

**PANASONIC CARBON INDIA CO. LIMITED**  
**34<sup>th</sup> ANNUAL REPORT 2015 - 2016**

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		As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.	
<b>34<sup>th</sup> Annual General Meeting</b>			
		Venue	: <b>Hotel Benz Park No. 62, Thirumalai Pillai Road, T. Nagar, Chennai-600017</b>
		Date	: 29 <sup>th</sup> July, 2016
		Time	: 2.30 p.m.

**Notes:**

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



## PANASONIC CARBON INDIA CO. LIMITED

**NOTICE** IS HEREBY GIVEN THAT THE THIRTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF PANASONIC CARBON INDIA CO. LIMITED will be held on Friday, the 29<sup>th</sup> July, 2016 at 2.30 p.m. at Hotel Benz Park, No. 62, Thirumalai Pillai Road, T. Nagar, Chennai-600017 to transact, with or without modifications, as may be permissible, the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the 34<sup>th</sup> Annual Report of the Board of Directors and Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2016 together with the Auditors' Report thereon.
2. To declare a Dividend
3. To appoint M/s. Brahmaya & Co. Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** Mr. Chiaki Kidani (DIN: 07427620) who was appointed as an additional Director of the Company by the Board of Directors with effect from 12<sup>th</sup> February, 2016 in terms of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company liable to retire by rotation".

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

**"RESOLVED THAT** in accordance with the provisions of section 196,197,203 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 approval of the Company be and is hereby accorded to the re-appointment of

Mr. R. Senthil Kumar (DIN: 02170079) as Managing Director of the Company for a further period of One year with effective from 22<sup>nd</sup> April, 2016 on the Terms and Conditions as specified in the earlier resolutions passed at the time of his appointment as modified by the present resolution and as approved by the Board of Directors with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. R. Senthil Kumar"

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

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

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

**"RESOLVED THAT** in partial modification of the resolutions passed by the Members of the Company at the Annual General Meeting held on 31<sup>st</sup> July, 2014 and in accordance with the provisions of section 196,197,203 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 consent of the Company be and is hereby accorded to the revised Remuneration w.e.f. 1<sup>st</sup> April, 2016 to Mr. R. Senthil Kumar, Managing Director of the Company on the terms as set out hereunder, with further liberty to the Board of Directors to revise his remuneration from time to time as they deem fit within the limits of Schedule V to the Companies Act, 2013 .

Salary: ₹ 3,75,000/- (Rupees Three Lakh and Seventy Five Thousand Only) per month.

(B) Perquisites:

- (i) House Rent Allowance: ₹ 50,000/- (Rupees Fifty Thousand Only) per month

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- (ii) 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 ₹ 2,45,000/- (Rupees Two Lakh Forty Five Thousand Only) per annum.
- (iii) Use of Company's Car and Telephone at residence.

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

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

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

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

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

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

**"RESOLVED THAT** pursuant to Regulation 23(8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 [SEBI Regulations, 2015) and the relevant provisions of the Companies Act, 2013 read with related rules thereto, consent of the company be and is hereby accorded for all related party transactions which are considered as "Material" and already entered in to by the company in the ordinary course of business and also on arm's length basis and existing as on 2<sup>nd</sup> September, 2015" (as detailed in the explanatory statement annexed to the Notice)

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof, determining the exact effective date, if needed to be changed and finalizing and executing necessary documents, including contracts, schemes, agreements, deeds of assignment / conveyance and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution"

**"RESOLVED FURTHER THAT** the Board, be and is, hereby authorised to delegate all or any of the powers herein conferred, to any Director(s), or Chief Financial Officer or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution(s)"

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects"

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

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**“RESOLVED THAT** pursuant to Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 [SEBI Regulations, 2015) and the relevant provisions of the Companies Act, 2013 read with related rules thereto, consent of the company be and is hereby accorded for related party transactions which are considered as “Material” to be entered in to by the company in the ordinary course of business and also on arm’s length basis (as detailed in the explanatory statement annexed to the Notice) for a sum not exceeding 100 crores (Rupees Hundred crores only) per annum for the period commencing from 1<sup>st</sup> April, 2016 upto the end of the financial year 2016-17 and each subsequent financial year till the termination of the said arrangement or any modification in the terms thereof”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof, determining the exact effective date, if needed to be changed and finalizing and executing necessary documents, including contracts, schemes, agreements, deeds of assignment / conveyance and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution”

**“RESOLVED FURTHER THAT** the Board, be and is, hereby authorised to delegate all or any of the powers herein conferred, to any Director(s), or Chief Financial Officer or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution(s)”

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter

referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects”

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

Place : Chennai

**R. SENTHIL KUMAR**

Date : 25<sup>th</sup> May, 2016

MANAGING DIRECTOR

CIN: L29142TN1982PLC009560

Regd.Office: “Pottipati Plaza”, Third Floor,

No.77, Nungambakkam High Road, Chennai - 600 034

Website: [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)

### IMPORTANT NOTES:

1. Explanatory statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of the item 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 23<sup>rd</sup> July, 2016 to 29<sup>th</sup> July, 2016 (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 22<sup>nd</sup> July, 2016.
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.

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- 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 ₹ 6,47,045/- remaining unclaimed out of the dividend for the financial year 2007-08 was transferred to the Investor Education and Protection Fund (IEPF) Account constituted by the Central Government on 24<sup>th</sup> July, 2015.

The unclaimed dividend, if any, for the Financial Year 2008-09 will become transferable to the "Investor Education and Protection Fund Account" on or before 17<sup>th</sup> October, 2016. Therefore, Members are requested to send their claims, if any, for the relevant years from the financial year 2008-09 onwards before the respective amounts become due for transfer to the fund.

