equity Ratio	: NA
(vi) Operating Profit Margin (%)	: 22%
(vii) Net Profit Margin (%)	: 35%
(viii) Interest for Debentures	: NA
(ix) Due date for payment of interest or Principal of Debentures	: NA

## 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 out 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 2022-23 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 expenditure 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 **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 June month as "Environment month". The Company actively makes effort to increase awareness among the employees and their families about reduction of energy usage and also promote conservation of water.

### **The following Environment improvement activities carried during Environment month.**

- a. Communication of Environmental activities through display boards.
- b. Environmental Education to Employees
  - i. Global Trends in Environmental Issues.
  - ii. Reasons for companies to tackle environmental problems.
  - iii. From Environmental Vision 2050 to Panasonic Green Impact.
- c. Environmental Education to Staff members about Environment vision 2050 & Zero CO2 emission.
- d. Trees plantation at PCIN Welfare centre.
- e. Celebration of world Environment Day on 5<sup>th</sup> June,

2022. ("Only One Earth")

- f. Conducted Cleaning Campaign at Tada main road

## 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 2023, consisted of Mr.R. Senthilkumar (DIN: 02170079), Managing Director, and Independent Non-Executive Directors Mr.S. Kalyanaraman (DIN: 08317984) and Mrs. Rajashree Santhanam (DIN: 07162071) and Dr. Paul Jayakar (DIN: 00692315) and Non-Executive, Promoter Director Mr. Hideyuki Okunaga (DIN : 06792183) and Mr. Akinori Isomura (DIN: 09382377). 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 2022-23 are provided in Extract of the Annual Return which forms part of this Directors' report.

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

The term of office of Dr K Paul Jayakar (DIN: 00692315) an Independent Non -Executive Director of the Company will come to an end on 29<sup>th</sup> June 2023

At the Board Meeting held on 18<sup>th</sup> May 2023, Dr K Paul Jayakar (DIN: 00692315) was re-appointed as an Independent Director of the Company from 30<sup>th</sup> June 2023 to another three years in terms of section 161 of the Companies Act, 2013 and Articles of Association of the Company and accordingly his re-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.



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The tenure of Mr. R. Senthil Kumar, Managing Director of the Company expires on 31<sup>st</sup> March 2023. 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 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 and the same was approved by the Board of Directors of the Company at their meeting held on 10<sup>th</sup> February, 2023 and accordingly his re-appointment is placed for approval of the shareholders.

The Board of Directors at their meeting held on 18<sup>th</sup> May, 2023 also revised his remuneration with effect from 1<sup>st</sup> April, 2023 subject to your approval. The revised remuneration as detailed in resolution is now placed before you for your consideration and approval under item no.5.

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

## 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 and Secretarial Standards.

## 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 and 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 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 under review are provided in the Annual Report on Corporate Social Responsibility Activities 2022-23 in **Annexure-3** forming part of this report. The Policy adopted by the Company can be viewed at website of the Company. ([www.panasoniccarbon.in](http://www.panasoniccarbon.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 2022-23, 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.in](http://www.panasoniccarbon.in)

Electronic copies of the Annual Report 2022-23 and Notice of the 41<sup>st</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, 2021, 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 2023 (i.e. till 30 June, 2023). 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 2022-23 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).

## 23. 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.

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## 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 2022-23 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 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.

## 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 2022-23.

## 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 re appointed as the Statutory Auditors of the Company at the 40<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> June 2022 to hold office for a second term of five years till the conclusion of 45<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 2022-23 is as per notes to the financial statement 29 (i).

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/explanation. The Notes to 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 10<sup>th</sup> March 2023 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 500 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 500 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.

### 34. SHARES:

#### a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the financial year 2022-23

#### b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the financial year 2022-23

#### c. BONUS SHARES

No Bonus Shares were issued during the financial year 2022-23

#### d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees during the financial year 2022-23

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

Your Company continues to be the subsidiary of M/s. Panasonic Holding 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 2022-23
- 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.
- d) There is no such fraud required to be reported under section 143(12) of the Companies Act,2013. : 08317984 DIN: 02170079
- 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.
- f) Company has filed his annual return AOC4 within 30 days of 40th AGM held on 29th June 2022 on time . ACO 4 XBRL filed with MCA on 26/07/2023 and our Company website link as [https://www.panasoniccarbon.in/pdf/PCIN\\_Form\\_AOC4%20XBRL%202022.pdf](https://www.panasoniccarbon.in/pdf/PCIN_Form_AOC4%20XBRL%202022.pdf) and AOC 4 payment Challan weblink as AOC 4 MCA Pymt Recpt challan.pdf (panasoniccarbon.in)

# PANASONIC CARBON INDIA CO. LIMITED

## 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**

**S.KALYANARAMAN**  
DIRECTOR

**DIN : 08317984**

**R. SENTHIL KUMAR**  
MANAGING DIRECTOR

**DIN: 02170079**

Place: Chennai

Date: 18<sup>th</sup> May, 2023

## Annexure – 1 to the 41<sup>st</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

The Company's business concept includes sustainability. During the fiscal year under review, fuel consumption in Thermic fluid heaters reduced by 6%. The installation of a Variable Frequency Drive in Blowers reduced power usage by 1.5%.

Even though the price Fuel increased by 30%, reduction in fuel consumption by 6% achieved during the year under review by the optimum use of machineries with minimum downtime in in mixing and extruding, and impregnation process.

##### B. TECHNOLOGY ABSORPTION:

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

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

- Reduction of Raw material cost by effective usage of Natural Graphite, Artificial Graphite and Coke.
- Reduction of usage of Carbon black and Artificial graphite for cost control..
- Introduction of Baked Pet Coke usage in place of Amorphous Graphite .
- Change from manual to automated (Machine) carbon block sieving.
- Installation of a variable frequency drive (VFD) results in a reduction in the amount of energy used by the blowers. Energy consumption reduced by nearly 60% when motor speed is decreased by 25%.

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

Reduced the impact of steep increase of Raw Material costs through developing and implementing cost effective composition but achieved the required standard specification in the finished product.

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

The prices of all the materials used increases continuously as they are derived from Natural resources. Our company is the only company in India making carbon rods for Zinc carbon batteries. As our product is an import substitute

product, price is one of the major factor to be competitive against Chinese and other foreign carbon rod makers . Hence continue our efforts for developing more cost-effective composition and offer the customers carbon rods at the most competitive price.

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

Total Expenditure - Revenue	21,44,968/-
R&D Expenditure as a percentage to total turnover	0.43%

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

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

Optimum usage of Baked Pet Coke in place of Carbon Black and Calcium Petroleum Coke, Effective use of Natural graphite in place of Artificial graphite and usage of domestic raw materials to the maximum extent possible.

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

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

##### 2. 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, 2023 towards Import of Raw materials and other remittances like Royalty, Dividend, Brand License Fee etc., was INR 7.50 crores. With regard to the earning of Foreign Exchange, the direct inflow of foreign currency on our Export sales worked out to INR 23.12 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 26.30 Crores.

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 2 to the 41<sup>st</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. Limited (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 have 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 2023, comprised of one Executive Director, two Non-Executive Promoter Director and three Independent Directors.

During the Financial Year ended 31<sup>st</sup> March, 2023, four Board Meetings were held on 16<sup>th</sup> May 2022, 11<sup>th</sup> August 2022, 10<sup>th</sup> November 2022 and 10<sup>th</sup> February, 2023.

The last Annual General Meeting was held on 29<sup>th</sup> June 2022.

- i. The composition of the Board, 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, 2023 are given below.:

Name of the Director	Designation and Category	Relation- ship 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
Dr.K.Paul Jayakar (2)re-appointed w e f 30 June 2023	Independent Director,Non- Executive	Not Related, Independent	4	4	Yes	Nil	Nil
Mrs. S Rajashree	Independent Women Director,Non- Executive	Not Related, Independent	4	4	Yes	Nil	Nil
Mr.Hideyuki Okunaga	Non- Executive Director	Not Related, Non- Executive	4	3	No	01	Nil
Mr Akinori Isomura w.e.f	Non- Executive Director	Not Related, Non- Executive	4	3	No	01	01

## PANASONIC CARBON INDIA CO. LIMITED

- 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 1<sup>st</sup> April 2023 at the Board Meeting held on 10<sup>th</sup> February, 2023
- 2) The term of office of Dr K Paul Jayakar, Independent Non Executive Director will expire on 29<sup>th</sup> June 2023. Dr K Paul Jayakar has re-appointed as an Independent Non Executive Director of the Company, for a period of three years with effect from 30<sup>th</sup> June 2023 to till 29<sup>th</sup> June 2026 at the Board Meeting held on 18<sup>th</sup> May, 2023.
  - ii. 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.
  - iii. 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, 2023 have been made by the Directors. None of the Directors are related to each other.
  - iv. 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.
  - v. Four Board Meetings were held during the financial year on 16<sup>th</sup> May 2022, 11<sup>th</sup> August 2022, 10<sup>th</sup> November 2022 and 10<sup>th</sup> February, 2023. The gap between two Board meetings did not exceed one hundred and twenty days during the financial year. The necessary quorum was present in all the four meetings.
  - vi. During FY 2022-23, 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 2022-23, one meeting of the Independent Directors was held on 10<sup>th</sup> March, 2023. 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, 2023 are given below:

Name	Category	Number of Equity Shares
Mr. R.Senthil Kumar	Managing Director	1000
Mr. Hideyuki Okunaga	Director , Promoter, Non- Executive	NIL
Mr. Akinori Isomura	Director , Promoter, Non- Executive	NIL
Mr. S. Kalyanaraman	Director, Independent, Non- Executive	NIL
Dr.K.Paul Jayakar	Director, Independent, Non- Executive	NIL
Mrs. S. Rajshree	Woman Director, Independent, Non- Executive	NIL

The Company has not issued any convertible instruments during the financial year 2022-23. 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.



# PANASONIC CARBON INDIA CO. LIMITED

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.

### Composition and Meetings:

During the year ended 31<sup>st</sup> March, 2023, the Company had an Audit Committee of the Board consisting of three Non- Executive Independent Directors and the Managing Director. The Audit Committee met four times during the said financial year on 16<sup>th</sup> May 2022, 11<sup>th</sup> August, 2022, 10<sup>th</sup> November 2022 and 9<sup>th</sup> February, 2023.

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.S. Rajshree	Member	Independent, Non-Executive	4	4
Dr.K.Paul Jayakar	Member	Independent, Non-Executive	4	4
Mr.R.Senthil Kumar	Member	Non Independent, Executive	4	4

The Audit Committee shall consist of a minimum of three Directors with Independent Directors forming a majority. The Quorum shall be three 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. Stake holders 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
Dr.K.Paul Jayakar	Independent, Non-Executive	Member
Mr.R.Senthil Kumar	Non Independent, Executive	Member

## PANASONIC CARBON INDIA CO. LIMITED

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 2022-23 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 2022-23 and no such transfer is pending at the end of the year.

### 3. Corporate Social Responsibility Committee:

As per the MCA Circular no 14/2021 in point no.2.1 it is mentioned that where the amount required to be spent by the Company on CSR does not exceed 50 Lakh rupees the requirement for constitution of CSR Committee and the formation of the CSR Committee is not mandatory and the function of the CSR Committee in such cases shall be discharged by the Board of Directors of the Company.

Our Company is required to spend during the financial year 2022-23 : Rs. 45,63,200/-. Since as per the above said circular it is less than fifty lakh rupees, there was no need for CSR Committee meeting this year. Our Board discharged all our CSR Committee responsibilities.

