

PANASONIC CARBON INDIA CO. LIMITED
37th ANNUAL REPORT 2018 - 2019

<p>BOARD OF DIRECTORS</p> <p>MANAGING DIRECTOR R. SENTHIL KUMAR</p> <p>DIRECTORS HIDEYUKI OKUNAGA S. KALYANARAMAN C. JAYASHREE</p> <p>COMPANY SECRETARY P. MAHESWARI</p> <p>CHIEF FINANCIAL OFFICER VINAYAGAM SUME</p> <p>AUDITORS BSR & CO. LLP Chartered Accountants KRM Tower, 1st & 2nd Floor, No.1, Harrington Road, Chetpet Chennai – 600 031.</p> <p>BANKERS CANARA BANK ICICI BANK LIMITED STATE BANK OF INDIA SYNDICATE BANK</p> <p>REGISTERED OFFICE Pottipati Plaza 3rd Floor, 77 Nungambakkam High Road, Nungambakkam, Chennai – 600 034</p> <p>FACTORY Tada Mandal Nellore District , Andhra Pradesh 524 401</p> <p>REGISTRAR AND SHARE TRANSFER AGENTS Cameo Corporate Services Ltd., “Subramanian Building” No.1, Club House Road Chennai - 600 002</p>	<table border="1"> <thead> <tr> <th style="text-align: left;">CONTENTS</th> <th style="text-align: right;">PAGE</th> </tr> </thead> <tbody> <tr> <td>Notice of AGM</td> <td style="text-align: right;">03</td> </tr> <tr> <td>Report of Board of Directors with Annexures</td> <td style="text-align: right;">14</td> </tr> <tr> <td>Auditors’ Report</td> <td style="text-align: right;">46</td> </tr> <tr> <td>Balance Sheet</td> <td style="text-align: right;">53</td> </tr> <tr> <td>Statement of Profit & Loss</td> <td style="text-align: right;">54</td> </tr> <tr> <td>Cash Flow Statement</td> <td style="text-align: right;">56</td> </tr> <tr> <td>Notes to the Financial Statements</td> <td style="text-align: right;">57</td> </tr> </tbody> </table> <p>As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.</p> <p style="text-align: center;">37th Annual General Meeting</p> <p>Venue : Hotel Quality INN Sabari Grand No. 29, Thirumalai Road, T. Nagar, Chennai-600017</p> <p>Date : 8th August, 2019</p> <p>Time : 3.00 p.m.</p>	CONTENTS	PAGE	Notice of AGM	03	Report of Board of Directors with Annexures	14	Auditors’ Report	46	Balance Sheet	53	Statement of Profit & Loss	54	Cash Flow Statement	56	Notes to the Financial Statements	57
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Notes:

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

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NOTICE IS HEREBY GIVEN THAT THE THIRTY SEVENTH (37th) ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF PANASONIC CARBON INDIA CO. LIMITED (Corporate Identification Number:L29142TN1982PLC009560) will be held on Thursday, 8th August, 2019 at 3.00 p.m. at Hotel Quality INN, Sabari Grand, No.29, Thirumalai Road, T.Nagar, Chennai, 600017, Tamilnadu, India, 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 March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend .

SPECIAL BUSINESS:

3. **Appointment of Mr.S. Kalyanaraman (DIN:08317984) as an Independent Director** and in this regard to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT Mr.S Kalyanaraman (DIN:08317984), who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 01, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company , not liable to retire by rotation”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the appointment of Mr.S Kalyanaraman (DIN:08317984), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term

of Three (03) years commencing April 01, 2019 to March 31, 2022, be and is hereby approved.”

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

4. **Appointment of Mr.Hideyuki Okunaga (DIN: 06792183) as Non-Executive Director** and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr.Hideyuki Okunaga (DIN:06792183), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 13, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

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

5. **Payment of Commission to Independent Directors of the Company** and in this regard to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the Act) including any statutory modification(s) or re-enactment(s) thereof, the Articles of Association of the Company and subject to all applicable approval(s) as may be required, consent of the Members be and is hereby accorded for payment of commission from Financial Year 2018-19 to the Independent Directors of the Company other than the Managing Director and/or Whole-time Directors as may be decided by the Board from time to time, provided that the total commission payable for each Independent Director per annum shall not exceed one percent of the net profits of the Company for that year as computed in the manner specified under Section 198 of the Act,

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subject to maximum of Rs.5,00,000/- per annum for each Independent Director of the Company, with authority to the Board to determine the manner and proportion in which the amount be distributed among the Independent Directors.”

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

6. Re-appointment of Managing Director and Approval of Remuneration of Managing Director of the Company and in this regard to consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Section 196,197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the re-appointment of Mr.R.Senthil Kumar as Managing Director of the Company (holding DIN: 02170079) , for a further period of one year up to 31st March 2020” on the following terms and conditions including remuneration as recommended by the nomination and remuneration committee, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr.R. Senthil Kumar ;

The remuneration payable to Managing Director of the Company with effect from 1st April, 2019 as mentioned below:

- (A) Salary & HRA: Rs. 6,00,000/- (Rupees Six Lakhs Only) per month.
- (B) Perquisites:
 - (i) Leave Travel Concession, Medical expenses for self and family including Surgical and Hospitalisation expenses, Furniture, Furnishings and maintenance cost against actual Bills not to exceed Rs.1,80,000/- 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.

- a. Contribution to Provident Fund @ 12% of salary, not taxable under the Income tax Act, 1961
 - b. Superannuation Fund (not taxable under the Income tax Act, 1961 to the extent of Rs. 1,50,000/-)
 - c. Gratuity payable at a rate not exceeding half a month’s salary for each completed year of Service.
 - d. Encashment of leave, Medical Insurance and Personal Accident Insurance as per the Rules of the Company.
 - e. Reimbursement of entertainment, hotel and other expenses actually and properly incurred for the legitimate business purpose of the Company.
- (D) All other terms and conditions as applicable as per the norms of the Company.
- (E) Mr.R.Senthil Kumar shall not be paid any sitting fees for attending the meetings of the Board or Committee thereof.
- (F) The other terms and conditions to his appointment and remuneration as approved by Shareholders at Annual General Meeting on 18th June, 2008 remain unchanged.

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

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

“RESOLVED FURTHER THAT Mr.R.Senthil Kumar in the capacity of the Managing Director will be entrusted with among others the powers, authorities, functions, duties, responsibilities delegated by the Board of Directors of the Company from time to time”

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

“RESOLVED FURTHER THAT Board of Directors/ Company Secretary of the Company be and are hereby severally authorized for and on behalf of the Company to do all acts, things and deeds and take

all such steps as may be necessary to give effect to these Resolutions”

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

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

**Place: Chennai
Date: 13th May 2019**

CIN: L29142TN1982PLC009560
Regd office: “Pottipati Plaza”, Third floor,
No.77, Nungambakkam High Road
Chennai 600034, Tamilnadu, India
Website: www.panasoniccarbon.co.in

NOTES:

1. Explanatory statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of the items of the Special Business as set out above is annexed hereto.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 2nd August, 2019 to 8th August, 2019 (both days inclusive).
4. The Dividend upon its declaration at the Meeting will be paid to those Members, whose names appear in the Register of Members as on 1st August, 2019 (record date for payment of Dividend to the Shareholders).
5. Members desiring to have any clarification on Accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
6. Members holding Shares in physical form are requested to notify / send the following information by quoting their Folio Number to the Company / Registrar and Share Transfer Agents to facilitate better servicing:-
 - i) Any change in their address/mandate/bank account details with Phone Nos., Fax Nos., and E-mail ID for speedy disposal of letters on various issues; and payment of Dividend.
 - ii) Share Certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
7. Pursuant to Section 124 of the Companies Act, 2013 an amount of Rs. 2,86,538/- remaining unclaimed out of the dividend for the Financial Year 2010-11 was transferred to the Investor Education and Protection Fund (IEPF) Account constituted by the Central Government on 20th September 2018

The unclaimed dividend, if any, for the Financial Year 2011-12 will become transferable to the “Investor Education and Protection Fund Account” on or before 5th August , 2019. Therefore, Members are requested to send their claims, if any, for the relevant years from the Financial Year 2011-12 onwards before the respective amounts become due for transfer to the fund.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends from the financial years

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- 2011-12 as on the date of the 36th Annual General Meeting (AGM) held on 8th August, 2018, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the website of the Company viz. www.panasoniccarbon.co.in
8. In respect of shares held in electronic form, the Dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. They may please note that the Dividend payable to them would be paid through National Clearing Services (NECS) at the available RBI locations. The Dividend would be credited to their Bank A/c as per the mandate given by the Members to their Depository Participants (DPs). In absence of availability of NECS facility, the Dividend will be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations.
 9. The Shares of the Company have been activated for Dematerialization with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vide **ISIN INE013E01017**. Members opt to dematerialize their shares may approach any Depository Participant (DP).
 10. In respect of Shares held in physical form, Members desirous of receiving dividends by way of direct credit to their Bank Accounts through NECS may authorize the Company with their NECS mandate. The Members desirous of obtaining the NECS mandate may download the Form from the Website of the Company at www.panasoniccarbon.co.in or may write to the Company Secretary at the Registered Office of the Company. Members can submit their PAN and shall intimate changes – if any in Address, Contact Number, Bank Account Details etc to our Share Transfer Agent – M/s.Cameo Corporate Services Ltd.
 11. Electronic copy of the Notice of the 37th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 37th Annual General Meeting of the Company is being sent in the permitted mode.
 12. Members holding Shares in physical form, in their own interest are requested to dematerialize the shares to avail the benefit of electronic holding/trading.
 13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited.
 14. Members may also note that the Notice of the 37th Annual General Meeting and the Annual Report for the year 2018-19 will also be available on the Company's website www.Panasoniccarbon.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the Registrar and Share Transfer Agent's E-mail ID : investor@cameoindia.com
 15. At the 35th AGM held on August 08, 2017 the Members approved appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 40th - AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM. The remuneration paid to the Statutory Auditors for the financial year 2018-19 details are mentioned in notes 30(i)

E-Voting:

The Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 37th Annual General Meeting of the Company.

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The facility for voting, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 37th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

16. Information and other instructions relating to e-voting are as under:

A. In compliance with the provisions of section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the Annual General Meeting scheduled to be held on Thursday, 8th August, 2019 at 3.00 p.m. at Hotel Quality INN, Sabari Grand, No.29, Thirumalai Road, T.Nagar, Chennai, 600017, Tamilnadu, India, by electronic means and the business may be transacted through remote e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the remote e-voting facilities.

The instructions for remote e-voting is provided below.

- (i) The voting period begins on 10.00 A.M on 05th August 2019 and end on at 07th August 2019, 05.00 p.m. 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 01st August 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical

Form should enter Folio Number registered with the Company.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR 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"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily

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enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of Panasonic Carbon India Co. Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please

follow the instructions as prompted by the mobile app while voting on your mobile.

- (xx) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
 - I. The voting rights of members shall be in proportion to their shares of the paid up equity capital of the Company as on the cut-off date of 01st August, 2019.
 - II. Mr.Rabi Narayan Pal, M/s.Rabi Narayan & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - III. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at

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least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.

- IV. Members can choose only one of the two options namely e-voting or voting through physical assent/dissent form. In case votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and those votes casted through physical assent/dissent form would be considered,

subject to the assent/dissent form being found to be valid.

- V. The results of e-voting, physical assent/dissent and poll, if any shall be aggregated and declared on or after the Annual General Meeting of the Company by the Chairman or by any other person duly authorised in this regard. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.panasoniccarbon.co.in

17. Route Map to the AGM Venue is appended to this report.



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EXPLANATORY STATEMENT

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos.3 to 8 of the accompanying Notice:

Item No.3: Appointment of Mr.S. Kalyanaraman (DIN:08317984) as an Independent Director

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr.S Kalyanaraman (DIN:08317984) as Additional Directors of the Company and also as Independent Directors, not liable to retire by rotation, for a term of 3 years i.e. from April 01, 2019 to March 31, 2022,. Pursuant to the provisions of Section 161(1) of the Act, Mr.S Kalyanaraman (DIN:08317984) shall hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as an Independent Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the office of Director.

The Company has received declarations from Mr.S Kalyanaraman (DIN:08317984) to the effect that he meet the criteria of independence as provided in Section 149(6) of the Act read with the 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"). In terms of Regulation 25(8) of SEBI Listing Regulations, He has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, Mr.S. Kalyanaraman (DIN:08317984) fulfill the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and he is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Item No.4: Appointment of Mr.Hideyuki Okunaga (DIN: 06792183) as a Director

At the Board Meeting held on 13th May, 2019, Mr.Hideyuki Okunaga was appointed as an Director under the Articles of Association of the Company and pursuant to section 161 and any other applicable provisions of the Companies Act, 2013 ,Mr.Hideyuki Okunaga, Director of the Company shall be liable to retire by rotation. He represents the Promoter Director on the Board. Pursuant to the provisions of Section 161(1) of the Act, Mr.Hideyuki Okunaga (DIN:

06792183) shall hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Director.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), along with the deposit of Rs.1,00,000/- under Section 160 of the Companies Act 2013, proposing his candidature for the office of Directors. He shall not be paid Sitting Fees for attending the Meetings of the Board. He does not hold by himself or for any other person on a beneficial basis, any Shares in the Company. Further details and current directorships of the above Director are provided in the Annexure to this Notice.

The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Item No.5: Payment of Commission to Independent Directors of the Company

Section 197 of the Act permits payment of remuneration to Non-Executive Directors of a Company by way of commission, not exceeding one per cent. of the net profits of the company, if there is a managing or whole-time director or manager. The Company remunerates the Independent Directors by way of sitting fees ,with a combination of commission which is within the limit permissible under the laws in force. The members are aware that the Company is making profits in spite of decline in sales, price reduction, negative growth of market, increase in Raw material and fuel costs. The whole hearted and dedicated services by all the Directors and also their continued guidance and co-operation have resulted in achieving profits for the past years. Accordingly, it is considered necessary that they continued to be remunerated by way of Commission a sum not exceeding 1% on Net profits of the Company as per the Companies Act, 2013 subject to maximum of Rs.5,00,000/- for each Independent Director of the Company every year calculated in accordance with the provisions of Section 198 of the Act . The Commission to be distributed among all the Independent Directors of the Company in such a manner , as may be directed by the Board of Directors of the Company from time to time and such payment shall be made in respect of the net profits of the Company for each year, commencing from this Financial year 2018-19.

Accordingly all actions taken by the Board or a committee of the Board, any other Director(s) or Officer(s) of the Company for the earlier years be approved, ratified and

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confirmed in all respects. Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 authorises the Board of Directors to recommend all fees and compensation, if any. The Independent Directors shall require approval of members in general meeting. The Board accordingly recommends the Resolution at Item No.5 of the accompanying Notice for approval by the Members.

Except Mr. S. Kalyanaraman (DIN:08317984) Mrs.C.Jayashree (DIN: 07055905), no other Directors/ Key Managerial Personnel of the Company and their relatives are concerned or interested in the Resolution at Item No.5 of the Notice

Item No. 6: Re-appointment of Managing Director and Approval of Remuneration of Managing Director of the Company

At the Annual General Meeting of the Company held on 8th August 2018, Mr.R.Senthil Kumar was re-appointed as Managing Director of the Company for a period of one year up to 31st March 2019. Accordingly the present term of his appointment has been renewed on 1st April 2019.