The Ministry of Corporate Affairs (MCA) on 10<sup>th</sup> May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends from the financial years 2008-09 as on the date of the 33<sup>rd</sup> Annual General Meeting (AGM) held on 23<sup>rd</sup> July, 2015, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investors Section" on the Website of the Company viz. [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)
8. In respect of Shares held in Electronic Form, the dividend will be payable on the basis of Beneficial Ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. They may please note that the dividend payable to them would be paid through National Clearing Services (NECS) at the available RBI locations. The dividend would be credited to their Bank A/c as per the mandate given by the Members to their Depository Participants (DPs). In absence of availability of NECS facility, the Dividend will be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations.
9. The Shares of the Company have been activated for Dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vide ISIN INE013E01017. Members opt to dematerialize their shares may approach any Depository Participant (DP).
10. In respect of Shares held in physical form, Members desirous of receiving dividends by way of direct credit to their Bank Accounts through NECS may authorize the Company with their NECS mandate. The Members desirous of obtaining the NECS mandate may download the Form from the Website of the Company at [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in) or may write to the Company Secretary at the Registered Office of the Company.
11. Electronic copy of the Notice of the 34<sup>th</sup> Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the Company/Depository 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 copies of the Notice of the 34<sup>th</sup> Annual General Meeting of the Company is being sent in the permitted mode.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited.
13. Members may also note that the Notice of the 34<sup>th</sup> Annual General Meeting and the Annual Report for the year 2015-16 will also be available on the Company's website [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any

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communication, the shareholders may also send requests to the Registrar and Share Transfer Agent's E-mail ID: investor@cameoindia.com

### 14. E-Voting:

The Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 34<sup>th</sup> Annual General Meeting of the Company.

The facility for voting, through ballot / polling paper shall also be made available at the venue of the 34<sup>th</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed M/s. Rabi Narayan & Associates, Practicing Company Secretaries, Chennai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed 22<sup>nd</sup> July, 2016 as the 'Cut-off Date'. The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. 22<sup>nd</sup> July, 2016 only.

The instructions for shareholders voting electronically are as under:

- i) The remote e-voting period begins on 26<sup>th</sup> July, 2016 at 9.00 a.m. (IST) and ends on 28<sup>th</sup> July, 2016 at 5.00 p. m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22<sup>nd</sup> July, 2016 may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on 28<sup>th</sup> July, 2016.
- 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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use first two letters of their name and the 8 digits of the Sequence Number in the PAN Field.</p> <p>* In case the sequence no is less than 8 digits enter the applicable no of 0's before the number after the first two characters name in CAPITAL letters. Eg. if your name is Ramesh Kumar with sequence no 1 then enter R00000001 in the PAN field (Sequence no has been provided as sl no. in the address lable.)</p>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> <p>Enter the Dividend Bank Details / Date of Birth in as recorded in your demat account or in dd/mm/yyyy format as recorded in you demat account or in the company records</p>

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for the said demat account or folio in order to login.

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 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 for the relevant <Company Name> on which you choose to vote. In this case, it would be Panasonic Carbon India Co. Ltd.
- 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii) If you as a Demat account holder have forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 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. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. 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](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)



# PANASONIC CARBON INDIA CO. LIMITED

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

### Item No.4:

At the Board Meeting held on 12<sup>th</sup> February, 2016 Mr. Chiaki Kidani was appointed as an additional Director under the Articles of Association of the Company and pursuant to section 161 of the Companies Act, 2013. Mr. Chiaki Kidani will hold office only up to the date of this Annual General Meeting and he offers himself for re-appointment. The Company has received a notice in writing from a member along with a deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing Mr. Chiaki Kidani as a Director liable to retire by rotation.

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

Mr. Chiaki Kidani represents the Promoter Director on the Board. He shall not be paid any Sitting Fee for attending the Meetings of the Board or Committee thereof.

Mr. Chiaki Kidani does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

None of the Directors and Key Managerial Personnel (KMP) of the Company except Mr. Chiaki Kidani, being the appointee, is interested in this resolution. The Board commends passing of the Resolution set out at item No.4 of the Notice convening the Meeting.

### Item No.5:

At the Annual General Meeting of the Company held on 25<sup>th</sup> July, 2013, Mr. R. Senthil Kumar was re-appointed as the Managing Director of the Company for a period of Three years from 23<sup>rd</sup> April, 2013 to 22<sup>nd</sup> April, 2016. Accordingly, the present term of his appointment expired on 22<sup>nd</sup> April, 2016.

In view of the contributions made by Mr. R. Senthil Kumar and his extensive knowledge of Company's operations, sincere and dedicated work, rich experience and expertise in managing the affairs of the Company, the Collaborators, M/s. Panasonic Corporation, Japan, recommended Mr. R. Senthil Kumar as a competent person to accomplish the duty of Managing Director of the Company for further periods. The Board of Directors of the Company as recommended by the Nomination and Remuneration Committee at its meeting held on 12<sup>th</sup> February, 2016 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 with effective from 23<sup>rd</sup> April, 2016 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 the resolution is now placed before you for consideration and approval.

Mr. R. Senthil Kumar, Managing Director shall not be paid any sitting fees for attending the Meetings of the Board or any Committee thereof. Either party has option to terminate his appointment by giving a notice in writing to the other party at least three months in advance.

His qualification and experience are detailed under the heading Information about the Directors to be appointed/reappointed which forms part of the notice.

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

None of the Directors and Key Managerial Personnel (KMP) of the Company except Mr. R. Senthil Kumar, being the appointee, is interested in this resolution. The Board commends passing of this resolution as set out at item No. 5 of the Notice convening the Meeting.