### 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 of three Independent Non Executive Director 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
Dr.K.Paul Jayakar	Independent, Non-Executive	Chairman
Mr. S. Kalyanaraman	Independent, Non-Executive	Member
Mrs.S. Rajashree	Independent, Non-Executive	Member

## PANASONIC CARBON INDIA CO. LIMITED

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 two times on 16<sup>th</sup> May 2022, and 9<sup>th</sup> February, 2023 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 29<sup>th</sup> June 2022 for a period of one year effective from 1<sup>st</sup> April,2022 to 31<sup>st</sup> March,2023.

The term of appointment of Mr. R. Senthil Kumar expired on 31<sup>st</sup> March, 2023. Accordingly, the Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee at their meeting held on 10<sup>th</sup> February, 2023 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, 2024.

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 2022-23 under review is as under:

Name & Designation	Period	Salary (₹)	Perquisites (₹)	Total (₹)
Mr.R.Senthil Kumar, Managing Director	01-04-2022 to 31-03-2023	93,60,000	9,21,600	1,02,81,600

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 Holdings 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 2022-23.

The details of Remuneration paid to the Independent Non-Executive Directors during the financial year ended 31<sup>st</sup> March, 2023 are as under:

## PANASONIC CARBON INDIA CO. LIMITED

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/-	10,000/-
Mrs. S. Rajashree	5,00,000/-	40,000/-	40,000/-	10,000/-
Dr. K. Paul Jayakar	5,00,000/-	40,000/-	40,000/-	10,000/-
<b>Total</b>	<b>15,00,000/-</b>	<b>1,20,000/-</b>	<b>1,20,000/-</b>	<b>30,000/-</b>

### 6. 6. Details of shareholding of Directors as on 31<sup>st</sup> March 2023:

Name of the Director	No. of Shares held
Mr. R. Senthil Kumar	1000
Mr. Hideyuki Okunaga	NIL
Mr. Akinori Isomura	NIL
Mr. S. Kalyanaraman	NIL
Mrs. S. Rajashree	NIL
Dr. K. Paul Jayakar	NIL

### 7. General Body Meetings:

The last three Annual General Meetings were held as under:

Year and Date	Time	Venue
29 <sup>th</sup> June, 2022	3.00 P.M	Through Video Conference
15 <sup>th</sup> September , 2021	3.00 P.M	Through Video Conference
24 <sup>th</sup> September , 2020	3.00 P.M.	Through Video Conference

One Special Resolutions was passed in the last Annual General Meeting held on 29<sup>th</sup> June 2022 .

No Special Resolution was put through Postal Ballot last year. Special Resolution(s) through Postal Ballot process shall be conducted as if necessary 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 2022-23.

#### 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 2022-23. Hence there was no complaints pending as on end of the financial year 2022-23.

# PANASONIC CARBON INDIA CO. LIMITED

## 9. Meeting of Independent Directors:

The Independent Directors of the Company had met during the year on 10<sup>th</sup> March, 2023 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 500 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 500 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 33 of notes to the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2023.

### 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 2022-23
- (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 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.

## PANASONIC CARBON INDIA CO. LIMITED

### 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, 2023.

### 14. General Shareholders Information:

Annual General Meeting Date and time	: 28 <sup>th</sup> June 2023; Wednesday at 3.00 p.m.
Date of payment of dividend	: 10 <sup>th</sup> July, 2023
Deemed Venue	: Registered office through VC/OAVM
Date of approval of annual results	: 18 <sup>th</sup> May 2023
Book Closure Date	: 22 <sup>nd</sup> June, 2023 to 28 <sup>th</sup> June, 2023 (Both days inclusive)
Record Date	: 21 <sup>st</sup> June 2023
BSE Stock Code	: 508941
Financial Year	: 1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
ISIN	: INE013E01017
Rate of dividend	: 120% (Rs.12/- per share)
CIN	: L29142TN1982PLC009560

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

June 30 <sup>th</sup> 2023	2 <sup>nd</sup> week of August, 2023
September 30 <sup>th</sup> 2023	4 <sup>th</sup> week of October, 2023
December 31 <sup>st</sup> 2023	4 <sup>th</sup> week of January, 2024
March 31 <sup>st</sup> 2024	4 <sup>th</sup> week of June, 2024

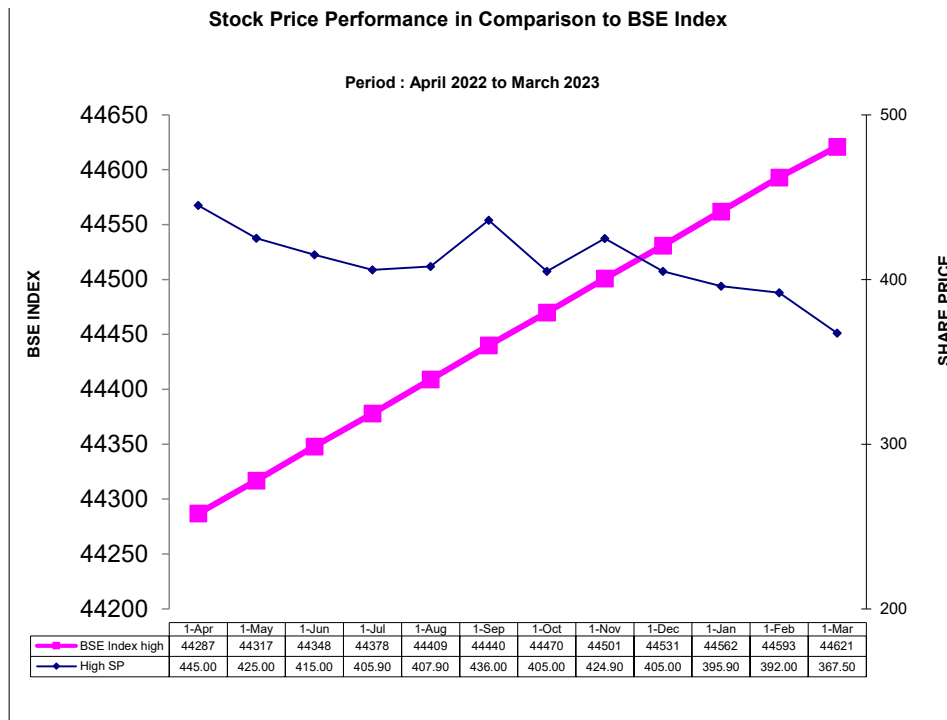
### 16. Listing on Stock Exchanges:

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 2022-23 and there are no arrears.

### 17. Market Price data for the Financial Year ended 31<sup>st</sup> March, 2021:

Month	BSE		Month	BSE	
	High (Rs.P)	Low(Rs.P)		High (Rs.P)	Low(Rs.P)
April 2022	445.00	402.55	October 2022	405.00	386.00
May, 2022	425.00	380.00	November, 2022	424.90	387.45
June, 2022	415.00	370.55	December, 2022	405.90	381.00
July, 2022	405.90	375.25	January, 2023	395.90	383.00
August, 2022	407.90	381.00	February, 2023	392.00	355.00
September, 2022	436.00	380.00	March, 2023	367.50	285.00

# 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 (5 Lines)  
 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.

## PANASONIC CARBON INDIA CO. LIMITED

### 20. Distribution of Shareholding as on 31<sup>st</sup> March, 2023:

No. of Shares	Number of Shareholders		Number of Shares	
	Number	% of Total	Number	% of Total
1-100	8586	80.5214	303608	6.3251
101-500	1546	14.4987	360832	7.5173
501-1000	275	2.5790	206392	4.2998
1001-2000	145	1.3598	207815	4.3294
2001-3000	42	0.3938	107945	2.2488
3001-4000	18	0.1688	62634	1.3048
4001-5000	13	0.1219	59991	1.2498
5001-10000	23	0.2156	147705	3.0771
10001 – 4,80,000	15	0.1406	3343078	69.6474
<b>Total</b>	<b>10,663</b>	<b>100.0000</b>	<b>48,00,000</b>	<b>100.0000</b>

### 21. Category wise Shareholding pattern as on 31<sup>st</sup> March, 2023:

Category	No. of Shares Held	% of Shareholding
<b>Promoters</b>		
Indian Promoters	1000	0.0208
Foreign Collaborators	3036820	63.27
<b>Others</b>		
Corporate Bodies	67591	1.4078
Individuals	15,09,272	31.4430
Mutual Funds & UTI	69402	1.4458
IEPF	32,376	0.6745
Non-Resident Indians	83,015	1.7294
Clearing Member	409	0.0085
Trusts	115	0.0023
<b>Total</b>	<b>4800000</b>	<b>100</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 ₹
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
2014-15	23 <sup>rd</sup> July, 2015	8.00	2019-20	24 <sup>th</sup> September, 2020	10.00
2015-16	29 <sup>th</sup> July, 2016	10.00	2020-21	15 <sup>th</sup> September 2021	12.00
2016-17	8 <sup>th</sup> August, 2017	10.00	2021-22	29 <sup>th</sup> June 2022	12.00

**Note:** Face value is Rs. 10/- per share. Dividend of Rs 12/- per share for the financial year 2022-2023 has been recommended by the Board of Directors on 18<sup>th</sup> May, 2023, is subject to approval by the shareholders at the ensuing Annual General Meeting.



## PANASONIC CARBON INDIA CO. LIMITED

### 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 2023, 98.75% of the paid up share capital representing 47,40,227 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. Limited. 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, 2023 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
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 if any as on March 31, 2023 shall remain frozen till 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 31.03.2021 (Rs.)	Date of Declaration of Dividend	Proposed date of transfer to IEPF
2015-16	5,80,380	05-08-2016	10-09-2023
2016-17	7,36,220	17-08-2017	22-09-2024
2017-18	3,47,300	17-08-2018	22-09-2025
2018-19	5,17,540	17-08-2019	22-09-2026
2019-20	3,73,692	30-06-2020	05-07-2027

## PANASONIC CARBON INDIA CO. LIMITED

Financial Year	Amount outstanding as on 31.03.2021 (Rs.)	Date of Declaration of Dividend	Proposed date of transfer to IEPF
2020-21	5,53,708	28-06-2021	03-07-2028
2021-22	5,53,065	07-07-2022	12-08-2029

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. Limited 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, 2023, there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories.

### 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 41<sup>st</sup> Annual General Meeting (AGM) of the Company.

## PANASONIC CARBON INDIA CO. LIMITED

The facility for voting, through ballot / polling paper shall also be made electronically at the 41<sup>st</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 suitable, Practicing Company Secretary, , 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 41<sup>st</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, 2023.

### 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 Location

:	Tada Mandal, Nellore District, Andhra Pradesh- 524 401
	Phone: 7200043020 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
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**By Order of the Board of Directors  
For Panasonic Carbon India Co. Limited**

Place : Chennai  
Date : 18<sup>th</sup> May, 2023

**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: 18<sup>th</sup> May, 2023

**R. SENTHIL KUMAR**

MANAGING DIRECTOR & CEO

DIN : 02170079

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## 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

I have examined the compliance of the conditions of Corporate Governance by M/s Panasonic Carbon India Co. Limited ('the Company') having CIN: L29142TN1982PLC009560 and having its Registered Office at Pottipati Plaza, 77 (Old No.35), Nungambakkam High Road, Third Floor, Nungambakkam, Chennai - 600 034 for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. My 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 my opinion and on the basis of our examination of the records produced, explanations and information furnished, I certify that the Company has complied regarding 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 of the SEBI Listing Regulations for the financial year ended on March 31, 2023.