The Board of Directors at their meeting held on 29th January, 2019 re-appointed Mr.R.Senthil Kumar as Managing Director of the Company, as recommended by the Collaborators, M/s. Panasonic Corporation, Japan and the Nomination and Remuneration committee of the Company subject to approval of the Shareholders and other approvals as may be required, for a further period of one year up to 31st March 2020 on the terms and conditions specified in the earlier resolutions passed at the time of his appointment and as approved by the Board of Directors. His re-appointment as detailed in this resolution is now placed before you for your consideration and approval under item no.6

Further details and current directorships of the above Director are provided in the Annexure to this Notice. Mr.R.Senthil Kumar, Managing Director shall not be paid any sitting fees for attending the Meetings of the Board or any Committee thereof.

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

Mr.S Kalyanaraman:

Mr.S Kalyanaraman (DIN:08317984) is a Fellow of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He started his Professional career as a Practising Chartered Accountant for about

Seven years. Later he joined Corporate service as Finance Manager and Company Secretary with a British collaboration Company for a period of Eight years. Then he joined your Company as Finance Manager and Company Secretary. After Twenty Two years of Association with the company he retired on superannuation as Executive Vice President in the year 2005.

During the service with your Company he was in charge of finance, secretarial, taxation, legal, personnel and administrative functions reporting directly to the various Japanese Managing Directors and the Board of Directors virtually as a Chief Executive Officer. He had travelled many times abroad on marketing tours as well as to attend conferences including executive management course conducted by your collaborators in Japan at their overseas training institute. Post superannuation he was engaging himself in the auditing and management consultancy profession. He shall be paid Sitting Fees for attending the Meetings and Committees of the Board. He does not hold by himself or for any other person on a beneficial basis, any Shares in the Company. Further details and current directorships of the above Director are provided in the Annexure to this Notice.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointments of Mr. S. Kalyanaraman (DIN:08317984) as Independent Director is now being placed before the Members for their approval. The Board recommends the Resolutions at Item No.3 of this Notice for approval of the Members.

Except Mr. S. Kalyanaraman (DIN:08317984), none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolutions set out at Item No.3 of the Notice.

Mr.Hideyuki Okunaga:

Mr.Hideyuki Okunaga (DIN:06792183), born on 17th Nov. 1965, aged 53 years had completed his Bachelor of Economics in March, 1988 from Kobe University, Hyogo, Japan. Immediately after his graduation, he joined Matsushita Electric Industrial Co Ltd (Panasonic Corporation). Mr.Okunaga is having vast experience in Corporate Planning Group for more than three decades and also worked at various senior positions in the overseas operations.

Mr.Hideyuki Okunaga had been the President of Panasonic Energy (Thailand) Co. Ltd., for a period of three years. Currently, Mr.Hideyuki Okunaga (DIN:06792183) is the Director in Energy Device Business Division, Industrial Solutions Company, Panasonic Corporation. He is nominated by our Collaborators.

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Now, he was appointed as a Director in your Company with effect from 13th May, 2019 and a Director in Panasonic Energy India Co Ltd with effect from 1st June,2019.

Further details and current directorships of the above Director are provided in the Annexure to this Notice. The Board recommends the Resolutions at Item No.4 of this Notice for approval of the Members.

Except Mr.Hideyuki Okunaga (DIN:06792183), None of the other Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolutions set out at Item No.4 of the Notice.

Mr.R.Senthil Kumar:

Mr.R.Senthil Kumar is a graduate in Commerce. He joined the Company in 1982 as Assistant Officer in Accounts Department. From the date of joining the Company he has evinced lot of interest in Factory operations and Human Relations related to the Personal Department apart from improving his Departmental work. During his past 37 years of experience he had excelled not only in Accounts and Finance related matters but also in the entire operations of the Works and Administration. He contributed his skill and efforts in the factory to improve the Production by using various simplified machines and equipments to reduce the cost of the production and to increase the sales .He has been elevated to the position of Managing Director of our Company by the Collaborator, M/s. Panasonic Corporation, Japan during 2008.

In December 2018, Our Collaborators have recommended him as competent personnel to continue to accomplish the duty of Managing Director of our Company, since he has adequate experience and expertise to carry out the day to day operations of the Company. Mr.R.Senthil Kumar apart from being a Managing Director also a Member of Audit Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders Relationship Committee of our Company.

He does not hold any Directorship or Membership in any other Company His Reappointment and revised remuneration as the Managing Director disclosed in Resolution No.6 is now placed before you for consideration and approval. He represents the Foreign Collaborators on the Board. The Board commends passing of this resolution as set out as item No.6 of the Notice convening the Meeting.

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

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

**Place: Chennai
Date: 13th May 2019**

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

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Annexure to the Notice

Details of Directors seeking appointment/re-appointment at the Annual General Meeting			
Particulars	S. Kaiyanaraman	Hideyuki Okunaga	R.Senthil Kumar
Date of Birth	01/07/1945	17/11/1965	21/04/1957
DIN	08317984	06792183	02170079
Date of Appointment Qualifications	April 01, 2019 Fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India	May 13, 2019 Bachelor of Economics, Kobe University, Japan	April 01, 2019 Bachelor of Commerce, Madras University
Expertise in specific functional areas	Wide experience in Finance, Accounts, Secretarial, Taxation, Legal Personnel and administrative areas	Wide experience in Corporate Planning	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	Panasonic Energy India Co Ltd	Nil
Committee / Executive position held in other companies	NIL	Member of the Board of Directors of the Company ❖ Panasonic Energy India Co Ltd	NIL
Number of shares held in the Company	Nil	Nil	134 Shares
Relationship with other Directors	He is not related to any other Directors	He is not related to any other Directors	He is not related to any other Directors

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

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37th ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting to you their 37th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2019 and the Auditors' Report thereon.

1. FINANCIAL RESULTS:

The summarized working results for the year ended 31st March, 2019 as compared with the earlier year are as under:

Rs. in Lakhs

Particulars	2018-19	2017-18
Gross income	5281.93	5110.68
Profit before depreciation and tax	1884.90	1885.40
Provision for depreciation	133.15	132.70
Net Profit after depreciation but before tax	1751.75	1752.70
Provision for tax	521.92	522.29
Net Profit after tax	1229.83	1230.41
Other comprehensive income (Net of tax)	(2.01)	(10.45)
Total comprehensive income for the year	1227.82	1219.96
Balance of profit brought forward from previous year	1260.34	618.10
Balance available for appropriation	2488.16	1838.06
Transfer to General Reserve	1250.00	-
Less : Dividend paid during the year for F.Y. 2017-18	(480.00)	(480.00)
Less: Tax on above dividend	(98.67)	(97.72)
Surplus carried to Balance Sheet	659.49	1260.34

2. DIVIDEND :

Your Directors recommend a dividend of Rs.10/- per share (i.e.) 100%. The same is in line with the financial strategy and policy of the Company. An amount of Rs.98,66,541/- would be paid as dividend distribution tax on the dividend. This dividend if approved by you at the ensuing 37th Annual General Meeting will be paid to the Shareholders whose names appear in the Register of Members as on the date of said Meeting.

3. TRANSFER TO RESERVE

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

4. MANAGEMENT DISCUSSION AND ANALYSIS:

INDUSTRY AND BUSINESS OVERVIEW AND OPERATIONAL AND FINANCIAL PERFORMANCE:

Our Company sold 2510.16mln pieces of Carbon Rod, as against 2475 mln pieces which is 101.42% Sales of last year. The Domestic Sales Quantity and Value were 958.60 mln pieces and Rs.13.66 crores respectively which works out to 107.48% of the Sales by quantity and 105.08% by value of last year.

The Export Sales Quantity and value were 1551.49Mln. Pcs. and Rs.30.24 Crores (FOB basis) respectively in the year under review as compared to last year's quantity of 1583 Mln. Pcs. and Rs.29.60 Crores which works out to 98% by quantity and 102% by value. As informed last year, your Company could stabilize the exports to Panasonic Group Battery Factories in Poland, Peru, Thailand, Indonesia, Brazil, Costa Rica, China and other African customers on regular basis. We could not get the orders from some of the African countries as planned due to political disturbances in those countries and also due to import of cheaper cost batteries from China which resulted in low production by the Battery companies in African countries.

During the year, the prices of Raw materials increased steeply in the Indian market. Further the Crude prices also increased steeply leading to increase of fuel costs and other petroleum based raw materials used by your company. In the current Financial Year Indian Rupee depreciated by about 8% compared to the previous year resulting in increased realization of Exports. Your Company reduced the impact of the cost increases through increased inhouse power generation, Energy and fuel usage reduction and improving overall yield and productivity.

By implementing various cost reduction measures, the impact of steep increase in material and fuel costs have been offset for the maximum extent resulting in marginal decrease in net profit before tax by Rs. 0.95 lakhs

OUTLOOK ON OPPORTUNITIES AND THREATS, RISKS AND CONCERNS:

The Company introduced high speed and high safety mixer machines replacing the old mixers. Due to their improved efficiency, the Company hope to achieve higher productivity, improved Quality and yield in the current financial year.

Your Company is also hopeful of improving its Domestic sales as its competitive power has improved compared to Chinese and Indonesia manufacturers. Further by manufacturing consistent quality and timely

supply, your Company is confident of maintaining the export sales at the current year's level in the coming years. The Company is also initiating efforts for improving the same by offering suitable cost effective carbon rods.

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 31% of Sales and Exports Sales constituted the remaining 69%

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

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

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

(i) Debtors Turnover	: 24.7 days
(ii) Inventory Turnover	: 22.8 days
(iii) Interest Coverage Ratio	: NA
(iv) Current Ratio	: 18.4
(v) Debt Equity Ratio	: 0.06
(vi) Operating Profit Margin (%)	: 25.9%
(vii) Net Profit Margin (%)	: 39.8%
(viii) Interest for Debentures/Deposits	: Not Applicable
(ix) Due date for payment of Interest or Principal of Debentures	: Not Applicable

7. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Directors had laid down internal financial controls to be followed by the Company and such policies

and procedures are being adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically. A firm of experienced Chartered Accountants had carried Internal Audit throughout the year. Whenever it is required, the systems and procedures are upgraded.

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

8. HUMAN RESOURCE DEVELOPMENT:

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

9. STATEMENT PURSUANT TO LISTING AGREEMENTS:

The Company's Securities are listed with BSE Ltd. The company confirms that it has paid the Annual Listing Fees to the said stock exchange for the financial year 2018-19 in time and there were no arrears.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In compliance with section 134(3)(m) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014 the prescribed particulars of conservation of energy, foreign exchange and technology absorption including R&D have been attached as **Annexure-1** herewith.

11. CODE OF CORPORATE GOVERNANCE:

Pursuant to the Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailed report on Corporate Governance as updated with the particulars of this financial year, is annexed to this report as **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, Directorate General of Foreign Trade (DGFT) in recognition of good Export performance. The Company continues to enjoy the Export House Certificate status.

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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 observed the June month as "Environment month" and organized the "ECO" relay event emphasizing on Water Conservation on 28th June, 2018 at the TADA Village where your factory is located. The Company had distributed T-Shirts and Caps with the slogan inscribed on ECO Activities to participants especially students from TADA ZP High School (Girls). The Company actively makes effort to increase awareness among the students about the conservation of water and given tips to sustain the environment and environmental protection.

Your Company has received an award "Panasonic Green Factory certification" from Our Collaborators, Panasonic Corporation, Japan on 8th April, 2019 and also received the "Commemorative Medal" for our excellent performance in promoting environment improvement activities.

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 31st March, 2019, consisted of Mr.R.Senthil kumar (DIN: 02170079), Managing Director and Independent Directors Mr.V.R. Gupte (DIN: 00309699), Mr.A. R. Rao (DIN: 00171736), Mr.K. Subramanian (DIN: 00019088) and Mrs.C. Jayashree (DIN:07055905). 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 2018-19 are provided

in Extract of the Annual Return which forms part of this Directors' report

b. Changes in Directors and Key Managerial Personnel

The tenure of Mr.R.Senthil Kumar expired on 31/03/2019, On the recommendation of our Collaborators, M/s.Panasonic Corporation, Japan, he was again re-appointed as Managing Director of the Company for further period of one year with effect from 1st April 2019 and approved by the Board of the Directors of the Company at their meeting held on 29th January, 2019.

Tenure of three Non Executive-Independent Directors Mr.V.R.Gupte (DIN:00309699) Mr.A.R.Rao (DIN:00171736) and Mr.K.Subramanian (DIN:00019088) came to an end on 31st March, 2019 and they ceased to be Directors of the Company effective that date. The Board places on record its appreciation for their invaluable contribution and guidance. Mr. Kazuo Tadanobu, Promoter Director has resigned as Director from the Board of Directors of the company at the Board Meeting held on 29th January 2019 and the Board accepted the same.

Mr.S. Kalyanaraman (DIN:08317984) was appointed as an Additional and Independent Director at the Board Meeting held on 29th January 2019 for a period of three years with effect from 1st April 2019. Mr.Hideyuki Okunaga (DIN: 06792183) was appointed as Additional Director with effect from 13th May, 2019. Information about all the Directors proposed to be appointed, the justification for choosing the proposed appointees for appointment is furnished in the Explanatory Statement under Section 102 of the Companies Act, 2013 attached to the Notice of the ensuing Annual General Meeting for your consideration. The Directors recommend that all the resolutions placed before the Members regarding the appointment of the Directors are approved.

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.

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.

16. MEETINGS OF THE BOARD:

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

17. PERFORMANCE EVALUATION:

The Board of Directors have carried out an annual evaluation of its own performance, Board Committees, and individual Directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the board was evaluated by the board after seeking inputs from all the Directors on the basis of criteria such as the Board Composition and structure, effectiveness of board processes, information and functioning, etc.

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

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non Executive Directors. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the Independent Directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual Directors was also discussed. Performance

evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated

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

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

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

The Nomination and Remuneration Committee recommends the remuneration of Executive Directors which is approved by the Board of Directors, subject to the approval of Shareholders, wherever 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 Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on www.panasoniccarbon.co.in

19. DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. followed in the preparation of financial Statements, the applicable Accounting Standards and given proper explanation relating to material departures , if any;
2. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit and Loss Account of the Company for that period;

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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 Company's initiatives towards Corporate Social Responsibility have been suitably focused. The brief outline of the CSR Policy and the CSR initiatives undertaken by the Company during the financial year under review are provided in the Annual Report on Corporate Social Responsibility Activities 2018-19 forming part of this report. The Policy adopted by the Company can be viewed at website of the Company. (www.panasoniccarbon.co.in)

21. AUDIT COMMITTEE:

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

22. GREEN INITIATIVE:

During the year 2018-19, we continued the sustainability initiative with the aim of going green and minimizing our impact on the environment. Like the previous year, this year too, we are publishing only the statutory disclosures in the print version of the Annual Report. Additional information is available on our website, www.panasoniccarbon.co.in

Electronic copies of the Annual Report 2018-19 and Notice of the 37th AGM are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2018-19 and the Notice of the 37th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send

a request to the Company Secretary, Panasonic Carbon India Co. Limited.