### Item No.6:

The Board of Directors at their meeting held on 23<sup>rd</sup> January, 2013 re-appointed Mr. R. Senthil Kumar as Managing Director and approved his remuneration. The said re-appointment and remuneration had also been approved by the Shareholders at the Annual General Meeting held on 25<sup>th</sup> July, 2013.

Considering the contribution and performance of Mr. R. Senthil Kumar for the growth of the Company and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at

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their Meeting held on 12<sup>th</sup> February, 2016 revised his remuneration with effect from 1<sup>st</sup> April, 2016 subject to your approval.

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

He shall not be paid any sitting fees for attending the Meetings of the Board or Committee thereof.

None of the Directors and Key Managerial Personnel (KMP) of the Company except Mr. R. Senthil Kumar is interested in this Resolution. The Board commends passing of the resolution set out at item no.6 of the Notice convening the Meeting.

### Item No.7:

As per requirements of Regulation 23(8) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI Regulation, 2015) all existing related party transactions which are considered as "Material" and entered into prior to the notification of the above regulation i.e., 2nd September, 2015 shall require approval of the shareholders in the first Annual General Meeting held subsequent to the notifications of these regulation.

As per the explanation to Regulation 23(1) a transaction with a related party shall be considered "Material" if the transaction(s) to be entered in to 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 of 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.

Hence, resolution No.7 of the notice convening the Annual General Meeting is placed before the shareholders seeking their approval for the following related party transactions which are considered as "Material" and are existing as on 2<sup>nd</sup> September, 2015.

Sl.No	Name of the related party	Name of the Director/ KMP who is related and nature of their relationship	Nature, Material terms, monetary value and particulars of contracts or arrangements	Any other information relevant or important for members to take a decision on the proposed resolution
1	Panasonic Energy India Co. Ltd., India	Mr. Mitsutoshi Shigeta, Common Director	Sale of Carbon Rods	All related party transactions were in the ordinary course of business and on Arm's length basis
2	Panasonic energy, Poland	Mr. Mitsutoshi Shigeta, Common Director	Sale of Carbon Rods	All related party transactions were in the ordinary course of business and on Arm's length basis

The above information shall be considered as additional information required to be disclosed pursuant to rule 15 of Companies (Meeting of Board and its power) Rules, 2014.

According to the provisions of Regulation 23(4) of SEBI Regulation, 2015 related parties shall abstain from voting on this Resolution. (Resolution No. 7 of the Notice)

None of the Directors and Key Managerial Personnel (KMP) of the Company except Mr. Mitsutoshi Shigeta interested in this Resolution. The Board commends passing of the resolution set out at item no.7 of the Notice convening the Meeting.

### Item No. 8:

As per requirements of Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI Regulation, 2015) all prospective related party transactions which are considered as "Material" shall require approval of the shareholders.

## PANASONIC CARBON INDIA CO. LIMITED

As per the explanation to Regulation 23(1) a transaction with a related party shall be considered "Material" if the transaction(s) to be entered in to 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 of parent company for the past so many years. All related party transactions to be entered in to would be on an arm's length basis and in the ordinary course of business.

Hence, it is proposed to secure shareholders approval on resolution No.8 of the notice convening the Annual General Meeting for approving the prospective material related party transactions for the period commencing from 1<sup>st</sup> April, 2016 upto the end of the financial year 2016-17 and each subsequent financial year till the termination of the said arrangement or any modification in the terms thereof.

The above information shall be considered as additional information required to be disclosed pursuant to rule 15 of Companies (Meeting of Board and its power) Rules, 2014.

According to the provisions of Regulation 23(4) of SEBI Regulation, 2015 related parties shall abstain from voting on this Resolution. (Resolution No. 8 of the Notice)

None of the Directors and Key Managerial Personnel (KMP) of the Company except Mr. Chiaki Kidani is interested in this Resolution. The Board commends passing of the resolution set out at item no.8 of the Notice convening the Meeting.

### **INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED**

#### **MR. CHIAKI KIDANI**

Mr. Chiaki Kidani is a Science Graduate from Hiroshima University, Japan. He started his career with M/s. Sanyo Electric Co. Limited, Japan, in 1984 as Business Division Director and up to year 2015 worked in various positions in different divisions. Presently, he is a Director of Energy Device Business Division, Automotive and Industrial Systems Company, Panasonic Corporation. Japan.

Mr. Chiaki Kidani is nominated by our Collaborators and employed in Japan.

He is a Director on the Board of Ten other Foreign Companies and Director of M/s. Panasonic Energy India Co. Limited, India.

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

Mr. R. Senthil Kumar, aged about 58 years 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 also apart from improving his Departmental Work. During his past 33 years of experience he had excelled not only in Accounts and Finance related matters but also in the entire Operations of the Works and Administration. He has been elevated to the position of Managing Director of your Company by the Collaborators, M/s. Panasonic Corporation, Japan.

In the year 2016, our Collaborators have recommended him as competent personnel to accomplish the duty of Managing Director of your Company for further period, 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 your Company.

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

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

**R. SENTHIL KUMAR**  
MANAGING DIRECTOR

Place : Chennai  
Date : 25<sup>th</sup> May, 2016

CIN: L29142TN1982PLC009560  
Regd.Office: "Pottipati Plaza", Third Floor,  
No.77, Nungambakkam High Road, Chennai - 600 034  
Website: www.panasoniccarbon.co.in

# PANASONIC CARBON INDIA CO. LIMITED

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

Your Directors have pleasure in presenting to you their 34<sup>th</sup> Annual Report together with the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 and the Auditors' Report thereon.