I further state that such compliance is neither 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: 05th June, 2023

Place: Chennai

**CS S Sridevi**

Company Secretary in Practice

FCS No: 11693

CP No.17176

UDIN: F011693E000458117

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 3 to the 41<sup>st</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. Dr K Paul Jayakar, Member (Independent Director)
3. Average net profit of the company for last three financial years : Rs. 22.81 crores
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)

The Company is required to spend during the financial year 2022-23 is : Rs. 45,63,900/-

5. Details of CSR spent during the financial year

Total amount spent for the financial year 2022-23 is :Rs. 45,69,920/-Amount unspent, if any;Nil

#### 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 spent on the projects orProgram wise	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
				(Rs)	(Rs)	(Rs)	
1	Supervising & Village hygienic Improvement Expenditure	Education	Tada	255150	255150	255150	Direct
2	Raising compound wall 3 feet height	Education	Tada	358401	358401	613551	Direct
3	Providing Dual Desks in MPP Schools, Gollalamuluvu, Pamulamitta, Andagundala, Chinamambabbu High School, Kasimgagukuppam 117 Nos, and Pudikuppam 10 Nos, and Ramapuram school 15 Nos.	Education	Tada	1256700	1256700	1870251	Direct

## 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 spent on the projects or Program wise	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
				(Rs)	(Rs)	(Rs)	
4	Play ground equipments like 4 see saw, two seat play swing, frp slider, 4 seater merry go round 24 nos	Education	Tada	652915	652915	2523166	Direct
5	Play ground equipments erection charges	Education	Tada	144000	144000	2667166	Direct
6	Construction of Toilets at Pudikuppam & K.Kuppam	Education	Tada	648170	648170	3315336	Direct
7	Providing lab items for Govt.Hospital, Tada	Health care	Tada	15740	15740	3331076	Direct
8	Construction of Compound wall, Fencing, New toilets, Class room Floor tiles and Roof leak arresting and water sump arrangement at Ramapuram School	Education	Tada	1149310	1149310	4480386	Direct
9	Renovation of Toilet at Pallepalem School and labour charges	Education	Tada	89534	89534	4569924	Direct

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.

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

Place : Chennai  
Date : 18<sup>th</sup> May 2023

**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 41<sup>s</sup> Annual Report of the Board of Directors

## EXTRACT OF ANNUAL RETURN

Financial year ended 31.03.2023 FORM NO. MGT - 9

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

SI No	I. Registration and other details	
1	CIN	L29142TN1982PLC009560
2	Registration Date	06/09/1982
3	Name of the Company	PANASONIC CARBON INDIA CO. LIMITED
4	Category / Sub-Category of the Company	Company having Share Capital
5	Address of the Registered Office and contact details	Pottipati Plaza, 77 (Old. No.35), Nungambakkam High Road, Third Floor, Nungambakkam, Chennai-600034 Tamil Nadu Ph : 044-28275216; 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
8	MGT 7	www.panasoniccarbon.co.in

## 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 HOLDINGS CORPORATION	Japan	HOLDING	63.27	2(46)

# PANASONIC CARBON INDIA CO. LIMITED

## IV. IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on 31/03/2023

Category of Shareholders	No of Holders	Total No of Shares	% of Holdings
Resident - Ordinary	10110	1508600	31.4291
Resident - Minor	04	201	0.0041
Resident - CM/TM -Proprietary Account	01	471	0.0098
NRI - Repatriable	89	33531	0.6985
NRI - Non Repatriable	64	49484	1.0309
Corporate Body - Domestic	69	60387	1.2580
Corporate Body - Others	03	851	0.0177
Corporate Body - Foreign Body - Promoter	01	3036820	63.2670
Corporate Body - Limited Liability Partners	03	1432	0.0298
Corporate Body - Stock Brocker - Proprietar	05	4262	0.0887
Corporate Body - CM/TM - Client Margin A/C	02	05	0.0001
Corporate Body - CM/TM - Proprietary Accoun	03	587	0.0122
Corporate Body - CM/TM - Collateral Account	01	67	0.0013
Clearing Member	05	409	0.0085
Trusts	02	115	0.0023
Resident - HUF	299	69402	1.4458
IEPF - IEPF	01	32376	0.6745
Promoters	01	1000	0.0208
<b>Total</b>	<b>10663</b>	<b>4800000</b>	<b>100.0000</b>

### 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	63.27	-	3036820	63.27	-	0.0000
2	Gopal Kumar Jiwaraajka	1000	0.02	-	1000	0.02	-	0.0000
3	Laxmi Devi Jiwaraajka	800	0.02	-	0	0	-	0.0000
	<b>Total</b>	<b>3038620</b>	<b>63.31</b>	<b>-</b>	<b>3037820</b>	<b>63.29</b>	<b>-</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		Shareholding at the end of the year	
	No. of Shares	% of total shares of the company	No. of Shares	No of shares at the end of the year
Laxmi Devi Jiwaraajka	<b>800</b>	<b>0.02</b>	<b>Nil</b>	<b>Nil</b>



# PANASONIC CARBON INDIA CO. LIMITED

## iv) Shareholding Pattern of Top Twenty Shareholders

SI No	For Each of the Top 20 Shareholders	Shareholding as on 31-03-2023	
		No. of Shares	% of total shares of the Company
1	Panasonic Corporation	30,36,820	63.2671
2	Seetha Kumari	72,143	1.5029
3	Investor Education and Protection Fund	32,376	0.6745
4	Ramakant	30,000	0.6250
5	Sunil Kumar Gupta	27,000	0.5625
6	Raghvendra	26,550	0.5531
7	Aparna Sarees Private Limited	21,247	0.4426
8	Danesh Boman Irani	17,058	0.3553
9	Rameshwar Nath Pandey	12,740	0.2654
10	Baheram Aspandhar Mayar	12,734	0.2653
11	Manoj Bhagwan Bhagchandani	12,468	0.2598
12	Boman Burjar Irani	11,432	0.2382
13	Rutvik Utkarsh Mehta	10,450	0.2177
14	Rahul Piyush Shah	10,057	0.2095
15	Sudha Gopalji Jha	10,001	0.2084
16	Ravindra Sonu Choudhari	9,200	0.1916
17	Santosh Kumar Khanka	8,200	0.1708
18	Kashmira Aspindair Irani	7,628	0.1589
19	Vivek Khandelwal	7,500	0.1562
20	Suman Devi Bothra	1,400	0.1541

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

## 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	750	0.015625
Transaction (transferred during the year)	250	0.003125
At the end of the year	1000	0.01875

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

## PANASONIC CARBON INDIA CO. LIMITED

<b>Ms.P. Maheswari, Company Secretary</b>		
At the beginning of the year	40	0.000833
Transaction during the year	0	0.000000
At the end of the year	40	0.000833

### V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	<b>NIL</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>				

### 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	93,60,000
	b) Value of perquisites under section 17(2) of Income Tax Act, 1961	
	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 percentage of profit	
5	Contribution to PF and Superannuation	9,21,600
	<b>Total (A)</b>	1,02,81,600

# PANASONIC CARBON INDIA CO. LIMITED

## B. Remuneration to other Directors:

### 1. Independent Directors

Sl.No	Particulars of Remuneration	Name of the Director			Total Amount (₹)
		Mr. S. Kalyanaraman (₹)	Mrs. S Rajashree (₹)	Dr. K.Paul Jayakar (Rs)	
1	Fees paid during the year for attending Board/ Committee Meetings	90,000	90,000	90,000	2,70,000
2	Commission	5,00,000	5,00,000	5,00,000	15,00,000
3	Others Please Specify				
	<b>Total (B) (1)</b>	<b>5,90,000</b>	<b>5,90,000</b>	<b>5,90,000</b>	<b>17,70,000</b>

### 2. Other Non Executive Directors

Sl.No	Particulars of Remuneration	Name of the Director		Total Amount (Rs)
		Mr. Hideyuki Okunaga	Mr Akinori Isomura	
1	Fee for attending Board / Committee Meetings	0	0	0
2	Commission	0	0	0
3	Others Please Specify	-	-	0
	<b>Total (B) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(B)(1)+(B)(2)</b>			<b>17,70,000</b>

## 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	13,52,000.00	7,29,444.00	20,81,444.00
	(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			
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	others, (PF, Superannuation & Bonus)	2,93,280.00	95,328.00	3,88,608.00
	<b>Total (C)</b>	<b>16,45,280.00</b>	<b>8,24,772.00</b>	<b>24,70,052.00</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 41<sup>st</sup> Annual Report of the Board of Directors

### Form-MR-3

#### **Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2023**

[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,

**M/s Panasonic Carbon India Co. Limited,**  
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 M/s Panasonic Carbon India Co. Limited ('the Company') having CIN: L29142TN1982PLC009560 having its registered office at Pottipati Plaza, 77 (Old No.35), Nungambakkam High Road, Third Floor, Nungambakkam, Chennai - 600 034. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate 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, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2023, generally 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 **M/s Panasonic Carbon India Co. Limited ("the Company")** for the period ended on 31<sup>st</sup> March, 2023 according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5. 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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time (Not applicable to the Company during the audit period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period);

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

- i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'.
- ii) The Listing Agreements entered into by the

# PANASONIC CARBON INDIA CO. LIMITED

Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following law applicable specifically to the Company:

- a. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

## **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. There were changes in the composition of the Board of Directors that took place during the period under review.
- Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice 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** 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.

***This report is to be read with our letter of even date which is annexed as Annexure "A" and forms an integral part of this Report.***

For Chitra Lalitha & Associates  
Peer Review Certificate Number: 1843/2022

Place: Chennai

Date: 18<sup>th</sup> May, 2023

**Mirza Ismail Irshad Ahmed**

Partner

CP No. 24586

M No. 11458

UDIN:F011458E000299119

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

## **"Annexure-A"**

To

The Members,  
**M/s 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 letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Chitra Lalitha & Associates  
Peer Review Certificate Number: 1843/2022

Place: Chennai

Date: 18<sup>th</sup> May, 2023

**Mirza Ismail Irshad Ahmed**

Partner

CP No. 24586

M No. 11458

UDIN: F011458E000299119

# PANASONIC CARBON INDIA CO. LIMITED

## Secretarial Compliance Report of M/s Panasonic Carbon India Co. Limited for the financial year ended 31st March, 2023

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by M/s Panasonic Carbon India Co. Limited (hereinafter referred as 'the listed entity'), having its Registered Office at Pottipati Plaza, 77 (Old No.35), Nungambakkam High Road, Third Floor, Nungambakkam, Chennai - 600 034, Tamil Nadu, India. Secretarial Review 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 listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We, Chitra Lalitha & Associates have examined:

- a) all the documents and records made available to us and explanation provided by the listed entity;
- b) the filings/ submissions made by the listed entity to the stock exchanges;
- c) website of the listed entity;
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2023 ("Review Period") in respect of compliance with the provisions of :
  - a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

## PANASONIC CARBON INDIA CO. LIMITED

i) and circulars/ guidelines issued thereunder;

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/ No/ NA)	Observations/ Remarks by PCS*
1.	<p><b>Secretarial Standards:</b></p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p>	Yes	
2.	<p><b>Adoption and timely updation of the Policies:</b></p> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of Board of Directors of the listed entity.</li> <li>All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/ circulars/ guidelines issued by SEBI.</li> </ul>	Yes	
3.	<p><b>Maintenance and disclosures on Website:</b></p> <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website.</li> <li>Timely dissemination of the documents/ information under a separate section on the website.</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website.</li> </ul>	Yes	
4.	<p><b>Disqualification of Director:</b></p> <p>None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.</p>	Yes	
5.	<p><b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b></p> <p>(a) Identification of material subsidiary Companies</p> <p>(b) Disclosure requirement of material as well as other subsidiaries</p>	NA	
6.	<p><b>Preservation of Documents:</b></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of ocuments and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	
7.	<p><b>Performance Evaluation:</b></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.</p>	Yes	
8.	<p><b>Related Party Transactions:</b></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or</p> <p>(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified /rejected by the Audit Committee, in case no prior approval has been obtained.</p>	Yes	

## PANASONIC CARBON INDIA CO. LIMITED

Sr. No.	Particulars	Compliance Status (Yes/ No/ NA)	Observations/ Remarks by PCS*
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder	<b>Yes</b>	
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	<b>Yes</b>	
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**).	<b>Yes</b>	
12.	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for any SEBI regulation/circular/ guidance note etc.	<b>Yes</b>	

(a) (\*\*). The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										



# PANASONIC CARBON INDIA CO. LIMITED

## Assumptions & Limitations of Scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information, This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the Listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the Listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the Listed entity.