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

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 2018-19 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.

24. SECRETARIAL AUDIT:

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

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

25. PARTICULARS OF EMPLOYEES:

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

26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

The Company has not received any complaint of Sexual harassment during the year 2018-19 under review.

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

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

28. RELATED PARTY TRANSACTIONS:

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

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

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

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

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

As per requirements of Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the relevant provisions of the Companies Act, 2013 read with related applicable rules and regulations, approval of the Shareholders for related party transactions which are considered as "Material" and entered into by the company in the ordinary course of business and also on arm's length basis for a sum not exceeding Rs.100 crores (Rupees Hundred Crores only) per annum for the financial year 2018-19 and each subsequent financial year till the termination of the said arrangement or any modification in the terms thereof has been obtained in the Annual General Meeting held on 29th July, 2016.

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 behaviour, 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

We further affirm that no employee has been denied access to the audit committee during the year 2018-19.

30. STATUTORY AUDITORS:

M/s. BSR & Co. LLP Chartered Accountants (Firm Registration No.101248WW-100022) allotted by the Institute of Chartered Accountants of India (ICAI) were appointed as the Statutory Auditors of the Company at the 35th Annual General Meeting of the Company held on 8th August 2017 to hold office for a term of five years till the conclusion of 40th 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. The existing Statutory Auditors viz., M/s. BSR & Co. LLP Chartered Accountants will continue to be the Statutory Auditors of the Company till the conclusion of 40th Annual General Meeting of the Company.

Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and the remuneration paid for the financial year 2018-19 is as per notes to the financial statement 30 (i).

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

31. COST AUDITORS

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost records and audits) Rules, 2014, includes any amendment and notifications thereof, Carbon Rods manufactured by your Company are not covered under the ambit of mandatory cost audit .

32. INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each Independent Directors of the Company

PANASONIC CARBON INDIA CO. LIMITED

under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

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

The Independent Directors of the Company had met during the year on 29th January 2019 to review the performance of Non- Independent Directors, Chairperson of the Company and the Board as a whole. They had assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

33. RISK MANAGEMENT:

As per Regulation 21 of SEBI(LODR) Regulations, 2015, amendments regulation with effect from 1/04/2019, the provisions of this regulation shall be applicable to top 100 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year. It is not applicable to us since we do not fall under the category of top 100 listed entities.

However, in the Board of Directors Meeting discussed about the elements of risk in different areas of operations and to develop various suitable actions 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 2018-19.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the financial year 2018-19.

c. BONUS SHARES

No Bonus Shares were issued during the financial year 2018-19.

d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees during the financial year 2018-19.

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

Your Company continues to be the subsidiary of

M/s. Panasonic Corporation, Japan and the Company does not have any Subsidiary, Joint venture or Associate Company

36. OTHER DISCLOSURES:

- a) No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.
- b) There was no change in the nature of business during FY 2018-19.
- c) No significant material orders were passed by the regulators or Court during the financial year which would have impacted the going concern status of the Company's operation in the future.
- d) There is no such fraud required to be reported under section 143(12) of the Companies Act, 2013.
- e) The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating Effectively.

37. ACKNOWLEDGEMENT:

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

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

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

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

Place: Chennai
Date: 13th May, 2019

S.KALYANARAMAN
DIRECTOR
DIN : 08317984

R. SENTHIL KUMAR
MANAGING DIRECTOR
DIN: 02170079

Annexure - 1 to the 37th Annual Report of the Board of Directors

ANNEXURE- A

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

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

A. CONSERVATION OF ENERGY

Sustainability is an integral part of the Company's business philosophy. During the year under review 6% reduction in consumption of electricity was achieved by improving productivity, introducing Variable Frequency Drives for both Air compressor and Exhaust blowers and replacing normal motors with Energy efficient Motor IE3.

During the year under review, 5% reduction in oil consumption of fuel was achieved by a) introducing Pyrolysis oil 70% in place of Furnace Oil in tunnel kiln b) introducing high efficiency Mixers in Mixing process and c) modification of impregnation process and reduced re-processing.

B. TECHNOLOGY ABSORPTION:

Research and Development (R&D)

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

- a. Introduction of High efficiency Mixer machines in all grades.
- b. Removal of Needle Coke due to steep price increase in R20 BP grade.
- c. Usage of Natural graphite in place of higher cost Artificial Graphite in some grades of carbon rods.
- d. Reduction of Carbon Black due to steep price increase in some grades of carbon rods.
- e. Introduction of Pet Coke usage in place of Breeze Coke in baking indirect heating process.
- f. Reduction of mixing process time in some of the grades of carbon rods by use of high speed mixers.

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

- a. Could achieve direct and indirect material cost reduction which reduced the impact of steep increase in material and fuel prices in the current year.
- b. Improved productivity and process yield.
- c. Reduced process non-conformity and re-works.
- d. Improved environment compliance well above required standards.

3. Future plan of action:

- a. Development of R03 low cost carbon for improving exports.
- b. Introduction of Screw Press in place of Hydraulic Press for all sizes of carbon rods.

- c. Introduce improved mixing technology
- d. Development of semi automation in predominantly manually operated processes.

4. Expenditure on R&D:

Total Expenditure - Revenue	Rs.29,80,130/-
R&D Expenditure as a percentage to total turnover	0.68%

Technology absorption, adaptation and Innovation:

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

Effective use of Natural Graphite in place of Artificial Graphite, usage of Pet Coke in place of Breeze Coke. More environment friendly operations introduced.

2. Benefits derived as a result of the above

Considerable Reduction of raw material cost, productivity improvement, quality improvement and introduced low cost carbons without compromising the quality.

3. Imported technology (imported during last five years)

Except for regular up-gradation of the know-how and support for introducing alternate grades of cost effective carbons, no specific technology had been imported in the last 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 31st March, 2019 towards Import of Raw materials and other remittances like Royalty, Dividend, Brand License Fee etc., was INR 8.71 crores. With regard to the earning of Foreign Exchange, the direct inflow of foreign currency on our Export sales worked out to INR 30.24 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 13.66 Crores.

PANASONIC CARBON INDIA CO. LIMITED

Annexure - 3 to the 37th Annual Report of the Board of Directors

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
 - i. Corporate Social Responsibility (CSR) remains a core value and one of Company's main corporate objectives.
 - ii. CSR Policy of the Company commits to make a positive contribution to society through high impact and sustainable programmes.
 - iii. The CSR commitments include but are not limited to education, healthcare, energy and climate change and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsible and sustainability.
 - iv. CSR Policy of the company has been uploaded in the company's website at www.panasoniccarbon.co.in
2. The Composition of the CSR Committee: The Company has a CSR committee of directors comprising
 1. Mr. V.R. Gupte, Chairman (Independent Director)
 2. Mr. K. Subramanian, Member (Independent Director)
 3. Mr. M.A. Raghavendra Rao, Member (Independent Director)
 4. Mr. R. Senthil Kumar, Member (Managing Director & CEO)
3. Average net profit of the company for last three financial years : ₹ 20.28 crores
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)
The Company is required to spend during the financial year 2018-19 : ₹ 40.55 Lakhs
5. Details of CSR spent during the financial year
 - a. Total amount to be spent for the financial year 2018-19 : ₹ 40.57 Lakhs
 - b. Amount unspent, if any : NIL

c. Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project/activity	Sector in which the Project is covered	Location	Amount outlay (budget) project or program wise (Amount in ₹)	Amount spent on the projects or Program wise (Amount in ₹)	Cumulative expenditure upto to the reporting period (Amount in ₹)	Amount spent: Direct or through implementing agency
1	Eye Camp for the Villagers & Supply of spectacles (Above 40Y)	Health-care	M/s. Sankara Netralaya, Tada, AP	96,613	96,613	96,613	Directly
2	Supply of dual desks, Office tables, Chairs & Steel almira	Education	KGBV School, Tadakandriga, Nellore dt. AP	3,53,500	3,53,500	4,50,113	Directly
3	Construction of cycle stand, Renovation of Old Class Rooms constructed by PCIN, Repairing of school dual desks for children & Painting of class rooms	Education	ZPP Boys High School, Tada, Nellore dt. AP	13,26,197	13,26,197	17,76,310	Directly
4	Supply of Sports T-shirt & shorts for ZP school for girls, Replacement of old AC sheets with PPGL sheets, Repairing of old damaged wooden windows & doors with new iron sheets, Painting of class rooms. Repairing of old damaged duals desks	Education	ZPP Girls High School, Tada, Nellore Dt., AP	6,24,681	6,24,681	24,00,991	Directly

PANASONIC CARBON INDIA CO. LIMITED

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project/activity	Sector in which the Project is covered	Location	Amount outlay (budget) project or program wise (Amount in ₹)	Amount spent on the projects or Program wise (Amount in ₹)	Cumulative expenditure upto to the reporting period (Amount in ₹)	Amount spent: Direct or through implementing agency
5	Creation of play ground	Education	MPP School, Nadimikuppam, Tadakandriga, Nellore dt. AP	29,958	29,958	24,30,949	Directly
6	Construction of Compound wall with Iron gate, Supply of dual desks for students, Renovation of toilets	Education	MPP School, Anapagunta, Tadakandriga, Nellore dt. AP	9,65,870	9,65,870	33,96,819	Directly
7	Construction of toilets & Construction of Rain water harvesting system	Rural Development	Tada	5,14,343	5,14,343	39,11,162	Directly
8	Supply of CC cameras & security services for Tada village	Rural Development	Tada	1,00,121	1,00,121	40,11,283	Directly
9	Environment Awareness Campaign on Conservation of water	Rural Development	Tada	45,855	45,855	40,57,138	Directly

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

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

Place : Chennai
Date : 13th May 2019

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

S.Kalyanaraman

R.Senthil Kumar

Chairman of the CSR Committee Managing Director & CEO

DIN: 08317984

DIN :02170079

PANASONIC CARBON INDIA CO. LIMITED

Annexure - 4 to the 37th Annual Report of the Board of Directors

EXTRACT OF ANNUAL RETURN
financial year ended 31.03.2019

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
6	Whether listed company	Yes (Listed in BSE)
7	Name, address and contact details of Registrar and Share Transfer Agent	M/s.Cameo Corporate Services Ltd "Subramaniam Building, No.1, Club House Road, Chennai-600 002 Ph: 044-28460390, 044-28460129 Email id: investor@cameoindia.com

II. Principal Business Activities of the Company

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

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

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

PANASONIC CARBON INDIA CO. LIMITED

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

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of the total Shares	Demat	Physical	Total	% of the total Shares	
A Promoters									
1) Indian									
a) Individual / HUF	2,000	0	2,000	0.0417	2000	0	2000	0.0417	0.0000
b) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-Total (A)(1):	2,000	0	2,000	0.0417	2000	0	2000	0.0417	0.0000
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Other - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corporate	3036820	0	3036820	63.2670	3036820	0	3036820	63.2670	0.0000
d) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-Total (A)(2):	3036820	0	3036820	63.2670	3036820	0	3036820	63.2670	0.0000
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	30,38,820	0	30,38,820	63.3087	3038820	0	3038820	63.3087	0.0000
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Central Govt./State Govt	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Foreign Portfolio Investor (Corporate)	580	0	580	0.0120	0	0	0	0.0000	-0.0120
e) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Foreign Institutional Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
g) Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
h) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
i) Others (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-Total (B)(1):	580	0	580	0.0120	0	0	0	0.0000	-0.0120
(2) Non-Institutions									
a) Bodies Corporate									
b) Individuals	151667	1125	152792	3.1831	116329	991	117320	2.4441	0.7390
ii) Overseas	0	0	0	0.0000	0	0	0	0	0.0000
b) Individuals									
i) Individual Shareholders holding nominal share capital up to 1 lakh	1223894	83895	1307789	27.2456	1315627	77765	1393392	29.0290	1.7833
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	114664	0	114664	2.3888	65842	0	65842	1.3717	-1.0171
c) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Others	0	0	0	0.0000	0	0	0	0.0000	0.0000
Foreign Bodies	0	0	0	0.0000	0	0	0	0	0.0000
NRI / OCBs	0	0	0	0.0000	0	0	0	0.0000	0.0000
Clearing Members	7335	0	7335	0.1528	3623	0	3623	0.0754	-0.0773
Hindu Undivided Families	91171	0	91171	1.8993	0	0	0	0.0000	-1.8993
Limited Liability Partnership	0	0	0	0.0000	0	0	0	0	0.0000
Foreign Portfolio Investor	0	0	0	0.0000	580	0	0	0	0.0000
EPF	18884	0	18884	0.3934	18884	0	18884	0.3934	0.0000
Non Resident Indians	67838	127	67965	1.4159	69922	127	70049	1.4593	0.0434
Resident HUF	0	0	0	0.0000	92055	0	92055	1.9178	1.9178
Trusts	0	0	0	0.0000	15	0	15	0.0003	0.0003
Others	185228	127	185355	3.8615	184499	127	184626	3.8463	-0.0151
Sub-Total (B)(2):	1675453	85147	1760600	36.6791	1682297	78883	1761180	36.6912	0.0120
Total Public Shareholding (B)=(B)(1)+(B)(2)	1676033	85147	1761180	36.6912	1682297	78883	1761180	36.6912	0.0000
Total (A) + (B)	4714853	85147	4800000	100.0000	4721117	78883	4800000	100.0000	0.0000
C. Shares held by Custodians and against which Depository Receipts have been issued									
Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total Custodian (C)	0	0	0	0	0	0	0	0	0.0000
Grand Total (A+B+C)	4714853	85147	4800000	100.0000	4721117	78883	4800000	100.0000	0.0000

PANASONIC CARBON INDIA CO. LIMITED

ii) Shareholding of Promoters

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

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

Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
NIL				

iv) Shareholding Pattern of Top Twenty Shareholders

Sl No	For Each of the Top 20 Shareholders	Shareholding as on 31-03-2019	
		No. of Shares	% of total shares of the company
1	Panasonic Corporation	3,036,820	63.2671
2	Ramakant	35,500	0.7396
3	Meka Thirupathi Venkata Pattabhi Rama Rao	HUF 28,532	0.5944
4	Aparna Sarees Private Limited	25,965	0.5409
5	Raghvendra	22,000	0.4583
6	Investor Education and Protection fund , MCA Authority	18,884	0.3934
7	Bela Saraf	15,000	0.3125
8	Sunil Kumar Gupta	15,000	0.3125
9	Venkattu Srinivasan	13,842	0.2884
10	Subramanyam Pisupati	10,000	0.2083
11	Vikram Pratapbhai Kotak	10,000	0.2083
12	Meka Thirupathi Venkata Pattabhi Rama Rao	9,852	0.2052
13	Padmaja Meka	9,096	0.1895
14	Jitendra Kumar Saraiya	9,000	0.1875
15	Santosh Kumar Khemka	8,200	0.1708
16	Vivek Khandelwal	7,500	0.1562
17	Manoj Bhagwan Bhagchandani	7,482	0.1559
18	Prithvi Finlease India Limited	7,200	0.15
19	Pathasarathy S	7,079	0.1475
20	Pico Capital Private Limited	7,000	0.1458