### 1. FINANCIAL RESULTS:

The summarized working results for the year ended 31<sup>st</sup> March, 2016 as compared with the earlier year are as under:

₹ in Lakhs

Particulars	2015-16	2014-15
Gross Income	<b>5491.93</b>	4693.37
Profit Before Interest and Depreciation	<b>2130.07</b>	1466.08
Finance Charges	-	-
Gross Profit before Depreciation	<b>2130.07</b>	1466.08
Provision for Depreciation	<b>45.11</b>	65.33
Net Profit Before Tax	<b>2084.96</b>	1400.75
Provision for Tax	<b>738.55</b>	486.63
Net Profit After Tax	<b>1346.40</b>	914.12
Balance of Profit brought forward from previous year	<b>10.42</b>	8.48
Balance available for appropriation	<b>1356.82</b>	922.60
Proposed Dividend on Equity Shares	<b>480.00</b>	384.00
Tax on proposed Dividend	<b>97.71</b>	78.18
Transfer to General Reserve	<b>750.00</b>	450.00
Surplus carried to Balance Sheet	<b>29.11</b>	10.42

### 2. DIVIDEND :

Your Directors recommend an increased dividend of ₹10/- per share (i.e.) 100%. The same is in line with the financial strategy and policy of the company. This dividend if approved by you at the ensuing 34<sup>th</sup> Annual General Meeting will be paid to the Shareholders whose names appear in the Register of Members as on the date of said Meeting.

### 3. MANAGEMENT DISCUSSION AND ANALYSIS:

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

Your Company sold 2668 Mln. Pcs. of Carbon Rod, as against 2303 Mln. Pcs., which is 116% of

Sales of last year. The Domestic Sales Quantity and Value were 1079 Mln. Pcs. and ₹16.57 Crores respectively which works out to 99.72% and 100.66% of the Sales of last year. The decrease in Domestic Sales was on UM-1 and UM-3 Carbon Rods and increase on UM-4 when compared to last year.

The Export Sales Quantity and value were 1588Mln. Pcs. and ₹ 31.79 Crores respectively compared to last year's quantity of 1221Mln. Pcs. and ₹ 24.13 Crores which works out to 130% by quantity and 132% 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 and other African customers on regular basis. Though we could not get the orders from some of the African countries as planned due to political disturbances in those countries, we could get additional export orders from Panasonic group Companies.

During the year, though there is steep increase in electricity cost, the electricity consumption reduced by promoting energy conservation activities and by increasing the productivity. The fuel consumption in tunnel kiln reduced by 5% through usage of in-house made light weight bricks, modified and increased loading capacity refractory cars and stabilization of car loading pattern in tunnel kiln. The usage of alternate fuel in place of furnace oil for thermic fluid heaters resulted in significant reduction of fuel consumption cost. The increase in profitability for the current year is mainly due to additional orders from our Panasonic group companies, favorable furnace oil price, reduction of fuel and energy consumption, significant improvement in yield, productivity and the results of various cost reduction and control measures initiated.

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

The Company has increased the production capacity of R-6 and R-03 carbon rods by installing additional machineries to meet the increased demand in the Domestic and International Markets in the years to come.

Your Company is also hopeful in maintaining the Domestic Sales by maintaining the quality and timely supply. In the Export Front, the Company is depending on the Battery market trend of various countries. Based on the present indications, your Company is confident of maintaining the current year's

levels of export quantities in the coming years and also initiating efforts for improving the same. The Directors assure that all steps are being taken by the Company to achieve growth in the coming years, in proportion to the growth of the Dry Battery Industry by giving due consideration to the adverse conditions, if any, in the Dry Battery Industry. There are no materially significant threats, risks or concerns to the Company.

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

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

By value, while Domestic Sales was 34%; Exports Sales was 66%.

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

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

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

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

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

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

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

The Company's Securities are listed with BSE Ltd. The company confirms that it has paid the Annual Listing Fees to the said stock exchange for the financial year 2015-16 and there are no arrears.

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

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

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

Pursuant to the Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a detailed report on Corporate Governance as updated with the particulars of this financial year, is annexed to this report as Annexure-2 together with Report of the Auditors on the compliance with the said Code.

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

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

#### **12. ENVIRONMENT:**

Your Company has consistently emphasized and worked towards sustainable use of natural resources. In order to promote the Environment Awareness for everybody and everywhere with an objective to create awareness and boost the PCIN brand image on a global basis, your company had observed the June month as "Environment month" and organized the "ECO" relay event on 25<sup>th</sup> June, 2015 at the TADA Village where your factory is located. The Company had distributed T-Shirts and Caps with the slogan inscribed on ECO Activities to participants especially students from TADA School. The Company actively makes effort to increase awareness among the students about the global warming, waste reduce, reuse, recycle and energy saving tips to sustain the environment and environmental protection. The Company constantly evaluates the new initiatives that could reduce waste and emissions within the factories.

## PANASONIC CARBON INDIA CO. LIMITED

### 13. DIRECTORS:

Mr. Mitsutoshi Shigeta had resigned from the Board of your Company effective 1<sup>st</sup> January, 2016.

Mr. Kunal Jiwrajka had resigned from the Board of your Company effective 21<sup>st</sup> January, 2016.

The Board of Directors places on record their appreciation for the valuable contribution made by Mitsutoshi Shigeta and Kunal Jiwrajka for the growth of the Company during their tenure of Directorship.

Mr. Chiaki Kidani was appointed as an additional Director at the Board Meeting held on 12<sup>th</sup> February, 2016.

Mr. R. Senthil Kumar was re-appointed as Managing Director of the Company for a period of one year with effective from 22<sup>nd</sup> April, 2016.

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

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

### 14. MEETINGS OF THE BOARD:

Four meetings of the Board of Directors were held during the year. For details of the meetings of the Board, please refer to the Corporate Governance Report.