For Chitra Lalitha & Associates

Place: Chennai

Date: 18<sup>th</sup> May, 2023

Mirza Ismail Irshad Ahmed

Partner

FCS No: 11458

CP No. 24586

UDIN: F011458E000299064

Firm Registration Number : P2021TN085400

Peer Review Certificate Number: 1843/2022

# PANASONIC CARBON INDIA CO. LIMITED

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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 the relevant registers, records, forms, returns and disclosures received from the Directors of M/s Panasonic Carbon India Co. Limited having CIN: L29142TN1982PLC009560 and having registered office at Pottipati Plaza, 77 (Old No.35), Nungambakkam High Road, Third Floor, Nungambakkam, Chennai - 600 034 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S No	Name of Director	DIN	Date of Appointment in Company
1.	Mr Ramaiah Senthilkumar	02170079	23 <sup>rd</sup> April, 2008
2.	Mr Paul Jayakar	00692315	30 <sup>th</sup> June, 2020
3.	Mr Hideyuki Okunaga	06792183	13 <sup>th</sup> May, 2019
4.	Ms Rajashree Santhanam	07162071	01 <sup>st</sup> April, 2021
5.	Mr Subramanian Kalyanaraman	08317984	01 <sup>st</sup> April, 2019
6.	Mr Akinori Isomura	09382377	31 <sup>st</sup> December, 2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For LB and Co.,

Company Secretaries

ICSI Firm Reg No: 5363

Peer Review Unique Identification No.P2015TN039700

Place: Chennai

Dated: 03<sup>rd</sup> May, 2023

CS Lalitha S

Partner

M No: 4464

CP No. 2666

UDIN: F004464E000248015

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 6 to 41<sup>st</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	18:1

- 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	2%
Mr. Vinayagam Sume	Chief Financial Officer	8%
Ms. P. Maheswari	Company Secretary	8%

- c) The percentage increase in the average remuneration of employees in the financial year is 8% 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 31/03/2023: 129
- e) The Company's PAT has decreased from Rs.1534.94 lakhs to Rs.1282.71 lakhs, a decrease of 16%.
- 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	102.82	2%	1282.71	16%
Mr. Vinayagam Sume	Chief Financial Officer	16.45	8%		
Ms. P. Maheswari	Company Secretary	8.25	8%		

\*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 (Face value of Rs. 10/- each)	Closing Market Price per shares (INR)	EPS	PE Ratio	Market Capitalisation (₹ in Lakhs)
31.03.2023	4,80,00,000	336.35	26.72	12.59	16,144.80
31.03.2022	4,80,00,000	402.35	31.98	12.58	19,312.80
Increase / (Decrease)	NIL	-66.00	-5.26	0.01	-3,168.00
% Increase / (Decrease)	NIL	-16.40	-16.45	0.05	-16.40
Issue of shares during the year	NIL	NIL	NIL	NIL	NIL

## PANASONIC CARBON INDIA CO. LIMITED

- 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 'per head' increase in remuneration is 9% for employees other than Key Managerial Personnel and 8% 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 : 18<sup>th</sup> May, 2023

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

# PANASONIC CARBON INDIA CO. LIMITED

Annexure - 7 to 41<sup>st</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 16<sup>th</sup> May, 2023

**2 Details of Material contracts or arrangements or transactions at Arm's length basis :**

kindly refer our accounts note no.33

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

Place : Chennai  
Date : 18<sup>th</sup> May, 2023

**S.KALYANARAMAN**  
DIRECTOR  
DIN:08317984

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

## 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 financial statements of Panasonic Carbon India Co. Limited (the "Company") which comprise the balance sheet as at 31 March 2023, 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 significant accounting policies and other explanatory information.

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 2023, and its 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 on the financial statements

### 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

See Note 3.9, 22 and 33 to financial statements

<i>The 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>Significant 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> </ul>

## PANASONIC CARBON INDIA CO. LIMITED

<i>The Key audit matter</i>	<i>How the matter was addressed in our audit</i>
	<ul style="list-style-type: none"> <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> <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 auditor’s report thereon. The Company’s 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 will 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 Company’s 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 applicable under the applicable laws and regulations.

### Management’s and Board of Directors’ 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

## PANASONIC CARBON INDIA CO. LIMITED

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

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

The 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 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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.



## PANASONIC CARBON INDIA CO. LIMITED

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 auditor's 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 (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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. (A) As required by Section 143(3) of the Act, we report that:
  - a) 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, except that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis.
  - 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 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A (b) above.
  - g. 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".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 32 to the financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

## PANASONIC CARBON INDIA CO. LIMITED

- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 38 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 38 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the in Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e) The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 14 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act which are required to be commented upon by us.

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

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Harsh Vardhan Lakhotia**

*Partner*

Place: Chennai

Membership No. 222432

Date: 18 May 2023

ICAI UDIN: 23222432BGYLAR4810

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure A to the Independent Auditor's on the financial statements of Panasonic Carbon India Co. Limited for the year ended 31 March 2023

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No 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 (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts 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 in respect of its

## PANASONIC CARBON INDIA CO. LIMITED

manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned 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	3,943.67	April 2018- March 2020	Various dates	Not yet paid

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

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	27,734.06	AY 2018-2019	Commissioner of Income Tax (Appeals)
Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001	Value Added Tax	6,753.36	1 April 2014 - 31 March 2018	Appellate Joint Commissioner (ST)
The Goods and Service Tax Act, 2017	Goods and Service Tax	364.55	FY 2017-2018	Commissioner of Central Excise

\*After considering refunds adjusted by the authorities

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loan or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

## PANASONIC CARBON INDIA CO. LIMITED

- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
  - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
  - (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
  - (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.
  - (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
  - (b) According to the information and explanations given to us and on the basis of 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. Accordingly, clause 3(x)(b) of the Order is not applicable.
  - (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
  - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
  - (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
  - (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
  - (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company
  - (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
  - (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
  - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve

## PANASONIC CARBON INDIA CO. LIMITED

Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

- (d) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Harsh Vardhan Lakhotia**

*Partner*

Membership No. 222432

ICAI UDIN: 23222432BGYLAR4810

Place: Chennai

Date: 18 May 2023

# 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 2023**

**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 with reference to financial statements of **Panasonic Carbon India Co. Limited** ("the Company") as of 31 March 2023 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 2023, 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**

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 Act.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 if such controls operated effectively in all material respects.

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

# PANASONIC CARBON INDIA CO. LIMITED

## 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's Registration No: 101248W/W-100022

**Harsh Vardhan Lakhotia**

*Partner*

Place: Chennai

Date: 18 May 2023

Membership No. 222432

ICAI UDIN: 23222432BGYLAR4810



# PANASONIC CARBON INDIA CO. LIMITED

## Balance sheet as at 31 March 2023

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

	Note	As at 31 March 2023	As at 31 March 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	47,609.61	55,246.61
Capital work-in-progress	4	5,550.00	-
Financial assets			
Other financial assets	5	470,321.57	22,999.89
<b>Total non-current assets</b>		<b>523,481.18</b>	<b>78,246.50</b>
<b>Current assets</b>			
Inventories	6	26,419.03	27,595.30
Financial assets			
Trade receivables	7	28,467.50	51,843.26
Cash and cash equivalents	8	10,788.40	19,140.13
Bank balances other than cash and cash equivalents	9	3,661.91	3,527.54
Loans	10	122.97	89.64
Other financial assets	11	890,761.53	1,230,066.06
Other current assets	12	6,845.68	15,639.32
<b>Total current assets</b>		<b>967,067.02</b>	<b>1,347,901.25</b>
<b>Total assets</b>		<b>1,490,548.20</b>	<b>1,426,147.75</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	13	48,000.00	48,000.00
Other equity	14	1,392,524.46	1,321,839.01
<b>Total equity</b>		<b>1,440,524.46</b>	<b>1,369,839.01</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	29	6,199.74	5,785.53
<b>Total non-current liabilities</b>		<b>6,199.74</b>	<b>5,785.53</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	18		
- total outstanding dues of micro and small enterprises		245.44	3,473.71
- total outstanding dues of creditors other than micro and small enterprises		21,019.97	22,738.42
Other financial liabilities	19	4,657.60	3,527.54
Other current liabilities	20	15,289.55	14,340.48
Provisions	21	2,514.18	4,353.20
Current tax liabilities (net)		97.26	2,089.86
<b>Total current liabilities</b>		<b>43,824.00</b>	<b>50,523.21</b>
<b>Total liabilities</b>		<b>50,023.74</b>	<b>56,308.74</b>
<b>Total equity and liabilities</b>		<b>1,490,548.20</b>	<b>1,426,147.75</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: 18 May 2023

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

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

**S. Kalyanaraman**  
Director  
DIN: 08317984  
**P. Maheswari**  
Company Secretary

Place: Chennai  
Date: 18 May 2023

# PANASONIC CARBON INDIA CO. LIMITED

## Statement of profit and loss for the year ended 31 March 2023

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

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	22	501,197.58	499,684.57
Other income	23	74,436.76	66,861.23
<b>Total income</b>		<b>575,634.34</b>	<b>566,545.80</b>
<b>Expenses:</b>			
Cost of materials consumed	24	188,221.28	159,984.56
Changes in inventories of work-in-progress	25	1,686.10	(341.09)
Employee benefits expense	26	88,169.81	87,350.97
Depreciation expense	27	7,737.58	9,969.82
Other expenses	28	114,839.68	105,011.23
<b>Total expenses</b>		<b>400,654.45</b>	<b>361,975.49</b>
<b>Profit before tax</b>		<b>174,979.89</b>	<b>204,570.31</b>
<b>Tax expenses</b>			
Current tax	29	46,300.00	52,162.03
Deferred tax	29	409.24	(1,085.51)
<b>Tax expenses</b>		<b>46,709.24</b>	<b>51,076.52</b>
<b>Profit for the year</b>		<b>128,270.65</b>	<b>153,493.79</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Remeasurement of defined benefit liability/ (asset)		19.76	(1,343.80)
Income tax relating to items that will not be reclassified to profit or loss		(4.97)	338.21
		<b>14.79</b>	<b>(1,005.59)</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>14.79</b>	<b>(1,005.59)</b>
<b>Total comprehensive income for the year</b>		<b>128,285.44</b>	<b>152,488.20</b>
<b>Earnings per share</b>			
(Face value INR 10/- per share)			
Basic and diluted earnings per share (INR)	17	26.72	31.98
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: 18 May 2023