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

PANASONIC CARBON INDIA CO. LIMITED

v) Shareholding of Directors and Key Managerial Personnel

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

Name of the Key Managerial Personnel

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

V. INDEBTEDNESS

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

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

NIL

PANASONIC CARBON INDIA CO. LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Mr. R. Senthil Kumar	Total Amount
	Gross Salary		
1	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	64,80,000	64,80,000
	b) Value of perquisites under section 17(2) of Income Tax Act, 1961	11,78,400	11,78,400
	c) profit in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission -as a percentge of profit	-	-
5	Contribution to PF and Superannuation	-	-
	Total (A)	76,58,400	76,58,400

B. Remuneration to other Directors:

1. Independent Directors

Sl.No	Particulars of Remuneration	Name of the Director				Total Amount
		Mr.V.R.Gupte	Mr.A.R.Rao	Mr.K.Subramanian	Mrs. C. Jayashree	
1	Fee for attending Board / Committee Meetings	85,000	85,000	85,000	30,000	2,85,000
2	Commission	4,37,500	4,37,500	4,37,500	4,37,500	17,50,000
3	Others Please Specify	-	-	-	-	
	Total (B) (1)	5,22,500	5,22,500	5,22,500	4,67,500	20,35,500

2. Other Non Executive Directors

Sl.No	Particulars of Remuneration	Name of the Director	Total Amount
		Mr.Kazuo Tadanobu	
1	Fee for attending Board / Committee Meetings	0	0
2	Commission	0	0
3	Others Please Specify	-	0
	Total (B) (2)	0	0
3.	Total (B)=(B)(1)+(B)(2)		20,35,500

PANASONIC CARBON INDIA CO. LIMITED

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

Sl.No	Particulars of Remuneration	Key Managerial Personnel		Total amount
		Mr.Vinayagam Sume Chief Financial Officer	Ms.P. Maheswari Company Secretary	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961 (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 (c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	10,71,000	5,48,000	16,19,000
2	Stock Options	-	-	
3	Sweat Equity	-	-	
4	Commission - as % of profit	-	-	
5	-others, specify	-	-	
	Total (C)	10,71,000	5,48,000	16,19,000

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 37th Annual Report of the Board of Directors

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

To,

The Members of PANASONIC CARBON INDIA CO. LIMITED,

We were appointed by the Board of Directors PANASONIC CARBON INDIA CO. LIMITED (hereinafter called the Company) to conduct Secretarial Audit for the financial year ended 31st March, 2019.

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

Management's Responsibility for Secretarial Compliances

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

Auditor's Responsibility

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

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

Opinion

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2019 according to the provisions of:

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements), 2009 – Not applicable as the Company did not issue any security during the financial year under review;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Effective 28th October 2014) – Not applicable as the Company has not granted any Options to its employees during the financial year under review;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable as the Company has not issued any debt securities during the financial year under review;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 – Not applicable as the Company has not bought back any of its securities during the financial year under review

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in

PANASONIC CARBON INDIA CO. LIMITED

our opinion, the company has, during the financial year ended on March 31, 2019 complied with the aforesaid laws. Material compliances are listed in the Annexure attached to this Report.

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors, which took place during the financial year under review were carried out in compliance with the provisions of the Acts and the SEBI (Listing Obligations and Disclosure Requirements);
2. Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings and Committees thereof. Agenda and detailed notes on agenda were sent in advance of at least three days before the meeting. There exists a system for Directors to seek and obtain further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting;
3. Majority decision is carried and the views are captured and recorded as part of the Minutes of the Meetings;
4. The Company has proper Board processes. Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary in practice and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the Management has:-
 - (a) Adequate system and process commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and
 - (b) Complied with the following other laws specifically applicable to the Company:-

1. Employees Provident Fund and Miscellaneous Provisions Act, 1952
2. Employees State Insurance Act, 1948
3. Environment Protection Act, 1986 and other environmental laws
4. Equal Remuneration Act, 1976
5. Factories Act, 1948
6. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003
7. Indian Contract Act, 1872
8. Income Tax Act, 1961 and Indirect Tax Laws
9. Indian Stamp Act, 1999
10. Maternity Benefits Act, 1961
11. Minimum Wages Act, 1948
12. Arms Act and Explosives Act
13. Negotiable Instruments Act, 1881
14. Payment of Bonus Act, 1965
15. Payment of Gratuity Act, 1972
16. Payment of Wages Act, 1936 and other applicable labour laws

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

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

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

For Rabi Narayan & Associates
Company Secretaries

Rabi Narayan Pal
Proprietor
FCS – 4993/ C.P.No.3480

Place : Chennai
Date : 13/05/2019

Annexure - 6 to 37th Annual Report of the Board of Directors

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

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

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

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

Name	Designation	% increase in remuneration
Mr. R. Senthil Kumar	Managing Director & CEO	9%
Mr. Vinayagam Sume	Chief Financial Officer	14%
Ms. P. Maheswari	Company Secretary	14%

c) The percentage increase in the average remuneration of employees in the financial year is 11% 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 31/03/2019 :135

e) The Company's PAT has marginally decreased from Rs.1230.41lakhs to Rs. 1229.82lakhs, a decrease of 0.05%.

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	76.58	9%	1229.82	0.05%
Mr. Vinayagam Sume	Chief Financial Officer	10.71	14%		
Ms. P. Maheswari	Company Secretary	5.48	14%		

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

Date	Paid up Capital	Closing Market Price per shares (INR)	EPS	PE Ratio	Market Capitalisation (₹ in Lakhs)
31.03.2019	4,80,00,000	356.85	25.62	13.93	17,128.80
31.03.2018	4,80,00,000	558.75	25.63	21.80	26,820.00
Increase	NIL	201.90	0.01	7.87	9,691.20
% Increase	NIL	36.13	0.04	36.11	36.13
Issue of shares during the year	NIL	NIL	NIL	NIL	NIL

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

Average increase in Remuneration is 11% for employees other than Key Managerial Personnel and 10% for Managerial Personnel (KMP and Senior Management)

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

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

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

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

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

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

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

Place : Chennai
Date : 13th May, 2019

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

PANASONIC CARBON INDIA CO. LIMITED

Annexure - 7 to the 37th 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 dated 16/05/2018
- 2 **Details of Material contracts or arrangements or transactions at Arm's length basis** : Kindly refer our accounts note no.35

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

Place : Chennai
Date : 13th May, 2019

S. KALYANARAMAN
DIRECTOR
DIN : 08317984

R. SENTHIL KUMAR
MANAGING DIRECTOR
DIN: 02170079

PANASONIC CARBON INDIA CO. LIMITED

Annexure - 2 to the 37th Annual Report of the Board of Directors

REPORT ON CORPORATE GOVERNANCE

Introduction:

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

Company's Philosophy on Code of Corporate Governance:

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

Board of Directors:

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

The Board as on 31st March, 2019 comprised of one Executive Director and Five Non-Executive Directors including Four Independent Directors.

The last Annual General Meeting was held on 8th August, 2018.

The composition of the Board, attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meeting and numbers of other Directorships/Committee Memberships held by them as on 31st March, 2019 as applicable, are as follows:

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. Kazuo Tadanobu (2)	Director , Promoter	Not Related Non-Executive	4	1	No	Nil	Nil
Mr.V.R.Gupte (3)	Director, Non Executive	Not Related Independent	4	4	Yes	Nil	Nil
Mr.A.R Rao (3)	Director, Non Executive	Not Related Independent	4	4	No	Nil	Nil
Mr.K.Subramanian (3)	Director, Non Executive	Not Related Independent	4	4	Yes	1	3
Mrs.C.Jayashree	Director, Non Executive	Not Related Independent	4	3	No	Nil	Nil

- 1) Mr.R.Senthil Kumar is re-appointed as Managing Director of the company for a period of one year with effect from 1st April 2019 at the Board Meeting held on 29th January, 2019
- 2) Mr.Kazuo Tadanobu has resigned from his Directorship on 29th January, 2019 and the Board accepted the same at the Board Meeting held on 29th January, 2019
- 3) Tenure of services of the three Independent Directors -Mr.V.R.Gupte, Mr.A. Raghavendra Rao, Mr.K.Subramanian comes to an end on 31st March,2019 and the Board accepted the same at the Board Meeting held on 29th January, 2019
- 4) Mr.S.Kalyanaraman has been appointed as an Independent Non-Executive Director with effect from 1st April 2019 at the Board Meeting held on 29th January, 2019

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

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

Information about the Directors proposed to be appointed/re-appointed which are required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished under 'Notes' attached to the Notice of the 37th Annual General Meeting to the Shareholders of the Company.

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

PANASONIC CARBON INDIA CO. LIMITED

- i. The profiles of Directors can be found on 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.
- ii. None of the Directors on the Board holds Directorships in more than Ten Public Companies. None of the Independent Directors serves as an Independent Director on more than Seven Listed entities. Necessary disclosures regarding Committee positions in other public Companies as on March 31, 2019 have been made by the Directors. None of the Directors is related to each other.
- iii. Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the Management.
- iv. Four Board Meetings were held during the financial year and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on: May 16, 2018; August 08, 2018; October 31, 2018 and January 29, 2019.
The necessary quorum was present for all the meetings.
- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a Director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2019 are given in below. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations
- vi. During FY 2018-19, 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 2018-19, One meetings of the Independent Directors was held on January 29, 2019. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors 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, 2019 are given below:

Name	Category	Number of Equity Shares
Mr.R.Senthil Kumar	Managing Director	134
Mr. Kazuo Tadanobu	Director , Promoter, Non Executive	0
Mr.V.R.Gupte	Director, Independent, Non Executive	0
Mr.A.Raghavendra Rao	Director, Independent, Non Executive	0
Mr.K.Subramanian	Director, Independent, Non Executive	0
Mrs.C.Jayashree	Director, Independent, Non Executive	0

The Company has not issued any convertible instruments during the financial year 2018-19.

The details are displayed on the Company's website www.panasoniccarbon.co.in

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. It reviews the Company's established systems and the Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 read with Schedule II of the SEBI Regulations, 2015. The Committee is vested with the necessary powers, as defined in its Charter, to achieve its objectives.

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.

- Oversight of financial reporting process.

PANASONIC CARBON INDIA CO. LIMITED

- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
- Evaluation of internal financial controls and risk management systems.
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

Composition and Meetings:

During the year ended 31st March, 2019, 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 financial year ended 31st March, 2019 i.e. on 16th May 2018, 8th August 2018, 31st October 2018 and 29th January 2019.

The details of attendance of Members are as follows:

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

The Quorum shall be either two Members or one-third of the Members, whichever is higher and there shall be a minimum of two Independent Directors. The Company Secretary, 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.

Consequent to expiry of Independent Director term on 31/3/2019. The Audit Committee was reconstituted during our Board Meeting held on 29th January, 2019 with effect from 1st April,2019, details are mentioned below:

Mr.S. Kalyanaraman : Chairman
 Mr.R. Senthil Kumar: Member
 Mrs. C. Jayashree: Member

2. Stakeholders Relationship Committee:

Terms & Reference:

The Stakeholders Relationship Committee oversees, inter-alia, redressal of Shareholders and Investor grievances, transfer/transmission/transposition of shares, Split, consolidation, issue of duplicate shares certificates, recording dematerialization/rematerialization 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 holders.
- Consider and approve issue of share certificates, transfer and transmission of securities, etc

Composition:

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

The Company Secretary acts as a Compliance Officer to the Committee. During the financial year, the Committee had one meeting i.e. 29th January, 2019 which was attended by all the four members of the committee.

The detailed particulars of Investors' complaints handled by the Company / Registrar & Share Transfer Agent during the year 2018-19 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 2018-19 and no such transfer is pending at the end of the year.

PANASONIC CARBON INDIA CO. LIMITED

Consequent to expiry of Independent Director term on 31/3/2019. The Stakeholders Relationship Committee was reconstituted during our Board Meeting held on 29th January, 2019 with effect from 1st April,2019 details are mentioned below:

Mr.S. Kalyanaraman : Chairman

Mr.R. Senthil Kumar: Member

Mrs.C. Jayashree: Member

3. Corporate Social Responsibility Committee:

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

Committee is constituted in line with the provisions of Section 135 of the Act.

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.
- Monitor the CSR Policy.

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

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

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

The quorum for the CSR Committee Meeting shall be either one-third of its members or two members, whichever is higher. The Company Secretary, acts as the Secretary to the Committee. During the year the Committee had one meeting i.e. 29th January, 2019 which were attended by all the four members of the committee.

Consequent to expiry of Independent Director term on 31/3/2019. The Corporate Social Relationship Committee was reconstituted during our Board Meeting held on 29th January, 2019 with effect from 1st April,2019 ,details are mentioned below:

Mr.S. Kalyanaraman : Chairman

Mr.R. Senthil Kumar: Member

Mrs.C. Jayashree: Member

4. Nomination and Remuneration Committee:

Terms of Reference:

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

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 as well as the rest of employees.
- Oversee familiarization programs for Directors.

Composition & Meetings:

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

PANASONIC CARBON INDIA CO. LIMITED

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

The Committee met during the year on 29th January 2019 to determine and recommend the appointment of Directors and reappointment and revision in Remuneration payable to the Managing Director. The quorum for the Meeting shall be any two of the above three Members. The Company Secretary act as Secretary of the Committee.

5. a) Remuneration of Directors:

Executive Director:

The Company has one Executive Director, Mr.R.Senthil Kumar , Managing Director and his re-appointment and Remuneration was approved by the Shareholders at the Annual General Meeting held on 8th August, 2018 for a period of one year effective from 1stApril,2018 to 31stMarch,2019. The present term of appointment of Mr.R.Senthil Kumar expired on 31stMarch,2019. The scales of remuneration are determined based on the levels of responsibility and scales prevailing in the industry. The Board of Directors of the Company had authorized the Nomination and Remuneration Committee to approve the remuneration package of the Executive Director. Accordingly, the remuneration package of the Executive Director, including its break up into fixed component and performance linked incentive, along with the performance criteria are determined by the Nomination and Remuneration Committee.

The Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee meeting held on 29th January 2019, 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 31st March 2020.

The details of Remuneration paid to the Executive Director during the Financial Year 2018-19 under review is as under:

Name & Designation	Period	Salary (₹)	Perquisites (₹)	Total (₹)
Mr.R.Senthil Kumar, Managing Director	01-04-2018 to 31-03-2019	64,80,000	11,78,400	76,58,400

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

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

Non-Executive Directors:

The Board of Directors have decided to pay Remuneration to Non-Executive 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 2018-19.