### 15. PERFORMANCE EVALUATION:

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

### 16. REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and other employees.

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, key managerial personnel and other employees of the quality required to run the Company successfully.

### 17. DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. followed in the preparation of financial Statements, the applicable Accounting Standards and given proper explanation relating to material departures, if any;
2. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit and Loss Account of the Company for that period;
3. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the Assets of the Company and to prevent and detect fraud and other irregularities;
4. prepared the Annual Accounts on a Going Concern basis;
5. laid down internal financial controls in the company and that are adequate and were operating effectively; and
6. devised proper systems to ensure compliance with the provisions of all

applicable laws and these are adequate and are operating effectively.

### 18. CORPORATE SOCIAL RESPONSIBILITY:

As part of its initiatives under "Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of Education, Health Care, Drinking Water, Rural Development and Sanitation. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

With the applicability of Section 135 of the Act coming into force, 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 2015-16 forming part of this report as Annexure-3. The Policy adopted by the Company can be viewed at [www.panasoniccarbo.co.in](http://www.panasoniccarbo.co.in)

### 19. GREEN INITIATIVE:

During the year 2014-15, we started a sustainability initiative with the aim of going green and minimizing our impact on the environment. Like the previous year, this year too, we are publishing only the statutory disclosures in the print version of the Annual Report. Additional information is available on our website, [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)

Electronic copies of the Annual Report 2015-16 and Notice of the 34<sup>th</sup> AGM are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2015-16 and the Notice of the 34<sup>th</sup> Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary, M/s. Panasonic Carbon India Co. Limited.

The Company is providing 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 e-voting are provided in the Notice.

### 20. EXTRACT OF ANNUAL RETURN:

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

### 21. SECRETARIAL AUDIT:

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

### 22. PARTICULARS OF EMPLOYEES:

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

### 23. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND 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 2015-16 under review.

### 24. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered in to by the company during the financial year were on an arm's length basis and 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) (h) of the Act read with Rule 8(2) of the Companies

## PANASONIC CARBON INDIA CO. LIMITED

(Accounts) Rules, 2014 information pertaining to related parties are given in Form AOC-2 as Annexure-7 of this report.

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

As per requirements of Regulation 23(8) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI Regulation, 2015) all existing related party transactions which are considered as "Material" and entered into prior to the notification of the above regulation i.e. 2<sup>nd</sup> September, 2015 shall require approval of the shareholders in the first Annual General Meeting held subsequent to the notifications of these regulation.

As per the explanation to Regulation 23(1) a transaction with a related party shall be considered "Material" if the transaction(s) to be entered in to 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 of 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.

Hence, resolution No.7 of the notice convening the Annual General Meeting is placed before the shareholders seeking their approval for the following related party transactions which are considered as "Material" and are existing as on 2<sup>nd</sup> September, 2015.

As per requirements of Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI Regulation, 2015) all prospective related party transactions which are considered as "Material" shall require approval of the shareholders.

Hence, it is proposed to secure shareholders approval on resolution No.8 of the notice convening the Annual General Meeting for approving the prospective material related party transactions for the period commencing from 1<sup>st</sup> April, 2016 upto the end of the financial year 2016-17 and each subsequent

financial year till the termination of the said arrangement or any modification in the terms thereof.

### 25. WHISTLE BLOWER POLICY/VIGIL MECHANISIM

In compliance with provisions of Section 177 of the Act, the Board of Directors of the Company has adopted a Vigil Mechanism which comprises 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, actual or suspected fraud or violation of Company's code of conduct or ethics policy, thereby ensuring that the activities of the Company are conducted in a fair and transparent manner. The said policy is available at the Company's website at [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in).

We further affirm that no employee has been denied access to the audit committee during year 2015-16.

### 26. STATUTORY AUDITORS:

The Statutory Auditors of the Company, M/s.Brahmayya & Co. (Firm Registration No. 000511S), Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting of the Company. As per section 139 of the Companies Act, 2013 and rules made thereunder it is proposed to appoint M/s. Brahmayya & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to till the conclusion of the next Annual General Meeting of the Company.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The re-appointment proposed is within the time frame for transition under the third proviso to sub-section (2) of Section 139 of the Companies Act, 2013.



## PANASONIC CARBON INDIA CO. LIMITED

The Report given by the Auditors on the financial statement of the Company is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

### 27. COST AUDITORS:

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost records and audits) Rules, 2014, as amended, Carbon Rod products manufactured by the Company and falling under the specified Central Excise Tariff Act heading, are not covered under the ambit of mandatory cost audit from the financial years commencing on or after 1<sup>st</sup> April, 2015.

### 28. INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each Independent Director of the Company under Section 149 (7) of the Companies Act, 2013 confirming that they meet with the criteria of 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 12<sup>th</sup> February, 2016 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.

### 29. RISK MANAGEMENT :

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

### 30. DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Pursuant to the provisions of section 203 of the Act Mr. R. Senthil Kumar, Managing Director & CEO, Mr. P. Venkateswara Rao, Chief Financial Officer and Mr. R. Manoranjan, Company Secretary of the Company are the Key Managerial Personnel (KMP) of the Company as on date of this report. The remuneration and other details of KMP for the FY 2015-16 are provided in Extract of the Annual Return which forms part of this Directors' report.

### 31. OTHER DISCLOSURES

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

There was no change in the nature of business during FY 2015-16.

The Company does not have any subsidiary, joint ventures or associates.