for and on behalf of the board of directors of

**Panasonic Carbon India Co. Limited**

CIN: L29142TN1982PLC009560

**R. Senthil Kumar**

Managing Director

DIN: 02170079

**Vinayagam Sume**

Chief Financial Officer

Place: Chennai

Date: 18 May 2023

**S. Kalyanaraman**

Director

DIN: 08317984

**P. Maheswari**

Company Secretary

# PANASONIC CARBON INDIA CO. LIMITED

## Statement of cash flow for the year ended 31 March 2023

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

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Cash flow from operating activities</b>			
Profit for the year		174,979.89	204,570.31
Adjustments for:			
Depreciation	27	7,737.58	9,969.82
Interest income	23	(68,367.35)	(61,039.99)
Unrealised foreign exchange (gain) / loss		(39.17)	66.58
		<b>114,310.95</b>	<b>153,566.72</b>
<b>Operating cash flow before working capital changes</b>			
Working capital adjustments:			
Decrease / (increase) in inventories		1,176.27	(3,978.27)
Decrease/ (increase) in trade receivables, loans and other assets		32,381.44	(10,338.58)
Decrease in trade payables, provisions and other liabilities		(4,821.22)	(6,704.85)
		<b>143,047.44</b>	<b>132,545.02</b>
<b>Cash generated from operating activities</b>			
Income tax paid (net)		(48,292.60)	(53,595.70)
		<b>94,754.84</b>	<b>78,949.32</b>
<b>Cash flow from investing activities</b>			
Interest received		65,009.65	56,586.66
Acquisition of property, plant and equipment, and capital work in progress	4	(5,650.58)	(1,980.00)
Investments in fixed deposits		(105,000.01)	(70,000.00)
		<b>(45,640.94)</b>	<b>(15,393.34)</b>
<b>Cash flow from financing activities (Refer note)</b>			
Dividends paid (and related dividend distribution tax)		(57,465.63)	(57,138.28)
		<b>(57,465.63)</b>	<b>(57,138.28)</b>
<b>Net/(decrease) in cash and cash equivalents (A+B+C)</b>			
		<b>(8,351.73)</b>	<b>6,417.70</b>
Cash and cash equivalents at the beginning of the year		19,140.13	12,722.43
	8	<b>10,788.40</b>	<b>19,140.13</b>

### Note:

#### Reconciliation of liabilities from financing activities

Particulars	As at 31 March 2022	Dividend declared	Dividend paid	As at 31 March 2023
		(including dividend distribution tax)		
Unpaid dividends	3,527.54	57,600.00	(57,465.63)	3,661.91
<b>Total liabilities from financing activities</b>	<b>3,527.54</b>	<b>57,600.00</b>	<b>(57,465.63)</b>	<b>3,661.91</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: 18 May 2023

for and on behalf of the board of directors of

**Panasonic Carbon India Co. Limited**

CIN: L29142TN1982PLC009560

**R. Senthil Kumar**

Managing Director

DIN: 02170079

**Vinayagam Sume**

Chief Financial Officer

Place: Chennai

Date: 18 May 2023

**S. Kalyanaraman**

Director

DIN: 08317984

**P. Maheswari**

Company Secretary

# PANASONIC CARBON INDIA CO. LIMITED

## Statement of changes in equity for the year ended 31 March 2023

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

a. Equity share capital	Note	Amount
<b>Balance as at 1 April 2022</b>	13	<b>48,000.00</b>
Changes in equity share capital due to prior period errors		-
Restated balance as at 1 April 2022		48,000.00
Changes in equity share capital during the year		-
<b>Balance as at 31 March 2023</b>		<b>48,000.00</b>
<b>Balance as at 1 April 2021</b>		<b>48,000.00</b>
Changes in equity share capital due to prior period errors		-
Restated balance as at 1 April 2021		48,000.00
Changes in equity share capital during the year		-
<b>Balance as at 31 March 2022</b>		<b>48,000.00</b>

b. Other equity	Attributable to the owners of the Company			Total
	Reserves and Surplus			
	General Reserves (See note 14a)	Securities Premium (See note 14b)	Retained earnings	
<b>Balance as at 1 April 2022</b>	1,200,000.00	27,000.00	94,839.02	1,321,839.02
Profit for the year	-	-	128,270.65	128,270.65
Other comprehensive income for the year (net of tax) (Note 15)	-	-	14.79	14.79
<b>Total comprehensive income for the year</b>	1,200,000.00	27,000.00	223,124.46	1,450,124.46
Dividends	-	-	(57,600.00)	(57,600.00)
Transfer to general reserve	65,000.00	-	(65,000.00)	-
<b>Balance as at 31 March 2023</b>	1,265,000.00	27,000.00	100,524.46	1,392,524.46
<b>Balance as at 1 April 2021</b>	1,135,000.00	27,000.00	64,950.82	1,226,950.82
Profit for the year	-	-	153,493.80	153,493.80
Other comprehensive income for the year (net of tax) (Note 15)	-	-	(1,005.59)	(1,005.59)
<b>Total comprehensive income for the year</b>	1,135,000.00	27,000.00	217,439.02	1,379,439.02
Dividends	-	-	(57,600.00)	(57,600.00)
Transfer to general reserve	65,000.00	-	(65,000.00)	-
<b>Balance as at 31 March 2022</b>	1,200,000.00	27,000.00	94,839.02	1,321,839.02

Gain of INR 14.79 thousands and loss of INR 1,005.59 thousands on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended 31 March 2023 and 31 March 2022, respectively.

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

for and on behalf of the board of directors of

**Panasonic Carbon India Co. Limited**

CIN: L29142TN1982PLC009560

**R. Senthil Kumar**

Managing Director

DIN: 02170079

**Vinayagam Sume**

Chief Financial Officer

**S. Kalyanaraman**

Director

DIN: 08317984

**P. Maheswari**

Company Secretary

Place: Chennai

Date: 18 May 2023

Place: Chennai

Date: 18 May 2023

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

### 1 Reporting entity

Panasonic Carbon India Co. Limited ('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, 3<sup>rd</sup> floor, 77, Nungambakkam High Road, Nungambakkam, Chennai - 600034. The equity shares of the company are listed on the Bombay Stock Exchange (BSE), India.

### 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.

The financial statements were approved for issue by the Company's Board of Directors on 18 May 2023.

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, which are measured on an alternative basis on each reporting date:

Items	Measurement basis
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 at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within next financial year is included in the following notes:

Note 3.4 - estimated useful life of property, plant and equipment and intangible assets.

Note 3.8 and Note 32 – recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources.

Note 29D – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized;

Notes 21, 30 – 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.

# PANASONIC CARBON INDIA CO. LIMITED

The Company has an established control framework with respect to the measurement of fair values.

The Company 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 Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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

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

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

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 note:

- Note 31 – financial instruments"

## 2.6 Current/ Non-current classification

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period."

All other assets are classified as non-current.

A liability is classified as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification."

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

# PANASONIC CARBON INDIA CO. LIMITED

## 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 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 (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### ***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, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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.

# PANASONIC CARBON INDIA CO. LIMITED

## **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.
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 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet and statement of cash flows comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### *Cash dividend to equity holders*

The Company recognises a liability to make cash to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is



# PANASONIC CARBON INDIA CO. LIMITED

authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## 3.4 Property, plant and equipment

### *i. Recognition and measurement*

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment (including capital work-in-progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Freehold land is carried at historical cost less any accumulated impairment losses.

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 and the cost of the item can be measured reliably.

### *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:

<b>Asset category</b>	<b>Management estimate of useful life</b>	<b>Useful life as per Schedule II</b>
Buildings	10- 60 years	10 - 60 years
Plant and equipment	8 years	8- 20 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 20 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. Estimates in respect of solar power plant was revised in the year ended 31 March 2023 (also refer Note 4).

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 off).

## 3.5 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, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials, cost comprises of cost of purchase. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

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

## 3.6 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).

#### **Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### **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*

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

## PANASONIC CARBON INDIA CO. LIMITED

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 greater of its value in use and its fair value less costs of disposal. 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).

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.

### 3.7 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 legal 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 immediately 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 determined by reference to market yields at the

## PANASONIC CARBON INDIA CO. LIMITED

end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

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

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

#### **v. Termination benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

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

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Expected future operating losses are not provided for

Provisions are determined by discounting the expected future cash flows 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.

#### **Warranties**

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

#### **Onerous contracts**

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.

### **3.9 Revenue from contracts with customers**

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)

## PANASONIC CARBON INDIA CO. LIMITED

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.

### 3.10 Government grants

Export benefits in the nature of duty drawback are accounted as income in the year of exports based on eligibility/ expected eligibility duty 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) / Remission of Duties and Taxes on Exported Products (RoDTEP) 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.

### 3.11 Recognition of interest income or expense

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 Leases

The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

## PANASONIC CARBON INDIA CO. LIMITED

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, the Company's incremental borrowing rate. Generally, the Company uses the incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### 3.13 Income tax

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

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

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

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

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

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

### 3.14 Earnings per share

#### Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit (or loss) attributable to the owners of the Company by the weighted average number of equity shares outstanding during the year.

# PANASONIC CARBON INDIA CO. LIMITED

## **Diluted Earnings Per Share**

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

## **3.15 Contingent liability**

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

## **Contingent assets**

"Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date"

## **3.16 Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## Notes to the financial statements for the year ended 31 March 2023

## PANASONIC CARBON INDIA CO. LIMITED

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

### 4 Property, plant and equipment

See accounting policies in Note 3.4

#### A. Reconciliation of carrying amount

Cost	Land	Buildings	Plant and equipment	Solar power plant	Office equipments	Furniture and fixtures	Motor Vehicles	"Total Property, plant and equipment"	Capital work-in-progress B
<b>Balance at 1 April, 2021</b>	1,401.87	19,462.21	14,433.91	71,003.12	1,042.68	691.18	4,038.79	112,073.76	-
Additions	-	-	1,980.00	-	-	-	-	1,980.00	-
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>1,401.87</b>	<b>19,462.21</b>	<b>16,413.91</b>	<b>71,003.12</b>	<b>1,042.68</b>	<b>691.18</b>	<b>4,038.79</b>	<b>114,053.76</b>	-
<b>Balance at 1 April, 2022</b>	1,401.87	19,462.21	16,413.91	71,003.12	1,042.68	691.18	4,038.79	114,053.76	-
Additions	-	-	101.00	-	-	-	-	101.00	5,550.00
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>1,401.87</b>	<b>19,462.21</b>	<b>16,514.91</b>	<b>71,003.12</b>	<b>1,042.68</b>	<b>691.18</b>	<b>4,038.79</b>	<b>114,154.76</b>	<b>5,550.00</b>
<b>Accumulated depreciation</b>									
<b>Balance at 1 April, 2021</b>	-	6,827.51	9,309.04	28,713.43	691.53	641.05	2,654.77	48,837.33	-
Depreciation	-	2,046.14	2,495.19	4,821.53	137.57	36.31	433.08	9,969.82	-
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2022</b>	-	<b>8,873.65</b>	<b>11,804.23</b>	<b>33,534.96</b>	<b>829.10</b>	<b>677.36</b>	<b>3,087.85</b>	<b>58,807.15</b>	-
<b>Balance at 1 April, 2022</b>	-	8,873.65	11,804.23	33,534.96	829.10	677.36	3,087.85	58,807.15	-
Depreciation	-	530.00	1,643.00	5,198.00	82.42	3.58	281.00	7,738.00	-
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2023</b>	-	<b>9,403.65</b>	<b>13,447.23</b>	<b>38,732.96</b>	<b>911.52</b>	<b>680.94</b>	<b>3,368.85</b>	<b>66,545.15</b>	-
<b>Carrying amounts (net)</b>									
<b>At 31 March 2022</b>	<b>1,401.87</b>	<b>10,588.56</b>	<b>4,609.68</b>	<b>37,468.16</b>	<b>213.58</b>	<b>13.82</b>	<b>950.94</b>	<b>55,246.61</b>	-
<b>At 31 March 2023</b>	<b>1,401.87</b>	<b>10,058.56</b>	<b>3,067.68</b>	<b>32,270.16</b>	<b>131.16</b>	<b>10.24</b>	<b>669.94</b>	<b>47,609.61</b>	<b>5,550.00</b>

#### Note:

- The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.
- No revaluation of property, plant and equipment has been done during the previous year.