The details of Remuneration paid to the Non-Executive Directors during the financial year ended 31st March, 2019 are as under:

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

Name of the Director	Commission ₹	Sitting Fees		
		Board Meeting ₹	Audit Committee Meeting ₹	Nomination and Remuneration Committee Meeting ₹
Mr.V.R.Gupte	4,37,500	40,000	40,000	5,000
Mr.A.Raghavendra Rao	4,37,500	40,000	40,000	5,000
Mr.K.Subramanian	4,37,500	40,000	40,000	5,000
Mrs.C.Jayashree	4,37,500	30,000	Nil	Nil
Mr. Kazuo Tadanobu	Nil	Nil	Nil	Nil
Total	17,50,000	1,50,000	1,20,000	15,000

PANASONIC CARBON INDIA CO. LIMITED

6. Details of shareholding of Directors as on 31st March 2019:

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

7. General Body Meetings:

The last three Annual General Meetings were held as under:

Year and Date	Time	Venue
8 th August, 2018	3.00 P.M.	Hotel Quality INN Sabari Grand, No.29, Thirumalai Road, T. Nagar, Chennai-600017
8 th August, 2017	3.00 P.M.	Hotel Benz Park , No.62, Thirumalai Pillai Road, T. Nagar, Chennai – 600 017
29 th July, 2016	2.30 P.M.	Hotel Benz Park , No.62, Thirumalai Pillai Road, T. Nagar, Chennai – 600 017

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

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

8. 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. The Management affirms that no personnel has been denied access to the Audit Committee during the year 2018-19.

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. The Management affirms that no Complaints were received during the year 2018-19, hence there was no complaints pending as on end of the Financial year 2018-19.

9. Meeting of Independent Directors:

The Independent Directors of the Company had met during the year on 29th January 2019 to review the performance of non-Independent Directors, Chairperson of the Company and the Board as a whole. They had assessed the Quality, Quantity and Timeliness of flow of information between the Company Management and the Board.

10. Risk Management:

As per Regulation 21 of SEBI(LODR) Regulations, 2015, amendments regulation w.e.f 1/04/2019, the provisions of this regulation shall be applicable to top 100 listed entities, determined on the basis of market capitalisation, as at the end of the immediate previous financial year. Hence it is not applicable to us since we do not fall under the category of top 100 listed entities. The Risk Management function is complimentary to the Internal Control Mechanism of the Company and supplements the audit function. There are no risks which in the opinion of the Board threatens the existence of your Company.

11. Disclosures:

(i) Related Party Transactions:

The Company has adopted a policy on dealing with related party transactions and the same is disclosed at www.panasoniccarbon.co.in.

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

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

For the details of all related party transactions as required by the Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, please refer Note No 35 of notes to the Audited Financial Statements for the year ended 31st March, 2019.

ii) Compliances by the Company:

- a) The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to Capital Markets and no penalties / strictures have been imposed on the Company in the last three years.

PANASONIC CARBON INDIA CO. LIMITED

- (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 Company has issued formal appointment letters to all Independent Directors and the terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at www.panasoniccarbon.co.in. 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 2018-19.
- (g) There was no penalties, fine, strictures imposed on the Company by the Stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years.
- (h) All Policies of the Company are posted in our Company website at 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 Performa prescribed by the Stock Exchange within the statutory period and announce forthwith the said results to the Stock Exchange, where the Shares of the Company are listed.

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

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 The Management Discussion and Analysis Report are appended separately to this report.

13. Compliance with Code of Conduct:

The Company has adopted a code of conduct for the Managing Director, Senior Management Personnel and other employees of the Company. The updated Code incorporate the duties of Independent Directors. The Code is available on the website of the Company. The Managing Director has given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of conduct for the year ended 31st March, 2019.

14. General Shareholders Information:

Annual General Meeting Date and time	: 8 th August 2019; 3.00 p.m.
Date of payment of dividend	: 17 th August, 2019
Venue	: Hotel Quality INN Sabari Grand No.29, Thirumalai Road, T. Nagar Chennai-600017
Date of approval of annual results	: 13 th May, 2019
Book Closure Date	: 2 nd August 2019 to 8 th August 2019
BSE Stock Code	: 508941
Financial Year	: 1 st April 2018 to 31 st March 2019
ISIN	: INE013E01017
Rate of dividend	: 100% (Rs.10/- per share)
CIN	: L29142TN1982PLC009560

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

June 30 th 2019	2 nd week of August, 2019
September 30 th 2019	4 th week of October, 2019
December 31 st 2019	4 th week of January, 2020
March 31 st 2020	3 rd week of May, 2020

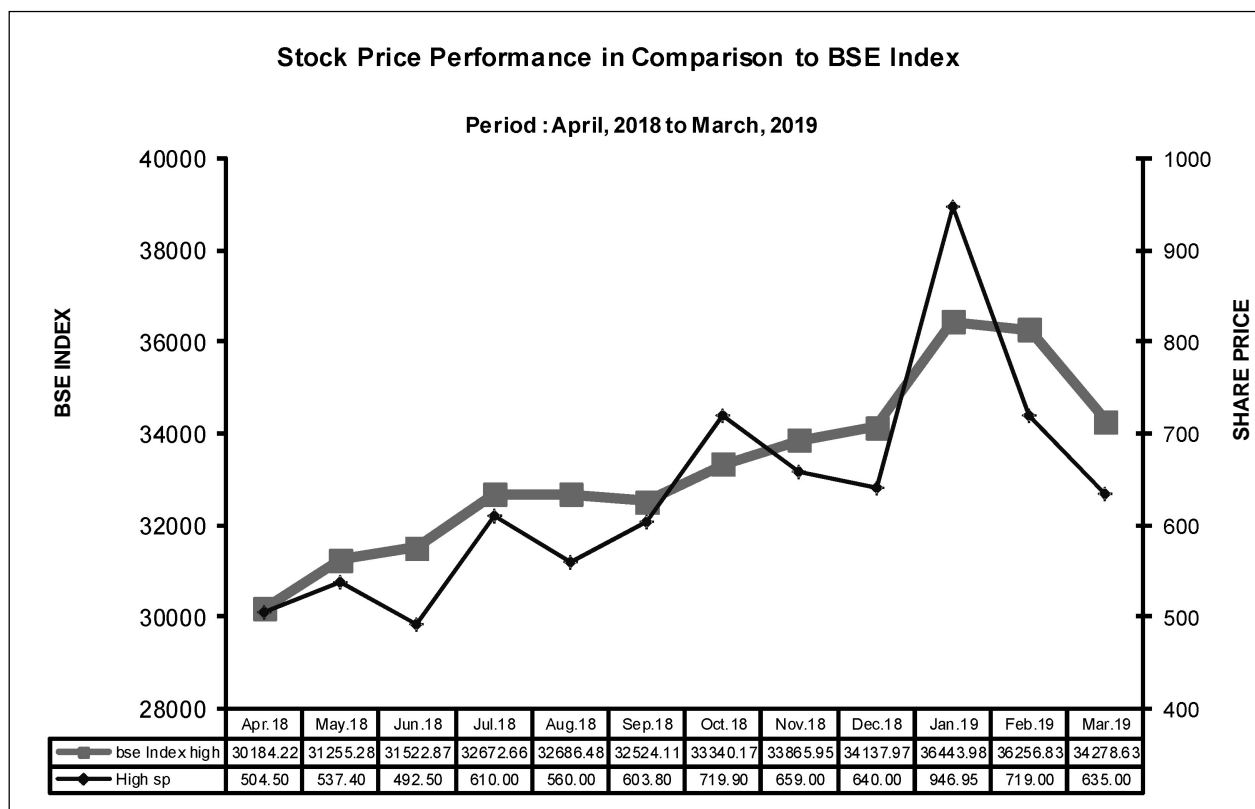
PANASONIC CARBON INDIA CO. LIMITED

16. Listing on Stock Exchanges:

The Company's Securities are listed with BSE Ltd. The Company confirms that it has paid the Annual Listing Fees to the said stock exchange for the financial year 2018-19 and there are no arrears.

17. Market Price data for the Financial Year ended 31st March, 2019:

Month	BSE		Month	BSE	
	High (Rs.P.)	Low(Rs.P.)		High (Rs.P.)	Low(Rs.P.)
April, 2018	504.50	470.00	October, 2018	719.90	518.00
May, 2018	537.40	420.00	November, 2018	659.00	555.00
June, 2018	492.50	447.00	December, 2018	640.00	550.30
July, 2018	610.00	455.10	January, 2019	946.95	621.00
August, 2018	560.00	463.05	February, 2019	719.00	555.00
September, 2018	603.80	501.20	March, 2019	635.00	530.00



16. Registrars and Share Transfer Agents:

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

Address:

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

Name of Contact Person:

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

17. 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

PANASONIC CARBON INDIA CO. LIMITED

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.

18. Distribution of Shareholding as on 31st March, 2019:

No. of Shares	Number of Shareholders		Number of Shares	
	Number	% of Total	Number	% of Total
1-100	9138	79.3022	3,65,696	7.6186
101-500	1859	16.1329	4,33,869	9.0389
501-1000	292	2.5340	2,21,480	4.6141
1001-2000	136	1.1802	1,98,164	4.1284
2001-3000	38	0.3297	97,167	2.0243
3001-4000	18	0.1562	62,125	1.2942
4001-5000	6	0.0520	28,268	0.5889
5001-10000	27	0.2343	1,83,902	3.8312
10001 - And Above	9	0.0781	32,09,329	66.8610
Total	11523	100.0000	48,00,000	100.0000

19. Category wise Shareholding pattern as on 31st March, 2019:

Category	No. of Shares Held	% of Shareholding
Promoters		
Indian Promoters	2,000	0.04
Foreign Collaborators	30,36,820	63.27
Others		
Corporate Bodies	1,17,320	2.44
Individuals	14,59,234	30.40
Mutual Funds & UTI	Nil	Nil
IEPF	18,884	0.39
Foreign Portfolio Investors	Nil	Nil
Banks & Financial Institutions	Nil	Nil
Non-Resident Indians	70,049	1.46
Public	95693	1.99
Total	48,00,000	100.00

Top ten equity shareholders of the Company as on March 31, 2019

Sl No	Name of the Shareholder	Number of Equity Shares held	Percentage of holding
1	Panasonic Corporation	30,36,820	63.2671
2	Ramakant	35,500	0.7396
3	Meka Thirupathi Venkata Pattabhi Rama Rao HUF	28,532	0.5944
4	Aparnaa Sarees Private Limited	25,965	0.5409
5	Raghvendra	22,000	0.4583
6	Investor Education and Protection fund , MCA Authority	18,884	0.3934
7	Bela Saraf	15,000	0.3125
8	Sunil Kumar Gupta	15,000	0.3125
9	Venkattu Srinivasan	13,842	0.2884
10	Subramanyam Pisupati	10,000	0.2083

20. Dividend Declared for the last 10 Years:

Financial Year	Dividend Declaration date	Dividend Per share ₹	Financial Year	Dividend Declaration date	Dividend Per share ₹
2008-09	11 th Sept, 2009	7.00	2013-14	31 st July, 2014	7.00
2009-10	23 rd July, 2010	7.00	2014-15	23 rd July, 2015	8.00
2010-11	20 th July, 2011	7.00	2015-16	29 th July, 2016	10.00
2011-12	31 st July, 2012	7.00	2016-17	8 th August, 2017	10.00
2012-13	25 th July, 2013	7.00	2017-18	8 th August, 2018	10.00

PANASONIC CARBON INDIA CO. LIMITED

Note: Face value of Rs.10/- per share. Dividend of Rs 10/- per share for the financial year 2018-2019 recommended by the Board of Directors on 13th May, 2019, is subject to approval by the shareholders at the ensuing Annual General Meeting.

23. Dematerialization of Shares and Liquidity:

The Company's shares are available for trading in the Depository System of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company is **INE013E01017**. As on 31st March 2019, 98.35% of the paid up share capital representing 47, 21,117 Equity Shares of the Company including promoter and Collaborators holding are in Dematerialized form.

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

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

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2019. 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	407	18,884
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	407	18,884
The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	407	18,884

The voting rights on the shares outstanding in the suspense account as on March 31, 2019 shall remain frozen till the rightful owner of such shares claims the shares

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

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

Financial Year	Amount outstanding as on 31.03.2019(Rs.)	Date of Declaration of Dividend	Proposed date of transfer to IEPF
2011-12	4,37,416	31-07-2012	05-08-2019
2012-13	5,03,636	25-07-2013	30-08-2020
2013-14	3,53,934	31-07-2014	05-08-2021
2014-15	4,19,880	23-07-2015	28-08-2022
2015-16	5,81,160	05-08-2016	10-09-2023
2016-17	6,48,980	17-08-2017	22-09-2024
2017-18	6,57,299	17-08-2018	22-09-2025

PANASONIC CARBON INDIA CO. LIMITED

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

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

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.

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 above 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 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 31st March, 2019, 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 37th Annual General Meeting (AGM) of the Company.

The facility for voting, through ballot / polling paper shall also be made available at the venue of the 37th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Mr. Rabi Narayan Paul, Practicing Company Secretaries, Partner of M/s.Rabi Narayan & Associates, Chennai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. The instructions for shareholders voting electronically are provided in the notes to the Notice of 37th 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 31st March, 2019.

PANASONIC CARBON INDIA CO. LIMITED

28. Prevention of Insider Trading:

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

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

Not Applicable

30. Plant/Factory

Tada Mandal, Nellore District, Andhra Pradesh- 524 401

Location:

Phone: 08623 - 249126 Fax: 08623 - 249049

31. Address for correspondence:

The Shareholders may address their correspondence to:

The Company Secretary, M/s. Panasonic Carbon India Co. Limited, "Pottipati Plaza", 3 rd Floor, No.77, Nungambakkam High Road, Chennai 600 034 Phone :0091-044-28275216/226/015 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 : 13th May, 2019

S.KALYANARAMAN
DIRECTOR
DIN:08317984

R. SENTHIL KUMAR
MANAGING DIRECTOR
DIN : 02170079

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.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2019 received from the Members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them. For the purpose of this declaration, Senior Management Personnel means the Chief Financial Officer and the Company Secretary as on March 31, 2019

For PANASONIC CARBON INDIA CO. LIMITED

Place: Chennai
Date: 13th May, 2019

R. SENTHIL KUMAR
MANAGING DIRECTOR AND CEO
DIN : 02170079

PANASONIC CARBON INDIA CO. LIMITED

Independent Auditor's Certificate on Corporate Governance

To the Members of Panasonic Carbon India Co. Ltd.

We have examined the compliance of conditions of Corporate Governance by Panasonic Carbon India Co. Ltd. ("the Company"), for the year ended 31 March 2019, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's responsibility

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

Auditor's responsibility

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

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

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

Opinion

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

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

Restriction of use

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

for BSR & Co. LLP

Chartered Accountants

Firm Registration No: 101248 W/W-100022

K Raghuram

Partner

Membership No. 211171

UDIN: 19211171AAAAAN2652

Place: Chennai
Date: 13 May 2019

PANASONIC CARBON INDIA CO. LIMITED

Independent Auditor's report

To the Members of Panasonic Carbon India Co. Limited

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Panasonic Carbon India Co. Limited** ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition and its inclusion in the appropriate period

Refer to notes 3.8 and 24 to the financial statements.