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

### 32. ACKNOWLEDGEMENT:

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

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

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

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

Place : Chennai  
Date: 25<sup>th</sup> May, 2016

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

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 1 to the 34<sup>th</sup> Annual Report of the Board of Directors

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

[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 7.80% reduction in consumption of electricity was achieved by re-layout of Crushing process machineries and introducing the Variable Frequency Drives for certain machineries. Further power saving was done saving by replacing Fluorescent and Mercury Vapor lamps with LED tubes and street lights all over the factory.

During the year under review, reduction in consumption of furnace oil was achieved by 12% by introducing pitch crushing process instead of melting, de-hydration and binder aging process, modifying impregnation process operations and by using in house made modified refractory bricks in construction of kiln car.

#### B. TECHNOLOGY ABSORPTION:

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

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

- Removal of coal tar pitch melting, coal tar dehydration, and binder aging processes by introducing the powder pitch.
- Modification of UM-3 and UM-1 composition for improving quality and yield.
- Introduction of new source for some of the raw materials.
- Usage of Pyrolysis oil in place of Furnace Oil in Thermic Fluid Heaters (Boilers)
- Productivity improvement in UM-4 carbon rods.

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

- Significant cost reduction achieved due to introduction of powder pitch.
- Modification of Composition reduced the cost as well as the dependence on imports as some materials are not available in our country.

- Improving firing efficiency, reduction energy cost by using alternate and environment friendly fuel oil in Boilers.
- Improved UM-4 carbon productivity and reduced recycles generation.

#### 3. Future plan of action:

- Removal of Coal Tar usage.
- Develop substitute material for Sulphur.
- Improve working and environment conditions in process..

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

Total Expenditure - Revenue	₹21.29 lakhs
R&D Expenditure as a percentage to total turnover	0.44%

#### Technology absorption, adaptation and Innovation:

- Efforts taken to improve upon technology absorption, adaptation and innovation.  
Effective use of alternate material for UM-3 and introduction of coal tar pitch crushing process.
- Benefits derived as a result of the above.  
Reduction of fuel cost, productivity improvement, quality improvement and improved environmental friendly operations.
- Imported technology (imported during last five years)  
Except for regular up-gradation of the know-how, no specific technology had been imported in the last five years.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO:

- Activities relating to Exports:** Initiatives taken to increase exports; development of new export markets for Products and services and export plans.

- Total Foreign Exchange used and earned:**

Total foreign exchange used in the year ended 31<sup>st</sup> March, 2016 towards Import of Raw materials and other remittances like Royalty, Dividend, Commission on Sales etc., was ₹ 11.95 Crores. With regard to the earning of Foreign Exchange, the direct inflow of foreign currency due to Exports worked out to ₹31.79 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 ₹16.57 Crores.

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 3 to the 34<sup>th</sup> Annual Report of the Board of Directors

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.  
CSR Policy of the company has been uploaded in the company's website at [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in)
2. The Composition of the CSR Committee.
  1. Mr V.R Gupte, Chairman (Independent Director)
  2. Mr. K. Subramanian, Member (Independent Director)
  3. Mr A. Raghavendra Rao, Member (Independent Director)
  4. Mr. R. Senthil Kumar, Member (Managing Director & CEO)
3. Average net profit of the company for last three financial years is ₹ 11,90,42,676/-
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)  
The Company is required to spend ₹ 23,80,854/- towards CSR.
5. Details of CSR spent during the financial year.  
Total amount spent for the financial year is ₹ 24,06,294/- as against ₹ 23,80,854/-
6. Amount unspent, if any;  
NIL
7. Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project/activity	Sector in which the Project is covered	Location	Amount outlay (budget) project or programwise  (Amount in ₹)	Amount spent on the projects or Programwise  (Amount in ₹)	Cumulative expenditure upto to the reporting period  (Amount in ₹)	Amount spent: Direct or through implementing agency
1	Laying of 50 mm thick asphalt road in Tada village	Rural Development	Tada, Andhra Pradesh, Nellore District	16,20,000	17,61,829	17,61,829	Directly
2	Construction of Library for girls at Z.P School, Tada. The Library building will be of total two floors. Construction of ground floor for girls has been completed in the year 2015-16. Construction of first Floor for boys has been completed in the current year 2016-17	Education	Tada, Andhra Pradesh, Nellore District	8,00,000	6,44,465	24,06,294	Directly

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

Place : Chennai  
Date : 25th May, 2016

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

# PANASONIC CARBON INDIA CO. LIMITED

Annexure - 4 to the 34<sup>th</sup> Annual Report of the Board of Directors

## EXTRACT OF ANNUAL RETURN

financial year ended on 31.03.2016

FORM NO. MGT - 9

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

SI No	I. Registration and other details	
1	CIN	L29142TN1982PLC009560
2	Registration Date	06/09/1982
3	Name of the Company	PANASONIC CARBON INDIA CO. LIMITED
4	Category / Sub-Category of the Company	Company having Share Capital
5	Address of the Registered Office and contact details	Pottipati Plaza, 77 (Old. No.35), Nungambakkam High Road, Third Floor, Nungambakkam, Chennai-600034 Tamil Nadu Ph : 044-28275216/28263010 Email id: manoranjan.r@jp.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 and address of the Company	CIN / GLN	Holding / subsidiary/ associate	% of shares held	Applicable Section
PANASONIC CORPORATION	Not Applicable	HOLDING	63.27	2(46)