Notes to the financial statements for the year ended 31 March 2023

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

**4 Property, plant and equipment and capital work-in-progress (continued)**

**B Capital work-in-progress**

Capital work-in-progress includes construction of additional solar power plant in progress amounting to Rs.5,550 thousand (Previous year: Nil).

**Ageing of Capital work-in-progress:**

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	5,550.00	-	-	-	5,550.00
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>5,550.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,550.00</b>

**As at 31 March 2022**

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company does not have any Capital work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan. During the current year, the Company conducted an operational efficiency review/ technical evaluation of solar power plant, which resulted in changes in the expected useful life of solar power plant. The solar power plant, which management had previously intended to use for 25 years, is now expected to remain in production for 20 years from the date of purchase. As a result, the expected useful life of the equipment decreased. The effect of these changes on actual and expected depreciation expense is as follows

In thousands of INR	YE 2023	YE 2024	YE 2025	YE 2026	YE 2027	Later
Increase/ (decrease) in depreciation expense	978.23	734.37	532.45	371.87	243.32	(2,860.24)

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

	As at 31 March 2023	As at 31 March 2022
<b>5 Other financial assets - Non-current</b>		
Security deposits	3,398.92	3,497.42
Bank deposits (having remaining maturity of more than 12 months)*	466,922.65	19,502.47
	<b>470,321.57</b>	<b>22,999.89</b>
* includes accrued interest	4,722.65	2.48
<b>6 Inventories</b>		
See accounting policy in note 3.5		
Raw materials	15,329.57	14,783.35
Work in progress	8,701.54	10,387.64
Stores and spares	2,387.92	2,424.31
	<b>26,419.03</b>	<b>27,595.30</b>
<b>7 Trade receivables</b>		
See accounting policy in note 3.2(i) - (ii) and 3.6(i)		
Trade receivables considered good - unsecured	28,467.50	51,843.26
Trade receivables - credit impaired	-	-
<b>Total Trade receivables</b>	<b>28,467.50</b>	<b>51,843.26</b>
Less: Loss allowance	-	-
<b>Net Trade receivables</b>	<b>28,467.50</b>	<b>51,843.26</b>

Of the above, trade receivables from related parties are as below:

Trade receivables due from related parties, Refer note 33 12,192.45      26,841.91

The Company's exposure to credit and currency risk and loss allowance relating to trade receivables are disclosed in note 31.

**Ageing for trade receivables outstanding as at 31 March 2023 is as follows:**

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	28,467.50	-	-	-	-	-	28,467.50
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>28,467.50</b>	-	-	-	-	-	<b>28,467.50</b>

Ageing for trade receivables outstanding as at 31 March 2022 is as follows:

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	48,387.92	3,455.34	-	-	-	-	51,843.26
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>48,387.92</b>	<b>3,455.34</b>	-	-	-	-	<b>51,843.26</b>
There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.							

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

	As at 31 March 2023	As at 31 March 2022
<b>8 Cash and cash equivalents</b>		
See accounting policy in note 3.2(i) - (ii), 3.6(i) and 3.3		
Balances with banks		
In current accounts	10,742.25	19,050.93
Cash on hand	46.15	89.20
	<b>10,788.40</b>	<b>19,140.13</b>
<b>9 Bank balances other than cash and cash equivalents</b>		
Earmarked balances with banks		
Unpaid dividend accounts	3,661.91	3,527.54
	<b>3,661.91</b>	<b>3,527.54</b>
<b>10 Current loans</b>		
<i>(unsecured, considered good unless otherwise stated)</i>		
Loans to employees	122.97	89.64
	<b>122.97</b>	<b>89.64</b>
<b>11 Other financial assets - Current</b>		
Bank deposits*	889,347.09	1,228,409.56
Security deposits	1,243.20	1,243.20
Export incentive receivable	171.24	413.30
	<b>890,761.53</b>	<b>1,230,066.06</b>
* includes accrued interest	26,547.09	27,909.56
<b>12 Other current assets</b>		
Advance payments to suppliers	312.81	6,035.98
Prepaid expenses	535.16	728.75
Balance with government authorities	5,997.71	8,874.59
	<b>6,845.68</b>	<b>15,639.32</b>

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

### 13 Share Capital

	31 March 2023	31 March 2022
<b>13.1 Equity Share Capital</b>		
<b>a Authorised:</b>		
10,000 thousand (31 March 2022 - 10,000 thousand) equity shares of INR 10 each	100,000.00	100,000.00
<b>b Issued, subscribed and paid-up:</b>		
4,800 thousand (31 March 2022 - 4,800 thousand) equity shares of INR 10 each	48,000.00	48,000.00
All issued shares are fully paid up.		

### 13.2 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Number of shares	Amount	Number of shares	Amount
At the commencement and at the end of the year	4,800.00	4,800.00	4,800.00	4,800.00

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

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

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

### 13.4 Shares held by holding company

	As at 31 March 2023		As at 31 March 2022	
<i>(In thousands)</i>	Number of shares	Amount	Number of shares	Amount
Equity shares of INR 10 each fully paid up held by Panasonic Holdings Corporation, Japan*	3,036.82	30,368.20	3,036.82	30,368.20

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

### 13.5 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of holding	Number of shares	% of holding
<i>(In thousands)</i>				
Panasonic Holdings Corporation, Japan, the holding company*	3,036.82	63.27%	3,036.82	63.27%

### 13.6 Details of shareholding of promoters

#### As at 31 March 2023:

Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
Panasonic Holdings Corporation, Japan*	Equity shares of	3,036.82	63.27%	3,036.82	63.27%	-
Gopal Sitaram Jiwrajka	INR 10 each full	1,000.00	0.02%	1,000.00	0.02%	-
Laxmi Devi Jiwrajka	paid up	-	-	800.00	0.02%	-

#### As at 31 March 2022:

Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
Panasonic Holdings Corporation, Japan*	Equity shares of	3,036.82	63.27%	3,036.82	63.27%	-
Gopal Sitaram Jiwrajka	INR 10 each full	1,000.00	0.02%	1,000.00	0.02%	-
Laxmi Devi Jiwrajka	paid up	800.00	0.02%	800.00	0.02%	-

\*The Holding Company name has been changed from Panasonic Corporation, Japan to Panasonic Holdings Corporation, Japan w.e.f. 1 April 2022 as part of a group restructuring exercise

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

### 14 Other equity - Reserves and surplus

	As at 31 March 2023	As at 31 March 2022
<b>A Movement in reserves and surplus</b>		
<b>a. General reserve</b>		
Balance as at the beginning of the year	1,200,000.00	1,135,000.00
Transfer from retained earnings	65,000.00	65,000.00
<b>Balance as at the end of the year</b>	<b>1,265,000.00</b>	<b>1,200,000.00</b>
<b>b. Securities Premium</b>		
Balance as at the beginning and end of the year	27,000.00	27,000.00
<b>c. Retained earnings</b>		
Balance as at the beginning of the year	94,839.03	64,950.82
Profits for the year	128,270.65	153,493.80
Remeasurement of defined benefit liability (asset)	14.79	(1,005.59)
Transfer to retained earnings	(65,000.00)	(65,000.00)
Dividends	(57,600.00)	(57,600.00)
<b>Balance as at the end of the year</b>	<b>100,524.47</b>	<b>94,839.03</b>

### B Nature and purpose of reserves

#### General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from / to retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

#### Securities premium

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

#### Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

### C Dividends

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

	31 March 2023	31 March 2022
INR 12 per equity share (31 March 2022: INR 12)	57,600.00	57,600.00
	<b>57,600.00</b>	<b>57,600.00</b>

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognized as liabilities.

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

### 15 Other equity analysis of accumulated OCI, net of tax

Other items of OCI	As at 31 March 2022	As at 31 March 2021
<b>(i) Remeasurement of defined benefit liability/(asset)</b>		
Opening balance	-	-
Remeasurement of defined benefit liability/(asset) (net of income tax)	14.79	(1,005.59)
Less: Transferred to retained earnings	(14.79)	1,005.59
<b>Closing balance</b>	<b>-</b>	<b>-</b>

Remeasurements of defined benefit liability (asset) comprise actuarial gain and losses and return on plan assets (excluding interest income), Refer note 30.

### 16 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 2023	Year ended 31 March 2022
<b>Return on equity</b>		
Profit after tax for the year (a)	128,270.65	153,493.80
Paid up share capital (b)	48,000.00	48,000.00
Other equity (c)	1,392,524.46	1,321,839.01
<b>Return on capital (a/(b+c))</b>	<b>9%</b>	<b>11%</b>
<b>Dividend payout</b>		
Dividend declared for the year (d)	57,600.00	57,600.00
<b>Dividend payout (d/a)</b>	<b>45%</b>	<b>38%</b>

### 17 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 2023	As at 31 March 2022
Profit attributable to the equity shareholders of the Company	128,270.65	153,493.80
Weighted average number of equity shares	4,800.00	4,800.00
Basic and diluted earnings per share (EPS)	26.72	31.98



# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

### 18 Trade payables

See accounting policy in note 3.2 (iii) and (iv)

Trade payables

a) total outstanding dues of micro and small enterprises (refer note 34)

b) total outstanding dues of creditors other than micro and small enterprises

	As at 31 March 2023	As at 31 March 2022
--	------------------------	------------------------

	245.44	3,473.71
--	--------	----------

	21,019.97	22,738.42
--	-----------	-----------

	<b>21,265.41</b>	<b>26,212.13</b>
--	------------------	------------------

**Of the above trade payables amount due to related parties are as below:**

	9,392.06	8,782.11
--	----------	----------

Trade payables dues to related parties, Refer note 33

The Company's exposure to currency and liquidity risks related to financial liabilities is disclosed in note 31.