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Company manufactures and sells Carbon Rods for use in batteries. Revenue is recognised when the customer obtains control of the goods.</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>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> <ol style="list-style-type: none">1. We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.2. We evaluated the design and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions.3. We performed substantive testing by selecting samples of revenue transactions, recorded during the year by testing the underlying documents using statistical sampling.4. We performed confirmation procedures on selected customer balances at the balance sheet date.5. 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.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our Auditors' Report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

PANASONIC CARBON INDIA CO. LIMITED

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

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

Management's Responsibility for the financial statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

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

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

PANASONIC CARBON INDIA CO. LIMITED

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 34 to the financial statements;
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable loss.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - d) The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
4. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

K Raghuram
Partner
Membership No. 211171

Place : Chennai
Date : 13 May 2019

PANASONIC CARBON INDIA CO. LIMITED

Annexure A to the Independent Auditor's Report to the Members of Panasonic Carbon India Co. Limited for the year ended 31 March 2019

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by the Management during the period. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loan, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, or made any investments, or given any guarantee or provided any security as covered under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted deposits from the public during the year. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for sale of goods and the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted /accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax and any other material statutory dues have been generally deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, value added tax, duty of excise and cess.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and any other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of customs and Goods and Services Tax which have not been deposited with the appropriate authorities on account of a dispute, except for items as set out below.

Name of the statute/ period to which it relates	Nature of dues	Amount (INR in thousands)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	611.14	2001-2002	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	1,739.64	2003-2004	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	81.69	2009-2010	Assessing Officer
Income Tax Act, 1961	Income Tax	129.78	2010-2011	Assessing Officer
Income Tax Act, 1961	Income Tax	5,983.24	2011-2012	Assistant Commissioner of Income Tax
Finance Act, 1994	Service tax	567.56	For the period 2009-10 to 2011-12	Appellate Tribunal
Finance Act, 1994	Service tax	6.76	For the period 2010-2013	Appellate Tribunal
Finance Act, 1994	Service tax	1,584.96	2012-13	CESTAT
Finance Act, 1994	Service tax	1,442.73	2013-14	CESTAT
Finance Act, 1994	Service tax	58.71	2013-14	CESTAT

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

PANASONIC CARBON INDIA CO. LIMITED

- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings to any financial institution, bank, government or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration during the year in accordance with the requisite approvals as per provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

K Raghuram
Partner
Membership No. 211171

Place : Chennai
Date : 13 May 2019

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 2019

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

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

We have audited the internal financial controls over financial reporting of **Panasonic Carbon India Co. Limited** ("the Company") as of 31 March 2019 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 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

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

Chartered Accountants

Firm Registration No: 101248W/W-100022

K Raghuram

Partner

Membership No. 211171

Place : Chennai

Date : 13 May 2019

PANASONIC CARBON INDIA CO. LIMITED

Balance Sheet as at 31 March 2019

(All amounts are in thousands of INR)

	Note	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	4	83,513.39	91,726.96
Capital work-in-progress	4	-	1,595.00
Financial assets			
Investments	5	27.85	51.50
Loans	6	4,522.62	4,336.62
Other financial assets	7	55,236.89	20,000.00
Other tax assets- Income tax	31	-	584.71
Total non-current assets		1,43,300.75	1,18,294.79
Current assets			
Inventories	8	23,359.33	32,106.87
Financial assets			
Trade receivables	9	32,274.39	26,586.51
Cash and cash equivalents	10	13,570.65	13,110.81
Bank balances other than cash and cash equivalents	11	8,71,221.96	8,26,465.45
Loans	12	217.47	328.20
Other financial assets	13	1,341.84	6,636.90
Other current assets	14	5,360.38	4,605.98
Total current assets		9,47,346.02	9,09,840.71
Total assets		10,90,646.77	10,28,135.50
Equity and liabilities			
Equity			
Equity share capital	15	48,000.00	48,000.00
Other equity	16	9,77,947.29	9,13,034.89
Total equity		10,25,947.29	9,61,034.89
Liabilities			
Non-current liabilities			
Deferred tax liabilities	31	12,655.98	14,192.56
Provisions	23	650.84	2,763.93
Total non-current liabilities		13,306.82	16,956.49
Current liabilities			
Financial liabilities			
Trade payables	20	34,097.93	35,170.14
Other financial liabilities	21	3,239.86	3,239.86
Other current liabilities	22	11,418.73	9,613.13
Provisions	23	2,374.63	2,120.99
Current tax liabilities (Net)	31	261.51	-
Total current liabilities		51,392.66	50,144.12
Total liabilities		64,699.48	67,100.61
Total equity and liabilities		10,90,646.77	10,28,135.50

Significant accounting policies 3

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

As per our report of even date

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

Chartered Accountants

Firm Registration No: 101248W/W-100022

K Raghuram

Partner

Membership No.: 211171

Place : Chennai

Date: 13 May 2019

for and on behalf of the board of directors of

Panasonic Carbon India Co. Ltd.

CIN: L29142TN1982PLC009560

R. Senthil Kumar

Managing Director

DIN: 02170079

Vinayagam Sume

Chief Financial Officer

Place : Chennai

Date: 13 May 2019

S. Kalyanaraman

Director

DIN: 08317984

P. Maheswari

Company Secretary

PANASONIC CARBON INDIA CO. LIMITED

Statement of Profit and Loss for the year ended 31 March 2019

(All amounts are in thousands of INR)

Particulars	Note	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Revenue from operations	24	4,52,722.58	4,44,888.52
Other income	25	75,470.36	66,179.22
Total income		528,192.94	5,11,067.74
Expenses:			
Cost of materials consumed	26	1,42,791.60	1,31,968.99
Changes in inventories of work-in-progress	27	3,915.95	(2,986.51)
Excise duty		-	6,733.48
Employee benefits expense	28	78,853.68	75,885.68
Depreciation expense	29	13,315.10	13,270.02
Other expenses	30	1,14,141.73	1,10,925.64
Total expenses		3,53,018.06	3,35,797.30
Profit before tax		1,75,174.88	1,75,270.44
Current tax	31	53,646.26	47,555.37
Deferred tax	31	(1,453.88)	4,673.53
Income tax expense		52,192.38	52,228.90
Profit for the year		1,22,982.50	1,23,041.54
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Remeasurement of defined benefit liability/ (asset)		(284.00)	(1,469.12)
Income tax relating to items that will not be reclassified to profit or loss		82.70	423.69
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(201.30)	(1,045.43)
Other comprehensive income for the year, net of income tax		(201.30)	(1,045.43)
Total comprehensive income for the year		1,22,781.20	1,21,996.11
Earnings per share			
(Face value Rs.10/- per share) (INR)			
Basic and diluted earnings per share (INR)	19	25.62	25.63
Significant accounting policies	3		

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

As per our report of even date

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

Chartered Accountants

Firm Registration No: 101248W/W-100022

K Raghuram

Partner

Membership No.: 211171

Place : Chennai

Date: 13 May 2019

for and on behalf of the board of directors of

Panasonic Carbon India Co. Ltd.

CIN: L29142TN1982PLC009560

R. Senthil Kumar

Managing Director

DIN: 02170079

Vinayagam Sume

Chief Financial Officer

Place : Chennai

Date: 13 May 2019

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 2019

(All amounts are in thousands of INR)

a. Equity share capital	Note	Amount
Balance as at 01 April 2017		48,000.00
Changes in equity share capital during 2017-18	15	-
Balance as at 31 March 2018		48,000.00
Changes in equity share capital during 2018-19	15	-
Balance as at 31 March 2019		48,000.00

Particulars	Attributable to the owners of the Company			Total
	Reserves and Surplus			
	General Reserves (See note 16a)	Securities Premium (See note 16b)	Retained earnings	
Balance as at 01 April 2017				
Total comprehensive income for the year ended 31 March 2018	7,60,000.00	27,000.00	61,810.45	8,48,810.45
Profit or loss	-	-	1,23,041.54	1,23,041.54
Other comprehensive income (net of tax) (See note 17)	-	-	(1,045.43)	(1,045.43)
Transfer to general reserve	-	-	-	-
Total comprehensive income	7,60,000.00	27,000.00	1,83,806.56	9,70,806.56
Transactions with owners, recorded directly in equity-				
Distributions to owners				
Dividends	-	-	(48,000.00)	(48,000.00)
Dividend distribution tax	-	-	(9,771.67)	(9,771.67)
Balance at 31 March 2018/ 1 April 2018	7,60,000.00	27,000.00	126,034.89	9,13,034.89
Total comprehensive income for the year ended 31 March 2019				
Profit or loss	-	-	1,22,982.50	1,22,982.50
Other comprehensive income (net of tax) (See note 17)	-	-	(201.30)	(201.30)
Transfer to general reserve	1,25,000.00	-	(1,25,000.00)	-
Total comprehensive income	8,85,000.00	27,000.00	1,23,816.09	10,35,816.09
Transactions with owners, recorded directly in equity-				
Distributions to owners				
Dividends	-	-	(48,000.00)	(48,000.00)
Dividend distribution tax	-	-	(9,868.80)	(9,868.80)
Balance as at 31 March 2019	8,85,000.00	27,000.00	65,947.29	9,77,947.29

Significant accounting policies

3

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

As per our report of even date

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

K Raghuram
Partner
Membership No.: 211171

Place : Chennai
Date: 13 May 2019

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

R. Senthil Kumar
Managing Director
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Chief Financial Officer

Place : Chennai
Date: 13 May 2019

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

PANASONIC CARBON INDIA CO. LIMITED

Statement of cash flow for the year ended 31 March 2019

(All amounts are in thousands of INR)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities			
Profit for the year		1,75,174.88	1,75,270.44
Adjustments for:			
Depreciation and amortization	29	13,315.10	13,270.02
Gain on sale of property, plant and equipment	25	(610.57)	(967.48)
Change in fair value of investment	30	23.66	(40.60)
Interest income	25	(62,045.12)	(54,297.77)
Unrealised foreign exchange difference	25	(906.67)	-
		1,24,951.28	1,33,234.61
Operating cash flow before working capital changes			
Working capital adjustments:			
(Increase)/ decrease in inventories		9,654.54	(10,609.14)
(Increase)/ decrease in trade receivables and loans		(1,222.49)	23,828.75
Decrease in trade payables, and other financial liabilities and provisions		(1,410.04)	(6,699.54)
		1,31,973.29	1,39,754.68
Cash generated from operating activities		1,31,973.29	1,39,754.68
Income tax paid (net)		(52,802.41)	(48,880.64)
Net cash from operating activities (A)		79,170.88	90,874.04
Cash flow from investing activities			
Interest received		62,045.12	54,297.77
Proceeds from sales of property, plant and equipment		1,537.02	2,286.19
Acquisition of property, plant and equipment, and capital work in progress	4	(4,430.98)	(9,456.58)
Investments in Fixed Deposits		(79,993.40)	(89,442.01)
Net cash flow used in investing activities (B)		(20,842.24)	(42,314.63)
Cash flow from financing activities (Refer note)			
Dividends paid (and related dividend distribution tax)		(57,868.80)	(57,704.75)
Net cash flow used in financing activities (C)		(57,868.80)	(57,704.75)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		459.84	(9,145.34)
Cash and cash equivalents at the beginning of the year		13,110.81	22,256.15
Cash and cash equivalents at the end of the year	10	13,570.65	13,110.81

Note:

Reconciliation of liabilities from financing activities

Particulars	As at 31 March 2018	Dividend declared	Dividend paid	As at 31 March 2019
		(including dividend distribution tax)		
Unpaid dividends	3,239.86	57,868.80	(57,868.80)	3,239.86
Total liabilities from financing activities	3,239.86	57,868.80	(57,868.80)	3,239.86

Significant accounting policies

3

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

As per our report of even date

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

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

K Raghuram
Partner
Membership No.: 211171

R. Senthil Kumar
Managing Director
DIN: 02170079

S. Kalyanaraman
Director
DIN: 08317984

Vinayagam Sume
Chief Financial Officer

P. Maheswari
Company Secretary

Place : Chennai
Date: 13 May 2019

Place : Chennai
Date: 13 May 2019

PANASONIC CARBON INDIA CO. LIMITED

Notes to the Financial Statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

1 Reporting entity

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

2 Basis of preparation

2.1 Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on 13 May 2019.

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

2.2 Functional and presentation currency

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

2.3 Basis of measurement

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

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

2.4 Use of estimates and judgements

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

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

Note 3.3 - estimated useful life of property, plant and equipment and intangible assets.

Note 3.7 and Note 34 - recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources.

Note 31D - recognition of deferred tax assets: availability of future taxable profit against which deferred tax assets will be recovered in future periods.

Notes 17, 32 - measurement of defined benefit obligations: key actuarial assumptions

2.5 Measurement of fair values

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

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

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

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

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

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

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.

PANASONIC CARBON INDIA CO. LIMITED

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 33 – financial instruments;

3 Significant accounting policies

3.1 Foreign currency

Foreign currency transactions

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

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

3.2 Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

- amortised cost;
- FVTPL

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

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

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

PANASONIC CARBON INDIA CO. LIMITED

of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

iv. Offsetting

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

3.3 Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset category	Management estimate of useful life	Useful life as per Schedule II
Buildings	30- 60 years	30 years
Plant and equipment	8 years	8- 20 years
Solar power plant	25 years	8 years
Office equipment	5 years	5 years
Furnitures and fixtures	10 years	10 years
Motor vehicles	10 years	10 years

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

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

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

3.4 Inventories

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

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, components and other supplies held for use in the production of finished products are not written down

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below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

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

3.5 Impairment

i. Impairment of financial instruments

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

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

Measurement of expected credit losses

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

Write-off

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

ii. Impairment of non-financial assets

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

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Employee Benefits

i. Short-term employee benefits

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

ii. Defined contribution plans

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

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

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

3.7 Provisions (other than for employee benefits)

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

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

3.8 Revenue

The Company has adopted Ind AS 115, Revenue from Contracts with Customers (which replaces earlier revenue recognition standards) using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. April 1, 2018) being included in retained earnings and non-controlling interests as on April 1, 2018. There has been no significant impact on account of adoption of the standard.

Sale of goods

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

3.9 Government grants

Export benefits in the nature of duty drawback are accounted as income in the year of exports based on eligibility/expected eligibility duly considering the entitlements as per the policy, industry specific developments, interpretations arising out of judicial/regulatory proceedings where applicable, management assessment etc. and when there is no uncertainty in receiving the same.

Export benefits in the nature of Merchandise Export from India Scheme (MEIS) are accrued when there is no uncertainty in receiving / utilizing the same, taking into consideration the prevailing regulations. Adjustments, if any, to the amounts recognised in accordance with the accounting policy, based on final determination by the authorities, are dealt with appropriately in the year of final determination and acceptance.

3.10 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

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ii. Lease payments

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

The Company does not have any finance leases.