# PANASONIC CARBON INDIA CO. LIMITED

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

### i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of the total Shares	Demat	Physical	Total	% of the total Shares	
<b>A Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	453369	0	453369	9.4452	67338	0	67338	1.4029	-8.0423
b) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Bodies Corporate	25804	0	25804	0.5376	25804	0	25804	0.5376	0.0000
e) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-Total (A)(1):</b>	<b>479173</b>	<b>0</b>	<b>479173</b>	<b>9.9828</b>	<b>93142</b>	<b>0</b>	<b>93142</b>	<b>1.9405</b>	<b>-8.0423</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Other - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corporate	3036820	0	3036820	63.2670	3036820	0	3036820	63.2670	0.0000
d) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-Total (A)(2):</b>	<b>3036820</b>	<b>0</b>	<b>3036820</b>	<b>63.2670</b>	<b>3036820</b>	<b>0</b>	<b>3036820</b>	<b>63.2670</b>	<b>0.0000</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>3515993</b>	<b>0</b>	<b>3515993</b>	<b>73.2498</b>	<b>3129962</b>	<b>0</b>	<b>3129962</b>	<b>65.2075</b>	<b>-8.0423</b>
<b>B Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Banks / FI	0	150	150	0.0031	0	150	150	0.0031	0.0000
c) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
g) FIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
h) Foreign Venture Capital	0	0	0	0.0000	0	0	0	0.0000	0.0000
i) Others (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-Total (B)(1):</b>	<b>0</b>	<b>150</b>	<b>150</b>	<b>0.0031</b>	<b>0</b>	<b>150</b>	<b>150</b>	<b>0.0031</b>	<b>0.0000</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	118377	2847	121224	2.5255	335746	2847	338593	7.0540	4.5285
ii) Overseas	0	0	0	0.0000	0	0	0	0	0.0000
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital up to 1 lakh	799695	130438	930133	19.3778	928362	115494	1043856	21.7470	2.3692
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	104890	12000	116890	2.4352	72872	0	72872	1.5182	-0.9170
<b>c) Others (FI)</b>									
i) Shares held by Pakistani citizens vested with the custodian of enemy property	0	0	0	0.0000	0	0	0	0	0.0000
ii) Other Foreign / Nationals	0	0	0	0.0000	0	0	0	0	0.0000
iii) Foreign Bodies	0	0	0	0.0000	0	0	0	0	0.0000
iv) NRI / OCBs	43369	187	43556	0.9074	52792	187	52979	1.1037	0.1963
v) Clearing Members/ Clearing House	1086	0	1086	0.0226	51093	0	51093	1.0644	1.0418
vi) Hindu Undivided Families	70968	0	70968	1.4785	75495	0	75495	1.5728	0.0943
vii) Limited Liability Partnership	0	0	0	0.0000	0	0	0	0	0.0000
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0.0000	0	0	0	0	0.0000
ix) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0	0.0000
<b>Sub-Total (B)(2):</b>	<b>1138385</b>	<b>145472</b>	<b>1283857</b>	<b>26.7470</b>	<b>1551360</b>	<b>118528</b>	<b>1669888</b>	<b>34.7893</b>	<b>8.0423</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1138385</b>	<b>145622</b>	<b>1284007</b>	<b>26.7501</b>	<b>1551360</b>	<b>118678</b>	<b>1670038</b>	<b>34.7925</b>	<b>8.0423</b>
<b>C Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>
<b>Grand Total (A+B+C)</b>	<b>4654378</b>	<b>145622</b>	<b>4800000</b>	<b>100.0000</b>	<b>4681322</b>	<b>118678</b>	<b>4800000</b>	<b>100.0000</b>	<b>0.0000</b>

## PANASONIC CARBON INDIA CO. LIMITED

### ii) Shareholding of Promoters

Sl No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Panasonic Corporation	3036820	63.2670	-	3036820	63.2671	-	0.0000
2	JSK Marketing Pvt Ltd	25804	0.5376	-	25804	0.5376	-	0.0000
3	Krishna Kumar Jiwaraajka (HUF)	151000	3.1458	-	0	0.0000	-	-3.1458
4	Krishna Kumar Jiwaraajka	151442	3.1550	-	0	0.0000	-	-3.1550
5	Gopal Kumar Jiwaraajka	1000	0.0208	-	1000	0.0208	-	0.0000
6	R.P Khaitan	10	0.0002	-	10	0.0002	-	0.0000
7	Laxmi Devi Jiwaraajka	149917	3.1233	-	66328	1.3818	-	-1.7414
	<b>Total</b>	<b>3515993</b>	<b>73.25</b>	<b>-</b>	<b>3129962</b>	<b>65.21</b>	<b>-</b>	<b>-8.0422</b>

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

Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>Krishna Kumar Jiwaraajka (HUF)</b>				
At the beginning of the year	151000	3.15	151000	3.15
Transaction (transferred during the year)	151000	3.15	0	0
At the end of the year	0	0	0	0.00
<b>Krishna Kumar Jiwaraajka</b>				
At the beginning of the year	151442	3.16	151442	3.16
Transaction (transferred during the year)	151442	3.16	0	0
At the end of the year	0	0	0	0.00
<b>Laxmi Devi Jiwaraajka</b>				
At the beginning of the year	149917	3.12	149917	3.12
Transaction (transferred during the year)	83589	1.74	83589	1.74
At the end of the year	66328	1.38	66328	1.38

## PANASONIC CARBON INDIA CO. LIMITED

### iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl No	For Each of the Top 10 Shareholders	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
1	Raghvendra	39,875	0.8307	37,422	0.7796
2	Ramakant	30,000	0.6250	30,000	0.6250
3	Meka Thirupathi V.P. Rama Rao (HUF)	26,492	0.5519	28,497	0.5937
4	SRL Impex Pvt. Limited	25,000	0.5208	25,000	0.5208
5	Savitri Devi Jiwarajka	21,015	0.4378	12,908	0.2689
6	Sunil Kumar Gupta	21,000	0.4375	20,000	0.4167
7	Santosh Kumar Khemka and Family	24,000	0.5000	10,000	0.2083
8	Pivotal Business Managers LLP	-	-	100,000	2.0833
9	Sharekhan Financial Services Pvt Ltd	-	-	58,405	1.2168
10	ICICI Securities Ltd	-	-	43,940	0.9154
11	Vikram Pratapbhai Kotak Fine Estate Pvt Ltd	-	-	35,450	0.7385
12	Orange Mauritius Investment Ltd	-	-	35,000	0.7292
13	Shree Mahabir Cotton Fabrics Pvt Limited	-	-	23,575	0.4911
14	PRS Shares and Finance Pvt Limited	-	-	24,476	0.5099
15	Vijay Kumar R	12000	0.2500	-	-
16	Subramanyan Pisupati	11000	0.2292	-	-