### Ageing for trade payables outstanding as at 31 March 2023 is as follows:

Particulars	Not due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	245.44	-	-	-	-	245.44
Others	3,738.14	2,379.80	-	-	-	6,117.94
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
<b>Sub-total (a)</b>	<b>3,983.58</b>	<b>2,379.80</b>	-	-	-	<b>6,363.38</b>
Accrued expenses/ unbilled dues (b)						14,902.03
<b>Total (a+b)</b>						<b>21,265.41</b>

### Ageing for trade payables outstanding as at 31 March 2022 is as follows:

Particulars	Not due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	3,132.10	341.62	-	-	-	3,473.71
Others	7,063.12	1,429.94	-	113.59	-	8,606.65
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
<b>Sub-total (a)</b>	<b>10,195.21</b>	<b>1,771.56</b>	-	<b>113.59</b>	-	<b>12,080.36</b>
Accrued expenses/ unbilled dues (b)						14,131.77
<b>Total (a+b)</b>						<b>26,212.13</b>

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

### 19 Other financial liabilities

Capital creditors

(a) total outstanding dues of micro enterprises and small enterprises  
(refer note 34)

(b) total outstanding dues of creditors other than micro enterprises and  
small enterprises

Unpaid dividends

-	-
995.69	-
3661.91	3527.54
<b>4,657.60</b>	<b>3,527.54</b>

### 20 Other current liabilities

Statutory dues

Employee benefits payable

Director's commission payable

Advance from customers

7,101.58	7,243.96
6,684.75	5,593.30
1,500.00	1,500.00
3.22	3.22
<b>15,289.55</b>	<b>14,340.48</b>

### 21 Provisions

See accounting policy in note 3.7 and 3.8

	Non - current		Current	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Provision for employee benefits (refer note 30)</b>				
Net defined benefit Liability gratuity	-	-	2,034.38	3,319.19
Liability for compensated absences	-	-	479.80	1,034.01
<b>Total provision for employee benefits</b>	<b>-</b>	<b>-</b>	<b>2,514.18</b>	<b>4,353.20</b>

### 22 Revenue from operations

See accounting policy in note 3.9 and 3.10

Sale of products

**Total sale of products (A)**

	Year ended 31 March 2023	Year ended 31 March 2022
494,173.09	487,927.91	
<b>494,173.09</b>	<b>487,927.91</b>	

**Other operating revenues**

Scrap sales

Export incentives

**Total other operating revenues (B)**

**Total revenue from operations (A+B)**

99.95	517.46
6,924.54	11,239.19
<b>7,024.49</b>	<b>11,756.66</b>
<b>501,197.58</b>	<b>499,684.57</b>

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

	Year ended 31 March 2023	Year ended 31 March 2022
<b>23 Other income</b>		
See accounting policy in note 3.11		
Interest income	68,367.35	61,039.99
Sale of electricity	4,007.73	4,179.18
Net gain on foreign exchange currency transactions	1,657.49	1,642.06
Other income	404.19	-
	<b>74,436.76</b>	<b>66,861.23</b>
<b>24 Cost of materials consumed</b>		
Inventory of materials at the beginning of the year	14,783.35	10,799.72
Add: Purchases	188,767.50	163,968.19
Less : Inventory of materials at the end of the year	(15,329.57)	(14,783.35)
<b>Cost of materials consumed</b>	<b>188,221.28</b>	<b>159,984.56</b>
<b>25 Changes in inventories of work-in-progress</b>		
Opening inventory of work-in-progress	10,387.64	10,046.55
Closing inventory of work-in-progress	8,701.54	10,387.64
(Increase) / decrease in inventory of work-on progress	<b>1,686.10</b>	<b>(341.09)</b>
<b>26 Employee benefits expenses</b>		
(See accounting policy in note 3.7)		
Salaries, wages and bonus	72,717.49	71,748.06
Contribution to provident fund and other funds	5,328.88	6,148.52
Expenses related to post-employment defined benefit plans (refer note 30)	2,054.14	1,804.98
Staff welfare expenses	8,069.30	7,649.41
	<b>88,169.81</b>	<b>87,350.97</b>
<b>27 Depreciation expense</b>		
(See accounting policy in note 3.4)		
Depreciation of property, plant and equipment (refer note 4)	7,737.58	9,969.82
	<b>7,737.58</b>	<b>9,969.82</b>

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

	Year ended 31 March 2023	Year ended 31 March 2022
<b>28 Other expenses</b>		
Consumption of stores and spare parts	14,694.41	13,373.21
Power and fuel	50,672.96	42,902.51
Rent	3,409.92	3,409.92
Repairs and maintenance		
Buildings	984.52	1,511.14
Machinery	11,438.07	9,170.25
Others	7,301.69	8,411.40
Rates and taxes	730.71	1,204.73
Freight and forwarding charges	1,454.16	2,700.01
Travelling and conveyance	432.39	120.63
Legal and professional fees (see note (i) below)	4,039.08	3,858.11
Advertisement and sales promotion	67.52	55.20
Expenditure on corporate social responsibility (see note (ii) below)	4,569.92	4,380.69
Insurance	1,262.97	1,198.26
Communication expenses	1,976.53	1,903.33
Commission to non-whole time directors	1,500.00	1,500.00
Sitting fees	270.00	285.00
Royalty, brand licence and regional head quarter fees	9,071.50	8,107.53
Miscellaneous	963.33	919.31
	<b>114,839.68</b>	<b>105,011.23</b>

### Note:

#### (i) Payment to auditors (excluding goods and services tax and out-of-pocket expenses)

Statutory audit	780.00	650.00
Limited review of quarterly results	720.00	600.00
	<b>1,500.00</b>	<b>1,250.00</b>

#### (ii) Details of expenditure on corporate social responsibility

(a) Gross amount required to be spent by Company during the year	4,563.30	4,363.20
(b) Amount spent during the year on:		
(i) Construction / acquisition of any asset	4,341.76	4,162.53
(ii) On purpose other than (i) above	228.16	218.16
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA
(f) Nature of CSR activities	Education and skilling	Education and skilling
(g) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

### 29 Income Tax

See accounting policy in Note 3.13

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

	Year ended 31 March 2023	Year ended 31 March 2022
<b>i. Current tax expense</b>		
Current period	46,300.00	54,100.00
Tax for earlier years	-	(1,937.97)
Total current tax expense (i)	46,300.00	52,162.03
<b>ii. Deferred tax expense</b>		
<b>Attritable to -</b>		
Origination and reversal of temporary differences	409.24	(1,085.51)
Total deferred tax expense / (benefit) (ii)	409.24	(1,085.51)
<b>Tax expense (i)+(ii)</b>	<b>46,709.24</b>	<b>51,076.51</b>

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

	31 March 2023			31 March 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of defined benefit liability	19.76	(4.97)	14.79	(1,343.80)	338.21	(1,005.59)
<b>Total</b>	<b>19.76</b>	<b>(4.97)</b>	<b>14.79</b>	<b>(1,343.80)</b>	<b>338.21</b>	<b>(1,005.59)</b>

#### C. Reconciliation of effective tax rate

	31 March 2023		31 March 2022	
Profit before tax		174,979.89		204,570.32
Tax using the Company's domestic tax rate	25.17%	44,038.94	25.17%	51,486.26
Tax effect of:				
Non-deductible expenses		0.66% 1,150.16		0.54% 1,102.53
Tax related to prior years		0.00% -		-0.95% (1,937.97)
Others		0.87% 1,520.14		0.21% 425.68
<b>Effective tax rate</b>		<b>26.69% 46,709.24</b>		<b>24.97% 51,076.49</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 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Property, plant and equipment	-	-	7,192.28	7,929.24	7,192.28	7,929.24
Provisions - Employee benefits	(992.54)	(2,143.71)	-	-	(992.54)	(2,143.71)
<b>Net deferred tax (assets)/ liabilities</b>	<b>(992.54)</b>	<b>(2,143.71)</b>	<b>7,192.28</b>	<b>7,929.24</b>	<b>6,199.74</b>	<b>5,785.53</b>

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

### 30 Employee benefit obligations

	As at 31 March 2023	As at 31 March 2022
<b>Net defined benefit liability- Gratuity plan</b>	<b>2,034.38</b>	<b>3,319.19</b>
Non-current	-	-
Current	2,034.38	3,319.19
<b>Liability for compensated absences</b>	<b>479.80</b>	<b>1,034.01</b>
Non-current	-	-
Current	479.80	1,034.01
<b>Total employee benefit liabilities</b>	<b>2,514.18</b>	<b>4,353.20</b>

For details about the related employee benefit expenses, see note 26..

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 Rs. 4,583.67 (March 31, 2022: Rs. 4,763.51).

The Company has a defined benefit gratuity plan in India ("the plan"), 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 with Life Insurance Corporation of India. 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 2023	Year ended 31 March 2022
Balance at the beginning of the year	45,503.16	45,372.61
Benefits paid	(4,026.69)	(3,366.46)
Current service cost	1,936.31	1,718.40
Interest cost	3,087.78	2,949.04
Actuarial (gains) losses recognised in other comprehensive income arising from		
- changes in financial assumptions	1,089.57	1,210.87
- experience adjustments	(811.59)	(2,381.30)
<b>Balance at the end of the year</b>	<b>46,778.54</b>	<b>45,503.16</b>

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Reconciliation of the present value of plan assets</b>		
Balance at the beginning of the year	42,183.97	42,845.68
Contributions paid into the plan	3,319.19	2,488.75
Benefits paid	(4,026.69)	(3,366.46)
Interest income	2,969.95	2,862.46
Adjustment to opening balance	-	216.00
Return on plan assets recognised in other comprehensive income	297.74	(2,862.46)
<b>Balance at the end of the year</b>	<b>44,744.16</b>	<b>42,183.97</b>
<b>Net defined benefit (Liability)</b>	<b>2,034.38</b>	<b>3,319.19</b>

### 30 Assets are Liabilities relating to employee benefits (Continued)

#### C. i. Expense recognised in profit or loss

	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	1,936.31	1,718.40
Interest cost	3,087.78	2,949.04
Interest income	(2,969.95)	(2,862.46)
	<b>2,054.14</b>	<b>1,804.98</b>

#### ii. Remeasurements recognised in other comprehensive income

	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial (gain)/ loss on defined benefit obligation*	277.98	(1,518.67)
Return on plan assets excluding interest income	(297.74)	2,862.46
	<b>(19.76)</b>	<b>1,343.79</b>

\*includes actuarial gain on liability for compensated absences of Rs. Nil ( (March 31, 2022: Rs. 348.23)

#### D. Plan assets

Plan assets comprise of LIC fund maintained by Company.

#### E. Defined benefit obligation

##### i. Actuarial assumptions

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Gratuity</b>		
Discount rate	7.48%	7.10%
Future salary growth	11.00%	10.00%
Attrition rate	1.00-3.00%	1.0% to 3.0%

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

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

### ii. Sensitivity analysis

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

	Year ended 31 March 2023		Year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
<b>Gratuity</b>				
Discount rate (1% movement)	(1,261.42)	1,429.95	(1,409.05)	1,619.32
Future salary growth (1% movement)	1,700.52	(1,554.40)	1,871.43	(1,686.20)
Attrition rate (1% movement)	(232.84)	265.14	(236.49)	274.96

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.

## 31 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. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2023	Carrying amount				Fair value			
	Note	Other financial assets- amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets not measured at fair value (Refer note)</b>								
Loans	10	122.97	-	122.97				
Trade receivables	7	28,467.50	-	28,467.50				
Cash and cash equivalents	8	10,788.40	-	10,788.40				
Bank balances other than cash and cash equivalents	9	3,661.91	-	3,661.91				
Other financial assets	5,11	1,361,083.10	-	1,361,083.10				
		<b>1,404,123.88</b>	<b>-</b>	<b>1,404,123.88</b>				
<b>Financial liabilities not measured at fair value (Refer note)</b>								
Trade payables	18	-	21,265.41	21,265.41				
Other financial liabilities	19	-	4,657.60	4,657.60				
		<b>-</b>	<b>25,923.01</b>	<b>25,923.01</b>				



# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

31 March 2022	Carrying amount				Fair value			
	Note	Other financial assets- amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets not measured at fair value (Refer note)</b>								
Loans	10	89.64	-	89.64				
Trade receivables	7	51,843.26	-	51,843.26				
Cash and cash equivalents	8	19,140.13	-	19,140.13				
Bank balances other than cash and cash equivalents	9	3,527.54	-	3,527.54				
Other financial assets	5,11	1,253,065.95	-	1,253,065.95				
		<b>1,327,666.51</b>	<b>-</b>	<b>1,327,666.51</b>				
<b>Financial liabilities not measured at fair value (Refer note)</b>								
Trade payables	18	-	26,212.13	26,212.13				
Other financial liabilities	19	-	3,527.54	3,527.54				
		<b>-</b>	<b>29,739.67</b>	<b>29,739.67</b>				

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

### B. Financial risk management

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

- credit risk (see (B)(ii));
- liquidity risk (see (B)(iii))
- 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.