3.11 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

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

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

3.12 Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

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

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

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

4 Property, Plant and Equipment

See accounting policies in Note 3.3

A Reconciliation of carrying amount

	Land	Buildings	Plant and Equipment	Solar Power Plant	Office Equipments	Furniture and Fixtures	Vehicles	Total (A)	Capital work-in-progress (B)	Total (A+B)
Cost / deemed cost (gross carrying amount)										
Balance at 1 April, 2017	1,401.87	19,308.14	7,019.61	72,500.12	688.41	678.52	1,821.79	1,03,418.46	-	1,03,418.46
Additions/ Adjustments	-	154.06	5,292.82	800.00	-	-	1,614.70	7,861.58	1,595.00	9,456.58
Disposals	-	-	28.55	1,304.98	-	-	-	1,333.53	-	1,333.53
Balance at March 31, 2018	1,401.87	19,462.20	12,283.88	71,995.14	688.41	678.52	3,436.49	1,09,946.51	1,595.00	1,11,541.51
Balance at 1 April, 2018	1,401.87	19,462.20	12,283.88	71,995.14	688.41	678.52	3,436.49	1,09,946.51	1,595.00	1,11,541.51
Additions/ Adjustments	-	-	3,819.03	-	163.39	12.66	2,030.90	6,025.98	-	6,025.98
Disposals	-	-	185.00	992.02	99.12	-	1,428.60	2,704.74	1,595.00	4,299.74
Balance at March 31, 2019	1,401.87	19,462.20	15,917.91	71,003.12	752.68	691.18	4,038.79	1,13,267.75	-	1,13,267.75
Accumulated depreciation										
Balance at 1 April, 2017	-	1,587.75	1,501.80	840.45	407.19	30.97	596.20	4,964.36	-	4,964.36
Depreciation for the year	-	1,525.78	2,747.30	8,056.31	230.24	146.08	564.31	13,270.02	-	13,270.02
Disposals	-	-	13.29	1.54	-	-	-	14.83	-	14.83
Balance at March 31, 2018	-	3,113.53	4,235.81	8,895.22	637.43	177.05	1,160.51	18,219.55	-	18,219.55
Balance at 1 April, 2018	-	3,113.53	4,235.81	8,895.22	637.43	177.05	1,160.51	18,219.55	-	18,219.55
Depreciation for the year	-	1,367.79	3,741.13	7,089.92	89.86	100.62	925.78	13,315.10	-	13,315.10
Adjustments	-	(6.16)	(84.54)	(27.00)	(74.47)	188.60	3.57	-	-	-
Disposals	-	-	185.00	169.40	99.12	-	1,326.77	1,780.29	-	1,780.29
Balance at March 31, 2019	-	4,475.16	7,707.40	15,788.74	553.70	466.27	763.09	29,754.36	-	29,754.36
Carrying amount (net)										
As at 31 March 2018	1,401.87	16,348.67	8,048.07	63,099.92	50.98	501.47	2,275.98	91,726.96	1,595.00	93,321.96
As at 31 March 2019	1,401.87	14,987.04	8,210.51	55,214.38	198.98	224.91	3,275.70	83,513.39	-	83,513.39

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Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

	As at 31 March 2019	As at 31 March 2018
5 Investments		
See accounting policies in note 3.2		
Quoted equity shares		
Equity shares at FVTPL		
(i) 100 (31 March 2018- 100) equity shares of Eveready Industries India Limited	19.27	37.21
(ii) 100 (31 March 2018- 100) equity shares of McLeod Russel India Limited	8.58	14.29
	27.85	51.50
Aggregate book value of quoted investments	10.90	10.90
Aggregate market value of the quoted investments	27.85	51.50
Aggregate amount of impairment in value of investments	-	-
6 Non-current loans		
<i>(unsecured, considered good unless otherwise stated)</i>		
Security deposits	4,522.62	4,336.62
	4,522.62	4,336.62
7 Non-current other financial assets		
<i>(Unsecured, considered good, unless otherwise stated)</i>		
Bank balances in deposit accounts*	55,236.89	20,000.00
	55,236.89	20,000.00
*includes accrued interest	236.89	-
8 Inventories		
See accounting policy in note 3.4		
Raw materials	13,511.94	17,591.54
Work in progress	7,994.83	11,910.78
Stores and spares	1,852.56	2,604.55
	23,359.33	32,106.87
9 Trade receivables		
See accounting policy in note 3.2		
Unsecured, considered good	32,274.39	26,586.51
Doubtful	-	-
	32,274.39	26,586.51
Non-current	-	-
Current	32,274.39	26,586.51
	32,274.39	26,586.51
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties, Refer note 35	28,847.30	24,356.05
The Company's exposure to credit and currency risk and loss allowance relating to trade receivables are disclosed in Note 33.		

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

	As at 31 March 2019	As at 31 March 2018
10 Cash and cash equivalents		
Cash on hand	41.64	134.13
Balances with banks		
In current accounts	13,529.01	12,976.68
	13,570.65	13,110.81
11 Bank balances other than cash and cash equivalents		
In deposit accounts*	8,67,982.10	8,23,225.59
In earmarked accounts		
Unpaid dividend accounts	3,239.86	3,239.86
	8,71,221.96	8,26,465.45
* includes accrued interest	16,982.10	13,225.59
12 Current loans		
<i>(unsecured, considered good unless otherwise stated)</i>		
Loans to employees	217.47	328.20
	217.47	328.20
13 Other current financial assets		
Export incentive receivable	1,341.84	6,636.90
	1,341.84	6,636.90
14 Other current assets		
Advance payments to suppliers	1,065.42	256.34
Prepaid expenses	889.93	710.36
Balance with Government authorities	3,405.03	3,639.28
	5,360.38	4,605.98
15 Share Capital		
15.1 Equity Share Capital		
a Authorised:		
10,000 thousand (31 March 2018 - 10,000 thousand) equity shares of INR 10 each	1,00,000.00	1,00,000.00
b Issued, subscribed and paid-up:		
4,800 thousand (31 March 2018 - 4,800 thousand, 01 April 2017 - 4,800 thousand) equity shares of INR 10 each	48,000.00	48,000.00
All issued shares are fully paid up.		
15.2 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period		
At the commencement and at the end of the period <i>(in thousands)</i>	4,800.00	4,800.00
15.3 Rights, preferences and restrictions attached to equity shares		

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

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

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

15.4 Shares held by holding company

<i>(In thousands)</i>	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares of INR 10 each fully paid up held by Panasonic Corporation, Japan	3,036.82	30,368.20	3,036.82	30,368.20

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

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
<i>(In thousands)</i> Panasonic Corporation, Japan	3,036.82	63.27%	3,036.82	63.27%

16 Other Equity

Reserves and surplus	As at 31 March 2019	As at 31 March 2018
a. General reserve		
Balance as at the commencement of the year	7,60,000.00	7,60,000.00
Add: Transfer from statement of profit and loss	1,25,000.00	-
Balance as at the end of the year	8,85,000.00	7,60,000.00

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

b. Securities Premium

Balance as at the commencement and end of the year	27,000.00	27,000.00
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Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with provisions of Companies Act, 2013.

Dividends

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

	31 March 2019	31 March 2018
INR 10 per equity share (31 March 2018: INR 10)	48,000.00	48,000.00
Dividend distribution tax (DDT) on dividend to equity shareholders	9,868.80	9,771.67
	57,868.80	57,771.67

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

	31 March 2019	31 March 2018
INR 10 per equity share (31 March 2018: INR 10)	48,000.00	48,000.00
	48,000.00	48,000.00

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

	As at 31 March 2019	As at 31 March 2018
17 Analysis of accumulated OCI, net of tax		
Items of OCI		
Remeasurement of defined benefit liability/(asset)	-	-
Note:		
Opening balance	-	-
Remeasurement of defined benefit liability/(asset)	(201.30)	1,045.43
Less: Transferred to retained earnings	201.30	(1,045.43)
Closing balance	<u>-</u>	<u>-</u>
Remeasurements of defined benefit liability / (asset) comprise actuarial gain and losses and return on plan assets (excluding interest income), Refer Note 32		

18 Capital management

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

	Year ended 31 March 2019	Year ended 31 March 2018
Return on capital		
Profit after tax for the year (a)	1,22,982.50	1,23,041.54
Paid up share capital (b)	48,000.00	48,000.00
Other equity (c)	9,77,947.29	9,13,034.89
Return on capital (a/(b+c))	12%	13%
Dividend payout		
Dividend declared for the year (d)	48,000.00	48,000.00
Dividend payout (d/a)	39%	39%

19 Earning per share

Basic and diluted earnings per share

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

	As at 31 March 2019	As at 31 March 2018
Profit attributable to the equity shareholders of the Company	1,22,982.50	1,23,041.54
Weighted average number of equity shares	4,800.00	4,800.00
Basic and diluted earnings per share (EPS)	25.62	25.63

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

	As at 31 March 2019	As at 31 March 2018
20 Trade payables		
Trade payables to related parties		
total outstanding dues of micro and small enterprises	-	-
total outstanding dues of creditors other than micro and small enterprises	15,045.19	15,771.34
To others		
total outstanding dues of micro and small enterprises	-	-
total outstanding dues of creditors other than micro and small enterprises	19,052.74	19,398.80
	34,097.93	35,170.14

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

As at 31 March 2019, the Company had no outstanding dues to Micro and Small enterprises (for 31 March 2018- INR Nil). The list of Micro and Small enterprises was determined by the Company on the basis of information available with the Company. The Company also had no outstanding dues that require to be furnished under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006.

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

21 Other financial liabilities

Unpaid dividends	3,239.86	3,239.86
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22 Other current liabilities

Statutory dues	4,617.25	2,666.62
Employee benefits payable	5,051.48	5,201.01
Director's commission payable	1,750.00	1,745.50
	11,418.73	9,613.13

23 Provisions

See accounting policy in note 3.6 and 3.7

	Non - current as at		Current as at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for employee benefits (refer note 32)				
Liability for gratuity	229.03	1,999.56	1,908.45	1,390.28
Liability for compensated absences	421.81	764.37	466.18	730.71
Total provision for employee benefits	650.84	2,763.93	2,374.63	2,120.99
Total provisions	650.84	2,763.93	2,374.63	2,120.99

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

	Year ended 31 March 2019	Year ended 31 March 2018
24 Revenue from operations		
See accounting policy in Note 3.8		
Sale of products	4,38,950.56	4,32,702.60
Total sale of products (A)	4,38,950.56	4,32,702.60
Other operating revenues		
Scrap sales	298.86	454.81
Export incentives	13,473.16	11,731.11
Total other operating revenues (B)	13,772.02	12,185.92
Total revenue from operations (A+B)	4,52,722.58	4,44,888.52
25 Other income		
See accounting policy in Note 3.11		
Interest income under the effective interest method on cash and cash equivalents	62,045.12	54,297.77
Mandatorily measured financial assets at FVTPL-net change in fair value of investments	-	40.60
Net gain on sale of property, plant and equipment	610.57	967.48
Sale of electricity	11,145.97	10,708.46
Foreign Exchange Fluctuations (net)	906.67	-
Miscellaneous income	762.03	164.91
	75,470.36	66,179.22
26 Cost of materials consumed		
Inventory of materials at the beginning of the year	17,591.54	10,576.32
Add: Purchases	1,38,712.00	1,38,984.21
Less : Inventory of materials at the end of the year	(13,511.94)	(17,591.54)
Cost of materials consumed	1,42,791.60	1,31,968.99
27 Changes in inventories of work-in-progress		
Opening inventory	11,910.78	8,924.27
Closing inventory	7,994.83	11,910.78
(Increase) /decrease in inventory	3,915.95	(2,986.51)
28 Employee benefits expenses		
(See accounting policy in Note 3.6)		
Salaries, wages and bonus	64,481.63	61,831.97
Contribution to provident fund	6,612.53	5,056.26
Expenses related to post-employment defined benefit plans (refer note 32)	1,385.58	1,414.17
Staff welfare expenses	6,373.94	7,583.28
	78,853.68	75,885.68

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

	Year ended 31 March 2019	Year ended 31 March 2018
29 Depreciation expense		
(See accounting policy in Note 3.3)		
Depreciation of property, plant and equipment (refer note 4)	13,315.10	13,270.02
	13,315.10	13,270.02
30 Other expenses		
Consumption of stores and spare parts	12,193.80	12,089.48
Power and fuel	43,711.63	40,718.42
Rent	3,196.80	2,871.86
Repairs and maintenance		
Buildings	3,744.86	4,823.05
Machinery	7,628.36	7,773.65
Others	6,339.71	7,484.47
Rates and taxes	2,850.05	855.77
Freight and forwarding charges	3,057.05	3,615.66
Travelling and conveyance	1,533.87	1,561.98
Legal and professional fees	1,484.78	1,572.97
Payment to auditors (see note (i) below)	1,100.00	1,100.00
Advertisement and sales promotion	51.51	33.01
Expenditure on corporate social responsibility (see note (ii) below)	4,057.14	3,837.07
Insurance	715.72	780.61
Communication expenses	1,874.15	1,621.47
Commission to Non-whole time directors	1,750.00	1,745.50
Sitting fees	270.00	285.00
Royalty, Brand License & Management fees	17,134.53	16,272.76
Net loss on foreign currency transactions	-	354.59
Mandatorily measured financial assets at FVTPL-net change in fair value of investments	23.66	-
Miscellaneous	1,424.11	1,528.32
	1,14,141.73	1,10,925.64
Note:		
(i) Payment to auditors (excluding service tax/ goods and services tax)		
Statutory audit	500.00	500.00
Limited review and other services	600.00	600.00
	1,100.00	1,100.00
(ii) Details of expenditure on corporate social responsibility		
(a) Amount required to be spent by Company during the year	4,057.14	3,837.07
(b) Amount spent during the year (in cash)		
(i) On construction / acquisition of any asset	1,558.54	-
(ii) On purpose other than (i) above	2,498.60	3,837.07

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

31 Income Tax

See accounting policy in Note 3.12

A. Amounts recognised in profit or loss

	Year ended 31 March 2019	Year ended 31 March 2018
i. Current tax		
Current period	53,646.26	47,555.37
ii. Deferred tax		
<i>Attributable to-</i>		
Origination and reversal of temporary differences	(1,453.88)	3,156.95
Reduction in tax rate*	-	1,516.58
Tax expense of continuing operations (i)+(ii)	52,192.38	52,228.91

*Consequent to Finance Bill, 2017, the applicable base tax rate for the company has reduced to 25% from 30%. This has resulted in reversal of opening deferred tax asset of INR 1,516.58 as at 31 March 2018

B. Income tax recognised in other comprehensive income

	31 March 2019			31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of defined benefit liability (asset)	(284.00)	82.70	(201.30)	(1,469.12)	423.69	(1,045.43)
Total	(284.00)	82.70	(201.30)	(1,469.12)	423.69	(1,045.43)

C. Reconciliation of effective tax rate

	31 March 2019		31 March 2018	
Profit before tax		175,174.88		175,270.44
Tax using the Company's domestic tax rate	29.12%	51,010.93	28.84%	50,547.99
Effect of:				
Non-deductible expenses	0.67%	1,181.44	0.63%	1,106.61
Reduction in tax rate	-	-	0.87%	1,516.58
Others	0.00%	0.02	-0.54%	(942.28)
Effective tax rate	29.79%	52,192.38	29.80%	52,228.90

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 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Property, plant and equipment	-	-	13,364.47	14,616.25	13,364.47	14,616.25
Provisions - Employee benefits	(708.49)	(423.69)	-	-	(708.49)	(423.69)
Net deferred tax (assets)/ liabilities	(708.49)	(423.69)	13,364.47	14,616.25	12,655.98	14,192.56

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

32 Assets and liabilities relating to employee benefits

	As at 31 March 2019	As at 31 March 2018
Net defined benefit liability- Gratuity plan	2,137.48	3,389.84
Non-current	229.03	1,999.56
Current	1,908.45	1,390.28
Net defined benefit liability - Compensated absences	887.99	1,495.08
Non-current	421.81	764.37
Current	466.18	730.71
Total employee benefit liabilities	3,025.47	4,884.92

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

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

A. Funding

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

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

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

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

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the year	34,468.15	31,461.86
Benefits paid	(2,924.10)	(2,044.61)
Current service cost	1,303.41	1,332.89
Interest cost	2,475.46	2,130.77
Actuarial (gains) losses recognised in other comprehensive income	-	-
- changes in demographic assumptions	21.20	(37.04)
- changes in financial assumptions	(249.56)	(624.73)
- experience adjustments	(1,576.93)	2,249.01
Balance at the end of the year	33,517.63	34,468.15

Reconciliation of the present value of plan assets

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the year	31,078.31	25,803.71
Contributions paid into the plan	3,173.96	5,149.38
Benefits paid	(2,924.10)	(2,044.61)
Interest income	2,393.30	2,051.71
Return on plan assets recognised in other comprehensive income	(2,341.32)	118.12
Balance at the end of the year	31,380.15	31,078.31
Net defined benefit (asset)	2,137.48	3,389.84

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

C.	i. Expense recognised in profit or loss		Year ended 31 March 2019	Year ended 31 March 2018
	Current service cost		1,303.41	1,332.89
	Interest cost		2,475.46	2,130.78
	Interest income		(2,393.29)	(2,049.50)
			1,385.58	1,414.17
	ii. Remeasurements recognised in other comprehensive income			
			Year ended 31 March 2019	Year ended 31 March 2018
	Actuarial (gain)/ loss on defined benefit obligation		(1,805.29)	1,587.24
	Return on plan assets excluding interest income		2,341.32	(118.12)
			536.03	1,469.12

D. Plan assets

Plan assets comprise LIC fund maintained by Company.

E. Defined benefit obligation

i. Actuarial assumptions

	Year ended 31 March 2019	Year ended 31 March 2018
Gratuity		
Discount rate	7.67%	7.50%
Future salary growth	8.00%	8.00%
Attrition rate	1.0% to 3.0%	2%

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

ii. Sensitivity analysis

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

	Year ended 31 March 2019		Year ended 31 March 2018	
	Increase	Decrease	Increase	Decrease
Gratuity				
Discount rate (1% movement)	(1,401.89)	1,518.97	(1,167.27)	1,279.35
Future salary growth (1% movement)	1,703.96	(1,599.91)	1,487.19	(1,387.83)
Attrition rate (1% movement)	(30.63)	32.59	(34.39)	37.03

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

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

33 Financial instruments - Fair value and risk management

A. Accounting classification and fair values

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

31 March 2019

	Carrying amount			
	Mandatorily at FVTPL - others- Level 1 fair value	Other financial assets- amortised cost	Other financial liabilities	Total carrying amount
Financial assets measured at fair value				
Investments	27.85	-	-	27.85
	27.85	-	-	27.85
Financial assets not measured at fair value (Refer note)				
Loans	-	4,740.08	-	4,740.08
Trade receivables	-	32,274.39	-	32,274.39
Cash and cash equivalents	-	13,570.65	-	13,570.65
Bank balances other than cash and cash equivalents	-	871,221.96	-	871,221.96
Other financial assets	-	56,578.73	-	56,578.73
	-	978,385.81	-	978,385.81
Financial liabilities not measured at fair value (Refer note)				
Trade payables	-	-	34,097.93	34,097.93
Other financial liabilities	-	-	3,239.86	3,239.86
	-	-	37,337.79	37,337.79

31 March 2018

	Carrying amount			
	Mandatorily at FVTPL - others- Level 1 fair value	Other financial assets- amortised cost	Other financial liabilities	Total carrying amount
Financial assets measured at fair value				
Investments	51.50	-	-	51.50
	51.50	-	-	51.50
Financial assets not measured at fair value (Refer note)				
Loans	-	4,664.82	-	4,664.82
Trade receivables	-	26,586.51	-	26,586.51
Cash and cash equivalents	-	13,110.81	-	13,110.81
Bank balances other than cash and cash equivalents	-	8,26,465.45	-	8,26,465.45
Other financial assets	-	26,636.90	-	26,636.90
	-	8,97,464.49	-	8,97,464.49
Financial liabilities not measured at fair value (Refer note)				
Trade payables	-	-	35,170.14	35,170.14
Other financial liabilities	-	-	3,239.86	3,239.86
	-	-	38,410.00	38,410.00

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

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

B. Financial risk management

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

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

i. Risk management framework

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

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

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

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 2019	As at 31 March 2018
Trade receivables	32,274.39	26,586.51
Cash and bank balances		
Cash and cash equivalents	13,570.65	13,110.81
Bank balances other than cash and cash equivalent	871,221.96	826,465.45
Loans	4,740.09	4,664.82
Other financial assets	56,578.73	26,636.90

Trade receivables

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

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of nil credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Revenue from one customer of the Company is INR 111,602 thousand (2017-18- INR 116,375 thousand) which is more than ten percent of the Company's total revenue.

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

	Carrying amount	
	As at 31 March 2019	As at 31 March 2018
India	5,471.85	5,775.04
Rest of the world	26,802.54	20,811.47

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

	Carrying amount	
	As at 31 March 2019	As at 31 March 2018
Third parties	3,427.10	2,230.46
Related parties	28,847.30	24,356.05

Cash and bank balances

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

Loans

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

Other financial assets

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

iii. Liquidity risk

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

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

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

	Carrying amount	Total	6 months or less	Contractual cash flows		
				6-12 months	1-2 years	More than 2 years
As at 31 March 2019						
Trade payables	34,097.93	34,097.93	34,097.93	-	-	-
Other financial liabilities	3,239.86	3,239.86	3,239.86	-	-	-
As at 31 March 2018						
Trade payables	35,170.14	35,170.14	35,170.14	-	-	-
Other financial liabilities	3,239.86	3,239.86	3,239.86	-	-	-

iv. Market risk

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

Currency risk

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

Exposure to currency risk

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

	As at 31 March 2019		As at 31 March 2018	
	USD	JPY	USD	JPY
Trade receivables	387.48	-	319.96	-
Trade payables	(2.00)	(23,259.96)	(4.93)	(24,896.35)
Net exposure in respect of recognised assets and liabilities	385.48	(23,259.96)	315.03	(24,896.35)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against USD and JPY at 31 March, 2019 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.

Effects in INR	(Profit) or Loss	
	Strengthening	Weakening
As at 31 March 2019		
USD (1% movement)	3.85	(3.85)
JPY (1% movement)	(232.60)	232.60
As at 31 March 2018		
USD (1% movement)	3.15	(3.15)
JPY (1% movement)	(248.96)	248.96

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

34 Contingent liabilities

(to the extent not provided for)

31 March 2019 31 March 2018

Contingent liabilities

a. Claims against the Company not acknowledged as debt

Income tax matters	2562.24	3,732.66
Excise duty, service tax and customs duty matters	574.31	3,674.45

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

35 Related parties

A Parent and ultimate controlling party

The parent and ultimate controlling party of the Company as at 31 March 2019 is Panasonic Corporation, Japan

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

Holding company	Panasonic Corporation, Japan
Fellow subsidiaries under common control	Panasonic Energy India Co Ltd Panasonic Energy Tanzania Co. Ltd., Tanzania Panasonic Peruana S.A., Peru P.T. Panasonic Gobel Energy Indonesia, Indonesia Panasonic Energy Poland S.A., Poland Panasonic Centroamericana, S.A., Costa Rica Panasonic Management (Thailand) Co. Ltd, Thailand Panasonic Do Brasil Limitada, Brazil Panasonic Energy (Shanghai) Co. Ltd, Shanghai Panasonic India Pvt Ltd Panasonic Asia Pacific Pte. Limited, Singapore
Key Management Personnel	Mr.R. Senthil Kumar, Managing Director Mr. K. Subramanian, Independent Director Mr. A.R.Rao, Independent Director Mr. V.R. Gupte, Independent Director Ms. C. Jayashree, Independent Woman Director

B Transactions with key management personnel

Key management personnel compensation	Year ended 31 March 2019	Year ended 31 March 2018
Managerial Remuneration*	7,658.40	7,026.80
Sitting fees	270.00	285.00
Directors' commission	1,750.00	1,745.50

PANASONIC CARBON INDIA CO. LIMITED

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in thousands of INR)

	Year ended 31 March 2019	Year ended 31 March 2018
Key management personnel compensation payable		
Directors' commission payable	1,750.00	1,745.50
* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.		
Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (See note 28)		
C Related party transactions other than those with key management personnel		
	Transaction value	
	Year ended 31 March 2019	Year ended 31 March 2018
Sale of goods		
Panasonic Energy Poland., S.A.Poland	111,602.39	116,374.92
Panasonic Do Brasil Limitada, Brazil	63,673.57	62,138.73
Panasonic Energy India Co. Ltd.	58,488.61	53,425.90
P.T Panasonic Gobel Energy Indonesia,Indonesia	37,158.57	22,480.13
Panasonic Peruana S.A.,Peru	34,234.11	29,438.03
Panasonic Management Thailand Co. Ltd, Thailand	23,644.76	28,660.50
Panasonic Centro Americana, S.A., Costa Rica	10,881.23	6,619.59
Panasonic Energy (Shanghai) Co. Ltd, Shanghai	8,355.78	11,988.71
Panasonic Energy Tanzania Co. Ltd., Tanzania	-	5,422.23
Purchase of goods		
Panasonic Asia Pacific Pte. Limited, Singapore	2,788.00	5,938.60
Dividend paid		
Panasonic Corporation, Japan	30,368.20	30,368.20
Royalty and brand license fees		
Panasonic Corporation, Japan	16,476.11	15,929.02
Panasonic India Pvt Ltd	-	343.73
Reimbursement of expenses		
Panasonic India Pvt Ltd	2,045.03	1,512.69
Panasonic Corporation, Japan	50.28	33.85
	Balance outstanding	
	31 March 2019	31 March 2018
Balance due from related parties		
Panasonic Energy Poland., S.A.Poland	9,709.51	7,765.33
Panasonic Peruana S.A.,Peru	4,620.36	4,690.58
P.T Panasonic Gobel Energy Indonesia,Indonesia	4,481.58	1,038.90
Panasonic Management Thailand Co. Ltd, Thailand	2,980.25	-
Panasonic Do Brasil Limitada, Brazil	2,769.70	5,097.96
Panasonic Centro Americana, S.A., Costa Rica	2,241.15	2,218.70
Panasonic Energy India Co. Ltd	2,044.75	3,544.58
Balance due to related parties		
Panasonic Corporation, Japan	14,679.55	15,640.91
Panasonic India Pvt Ltd	365.64	130.43

Note

All transactions with related parties are priced at arm's length basis. None of the balances are secured.

PANASONIC CARBON INDIA CO. LIMITED

36 Transfer Pricing

The Company has international/ domestic transactions with related parties. For the year ended 31 March 2018, 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.

37 (a) Research and development

Cost of research and development revenue expenditure aggregated to INR 2,980.13 thousand (31 March 2018 INR 2,682 thousand) which has been debited to various heads of account in the statement of profit and loss. There was no capital expenditure in relation to the same during the year as well as in the previous year.

(b) Disclosure of specified bank notes (SBN)

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2019.

38 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 of Panasonic Carbon India Co. Limited who assesses the financial performance and position of the Company, and makes strategic decisions.

b. Geographical information

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

(i) Revenue

	Year ended 31 March 2019	Year ended 31 March 2018
India (a)	136,581.45	136,670.51
Rest of the world (b)	302,369.11	296,032.09
Total (a+b)	438,950.56	432,702.60

(ii) Non-current assets*

	31 March 2019	31 March 2018
India	83,513.39	93,321.96

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

c. Major customer

Revenue from one customer of the Company is INR 111,602 thousand (2017-18- INR 116,375 thousand) which is more than ten percent of the Company's total revenue.

39 Standards issued but not yet effective

IND AS 116 Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to

PANASONIC CARBON INDIA CO. LIMITED

use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information. The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable at present.

40 Events after the balance sheet date

The Board of Directors have recommended a final dividend of INR 10/- per share amounting to INR 4,80,00,000 on Equity Shares of INR 10/- each for the year, subject to approval from Shareholders. Dividend distribution tax on the same amounts to INR 98,66,541/-

As per our report of even date

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

Chartered Accountants

Firm Registration No: 101248W/W-100022

for and on behalf of the board of directors of

Panasonic Carbon India Co. Ltd.

CIN: L29142TN1982PLC009560

K Raghuram

Partner

Membership No.: 211171

R. Senthil Kumar

Managing Director

DIN: 02170079

S. Kalyanaraman

Director

DIN: 08317984

Vinayagam Sume

Chief Financial Officer

P. Maheswari

Company Secretary

Place : Chennai

Date: 13 May 2019

Place : Chennai

Date: 13 May 2019

PROXY FORM

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

PANASONIC CARBON INDIA CO. LIMITED

(CIN: L29142TN1982PLC009560)

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

Website: www.panasoniccarbon.co.in

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

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

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the Company to be held on Thursday, 8th August, 2019 at 3.00 p.m. at Hotel Quality INN Sabari Grand, No. 29, Thirumalai Road, T. Nagar, Chennai-600017 and at any adjournment thereof in respect of such resolutions as are indicated below.

Ordinary Business

- Adoption of Financial Statements, Reports of the Board of Directors and Auditors thereon for the year ended 31st March, 2019
- Declaration of Dividend on Equity Shareholders of the Company

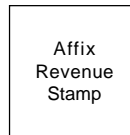
Special Business

- Approving the appointment of Mr.S.Kalyanaraman as an Independent Director of the Company for a term of 3 consecutive years with effect from 1st April, 2019 not liable to retire by rotation.
- Approving the appointment of Mr.Hideyuki Okunaga as a Director of the Company with effect from 13th May 2019 liable to retire by rotation.
- Approving of Payment of Commission to Independent Directors of the Company.
- Approving of Re-appointment of Managing Director and Approval of Remuneration of Managing Director with effect from 1st April 2019.

Signed this..... day of..... 2019

Signature of Shareholder.....

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



Note:

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

ATTENDANCE SLIP

(To be presented at the entrance duly signed)

PANASONIC CARBON INDIA CO. LIMITED

(CIN: L29142TN1982PLC009560)

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

Website: www.panasoniccarbon.co.in

37th ANNUAL GENERAL MEETING

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

- I/We hereby record my/our presence at the 37th Annual General Meeting of the Company being held on Thursday, 8th August, 2019 at 3.00 p.m. Hotel Quality INN Sabari Grand, No. 29, Thirumalai Road, T. Nagar, Chennai-600017
- Signature of the shareholder/Proxy present
- Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

ELECTRONIC VOTING PARTICULARS

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

Note : Please refer to the instructions printed under Notes to the Notice of 37th Annual General Meeting. The Voting period starts from 10.00 a.m. on 5th August, 2019 and ends at 5.00 p.m. (IST) on 7th August, 2019. The voting module shall be disabled by CDSL for voting thereafter.