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

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 2023	As at 31 March 2022
Trade receivables	28,467.50	51,843.26
<b>Cash and bank balances</b>		
Cash and cash equivalents	10,788.40	19,140.13
Bank balances other than cash and cash equivalent	3,661.91	3,527.54
Loans	122.97	89.64
Other financial assets	1,361,083.10	1,253,065.95

### Trade receivables

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, country in which the customer operates, has an influence on credit risk assessment. Credit risks are managed by the Company through credit approvals, and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of business.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of nil credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk. As at 31 March 2023, there are no dues collectible which are aged more than 90 days. Revenue from the top 4 customers of the Company is INR 316,263 (2021-22 - INR 322,635) which is 64% 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 2023	As at 31 March 2022
India	12,144.61	9,930.20
Rest of the world	16,322.89	41,913.06

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

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

	Carrying amount	
	As at 31 March 2023	As at 31 March 2022
Third parties	16,275.05	25,001.35
Related parties	12,192.45	26,841.91

### 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 of loan given to employees. The Company does not expect any losses from non-performance by employees as principal and interest repayment has been regular on these loans.

### 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.

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.

As at 31 March 2023	Contractual cash flows					
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	More than 2 years
Trade payables	21,265.41	21,265.41	21,265.41	-	-	-
Other financial liabilities	4,657.60	4,657.60	4,657.60	-	-	-

As at 31 March 2022	Contractual cash flows					
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	More than 2 years
Trade payables	26,212.13	26,212.13	26,212.13	-	-	-
Other financial liabilities	3,527.54	3,527.54	3,527.54	-	-	-

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

### 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 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 2023	As at 31 March 2022
	USD	USD
Trade receivables	198.48	552.21
Trade payables	(0.82)	(1.02)
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>197.66</b>	<b>551.19</b>

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against USD as at 31 March 2023 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.

	(Profit) or Loss	
	Strengthening	Weakening
<b>Effects in INR</b>		
<b>As at 31 March 2023</b>		
USD (1% movement)	162.40	(162.40)
<b>As at 31 March 2022</b>		
USD (1% movement)	(410.47)	410.47

## 32 Contingent liabilities

(to the extent not provided for)

### Contingent liabilities

(a) Claims against the Company not acknowledged as debt

Demand with regards to entry tax on furnace oil

	31 March 2023	31 March 2022
	6,760.13	6,760.13

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

- (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.

### 33 Related parties

#### A Parent and ultimate controlling party

The parent and ultimate controlling party of the Company as at 31 March 2023 and 31 March 2022 is Panasonic Holdings Corporation, Japan\*.

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

Holding company	Panasonic Holdings Corporation, Japan*
Fellow subsidiaries under common control	Panasonic Energy India Co Ltd, India Panasonic Peruana S.A., Peru P.T 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 Life Solutions India Pvt Ltd, India** Panasonic Logistic Asia Pacific, Singapore
Key Management Personnel	Mr.R. Senthil Kumar, Managing Director Mr. Vinayagam Sume, Chief Financial Officer Ms. P. Maheswari, Company Secretary Mr. Hideyuki Okunaga, Director Mr. Tadasuke Hosoya, Director (upto 31 December 2021) Mr. Akinori Isomura, Director (w.e.f 31 December 2021) Mr. S. Kalyanaraman, Independent Director Ms. S. Rajashree, Independent Woman Director Mr. Paul Jayakar, Independent Director (w.e.f 30 June 2020)

\*The Holding Company name has been changed from Panasonic Corporation, Japan to Panasonic Holdings Corporation, Japan w.e.f. 1 April 2022 as part of a group restructuring exercise.

\*\*The fellow subsidiary company name has been changed from Panasonic India Pvt. Ltd., India to Panasonic Life Solutions India Pvt. Ltd., India w.e.f. 1 August 2022 as part of a group restructuring exercise.

#### B Transactions with key management personnel

	Year ended 31 March 2023	Year ended 31 March 2022
i. Key management personnel compensation		
Managerial remuneration		
- Mr.R. Senthil Kumar, Managing Director	10,281.60	10,080.00
- Mr. Vinayagam Sume, Chief Financial Officer	1,645.28	1,518.72
- Ms. P. Maheswari, Company Secretary	824.77	760.45

**Notes to the financial statements for the year ended 31 March 2023**

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

Directors' commission	1,500.00	1,500.00
Sitting fees	270.00	285.00

	<b>Year ended</b>	<b>Year ended</b>
<b>ii. Key management personnel compensation payable</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
- Mr. Vinayagam Sume, Chief Financial Officer	124.80	115.20
- Ms. P. Maheswari, Company Secretary	59.58	54.72
Directors' commission payable	1,500.00	1,500.00

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

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

	<b>Transaction value</b>	
	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Sale of goods</b>		
Panasonic Energy Poland., S.A.Poland	-	20,360.18
Panasonic Do Brasil Limitada, Brazil	49,746.23	57,746.66
Panasonic Energy India Co. Ltd., India	65,319.81	71,066.99
P.T Panasonic Gobel Energy Indonesia, Indonesia	59,660.82	42,246.81
Panasonic Peruana S.A., Peru	11,468.59	24,354.19
Panasonic Management Thailand Co. Ltd, Thailand	26,299.45	26,090.56
Panasonic Centro Americana, S.A., Costa Rica	-	14,069.24
Panasonic Logistic Asia Pacific, Singapore	19,595.40	6,675.17
<b>Dividend paid</b>		
Panasonic Holdings Corporation, Japan	36,441.84	36,441.79
<b>Royalty and brand license fees</b>		
Panasonic Holding Corporation, Japan	8,330.24	8,107.53
<b>Regional head quarters fees</b>		
Panasonic Life Solutions India Pvt Ltd, India	741.26	-
<b>Reimbursement of expenses</b>		
Panasonic Life Solutions India Pvt Ltd, India	1,401.31	1,361.41
Panasonic Holdings Corporation, Japan	302.12	561.29

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

	Balance outstanding	
	31 March 2023	31 March 2022
<b>Balance due from related parties</b>		
Panasonic Peruana S.A.,Peru	-	6,285.78
P.T Panasonic Gobel Energy Indonesia, Indonesia	5,584.06	5,202.73
Panasonic Management Thailand Co. Ltd, Thailand	-	3,430.02
Panasonic Do Brasil Limitada, Brazil	3,976.33	9,176.37
Panasonic Energy India Co. Ltd, India	2,632.06	2,747.01
<b>Balance due to related parties*</b>		
Panasonic Holdings Corporation, Japan	7,871.69	7,834.10
Panasonic Life Solutions India Pvt Ltd, India	1,520.37	948.01

### 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.

\* Including accruals

- 34** The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the Company, there are no overdues outstanding to micro enterprises and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not received any claim for interest from any supplier under the said Act. Accordingly the details are given below:

Description	31 March 2023	31 March 2022
i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	245.44	3,473.71
ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
vii) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

**Notes to the financial statements for the year ended 31 March 2023**

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

**35 Transfer Pricing**

"The Company has international/ domestic transactions with related parties. For the year ended 31 March 2022, 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.

**36 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 incorporation (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 2023</b>	<b>Year ended 31 March 2022</b>
India (a)	263,000.90	175,908.40
Rest of the world (b)	231,172.19	312,019.51
<b>Total (a+b)</b>	<b>494,173.09</b>	<b>487,927.91</b>

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

	<b>31 March 2023</b>	<b>31 March 2022</b>
India	53,159.61	55,246.61

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

**c. Major customer**

Revenue from the top 4 customers of the Company is INR 316,263 (2021-22 - INR 322,635) which are more than ten percent each of the Company's total revenue.



# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

### 37 Ratio Analysis and its elements

Particulars	Numerator	Denominator	Current year	Previous year	% of variance	Explanation for change in the ratio by more than 25%
Current Ratio	Total Current Assets	Total Current Liabilities	22.1	26.7	-17%	Not Applicable.
Debt-Equity Ratio	Debt consists of borrowings and lease liabilities	Total equity	NA	NA	NA	Not Applicable as the company has no debts.
Debt Service Coverage Ratio	Earning for debt service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and Lease Payments + Principal Repayments	NA	NA	NA	Not Applicable as the company has no debts.
Net Profit Ratio (%)	Profit for the year (PAT)	Revenue from operations	26%	31%	-17%	Not Applicable.
Return on Equity Ratio (%)	Profit for the year less Preference dividend (if any)	Total equity	9%	11%	-21%	Not Applicable.
Return on Capital employed (%)	Profit before taxes and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	12%	15%	-19%	Not Applicable.
Return on Investment (%)	Income generated from invested funds	Average invested funds in treasury investments	5%	5%	4%	Not Applicable.
Trade Receivables turnover ratio (times)	Revenue from operations	Average trade receivables	12.5	10.0	25%	Improvement in trade receivables turnover ratio is on account of improvement in collections during the period. Domestic sales on which lower credit period is given has increased during the period.
Inventory turnover ratio (times)	Cost of goods sold	Average Inventory	7.0	6.2	13%	Not Applicable.
Trade payables turnover ratio (times)	Net Credit Purchases	Average Trade Payables	8.0	5.6	42%	Net purchases in the current year are higher due to significant increase in raw material prices during the year.
Net capital turnover ratio (times)	Revenue from operations	Average working capital (i.e., Total Current assets less Total current liabilities)	0.5	0.4	5%	Not Applicable.

## Notes to the financial statements for the year ended 31 March 2023

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

### 38 Additional Regulatory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions during the year with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (viii) The Company does not have any borrowings from banks and financial institutions on the basis of security of current assets. Accordingly, it is not required to file any quarterly returns or statements of current assets with banks and financial institutions.
- (ix) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (x) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (xi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (ix) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (x) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (xi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

# PANASONIC CARBON INDIA CO. LIMITED

## Notes to the financial statements for the year ended 31 March 2023

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

**39** The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which would impact the contributions made by the Company towards Provident Fund, Gratuity and Leave encashment. The Ministry of Labour and Employment has released the draft rules for the Code on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact once the subject rules are notified and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

### **40 Events after the balance sheet date**

The Board of Directors have recommended a final dividend of INR 12/- per share amounting to INR 57,600,000 on equity shares of INR 10/- each for the year, subject to approval from shareholders.

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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

for and on behalf of the board of directors of

**Panasonic Carbon India Co. Limited**

CIN: L29142TN1982PLC009560

**R. Senthil Kumar**

Managing Director

DIN: 02170079

**S. Kalyanaraman**

Director

DIN: 08317984

**Vinayagam Sume**

Chief Financial Officer

**P. Maheswari**

Company Secretary

Place: Chennai

Date: 18 May 2023

Place: Chennai

Date: 18<sup>th</sup> May 2023

**PANASONIC CARBON INDIA CO. LIMITED**

**REGISTERED OFFICE**

Pottipati Plaza, 3<sup>rd</sup> Floor, 77  
Nungambakkam High Road, Nungambakkam, Chennai – 600 034