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

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

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No of Shares	% of total shares of the company
<b>Mr. R. Senthil Kumar, Managing Director</b>				
At the beginning of the year	1134	0.0236	1134	0.0236
Transaction (transferred during the year)	1000	0.0208	1000	0.0208
At the end of the year	134	0.0028	134	0.0028
	<b>Name of the Key Managerial Personnel</b>			
For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No of Shares	% of total shares of the company
<b>Mr. P. Venkateswara Rao, Chief Financial Officer</b>				
At the beginning of the year	155	0.0032	155	0.0032
Transaction (transferred during the year)	140	0.0029	00	0.0000
At the end of the year	15	0.0003	15	0.0003
<b>Mr. R. Manoranjan, Company Secretary</b>				
At the beginning of the year	-	-	-	-
Transaction (purchased during the year)	2	0.0000	2	0.0000
At the end of the year	2	0.0000	2	0.0000

\* 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. INDEBTEDNESS

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

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr.No	Particulars of Remuneration	Mr. R. Senthil Kumar	Total Amount
	Gross Salary		
1	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	4290000	4290000
	b) Value of perquisites under section 17(2) of Income Tax Act, 1961	128278	128278
	c) profit in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission -as a percentage of profit	-	-
5	Contribution to PF, Medical and Superannuation etc.	753600	753600
	<b>Total (A)</b>	5171878	5171878

### B. Remuneration to other Directors:

#### 1. Independent Directors

Sr.No	Particulars of Remuneration	Name of the Director				Total Amount
		Mr.V.R.Gupte	Mr.A.R.Rao	Mr.K.Subramanian	Mrs. C. Jayashree	
1	Fee for attending Board / Committee Meetings	90000	90000	90000	40000	310000
2	Commission	453539	453539	453539	453539	1814156
3	Others Please Specify		-	-	-	-
	<b>Total (B) (1)</b>	<b>543539</b>	<b>543539</b>	<b>543539</b>	<b>493539</b>	<b>2124156</b>



## PANASONIC CARBON INDIA CO. LIMITED

### 2. Other Non Executive Directors

Sr.No	Particulars of Remuneration	Name of the Director		Total Amount
		Mr.Kunal Jwarajka*	Mr.Chiaki Kidani**	
1	Fee for attending Board / Committee Meetings	30000	0	30000
2	Commission	340152	0	340152
3	Others Please Specify	-	-	0
	<b>Total (B) (2)</b>	<b>370152</b>	<b>0</b>	<b>370152</b>
<b>3.</b>	<b>Total (B)=(B)(1)+(B)(2)</b>	<b>913691</b>	<b>543539</b>	<b>2494308</b>

\*Relinquished his office with effect from 21<sup>st</sup> January, 2016

\*\*Appointed as additional Director with effect from 12<sup>th</sup> February, 2016

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

Sr.No	Particulars of Remuneration	Key Managerial Personnel		Total amount
		Mr. P.V. Rao Chief Financial Officer	Mr. R. Manoranjan 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	1327775	636640	1964415
2	Stock Options	-	-	
3	Sweat Equity	-	-	
4	Commission - as % of profit	-	-	
5	-others, specify	-	-	
	<b>Total (C)</b>	<b>1327775</b>	<b>636640</b>	<b>1964415</b>

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

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

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 5 to the 34<sup>th</sup> Annual Report of the Board of Directors

Form No. MR-3

### SECRETARIAL AUDIT REPORT

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

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

To,

**The Members of PANASONIC CARBON INDIA CO. LIMITED,**

We were appointed by the Board of Directors **PANASONIC CARBON INDIA CO. LIMITED** (hereinafter called the Company) to conduct Secretarial Audit for the financial year ended 31<sup>st</sup> March, 2016.

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, 2016 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder, as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as applicable;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – Not Applicable

- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- (As amended from time to time)
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements), 2009 – Not applicable as the Company did not issue any security during the financial year under review;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Effective 28<sup>th</sup> October 2014) – Not applicable as the Company has not granted any Options to its employees during the financial year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable as the Company has not issued any debt securities during the financial year under review;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 – Not applicable as the Company has not bought back any of its securities during the financial year under review.

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

- i) Secretarial Standards (SS-1 and SS-2) as issued by The Institute of Company

## PANASONIC CARBON INDIA CO. LIMITED

Secretaries of India which became effective from 1st July, 2015.

- ii) The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015).

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the financial year ended on March 31, 2016 complied with the aforesaid laws.

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 Independent Directors and a Woman Director. 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) Regulation, 2015.
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

We further report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

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

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

Place : Chennai  
Date : 25<sup>th</sup> May, 2016

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

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 6 to the 34<sup>th</sup> Annual Report of the Board of Directors

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

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

Name	Designation	Ratio to median remuneration of the employees
Mr. R. Senthil Kumar,	Managing Director & CEO	10:1

- 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	17%
Mr. P. Venkateswara Rao	Chief Financial Officer	11%
Mr. R. Manoranjan	Company Secretary	16%

- c) The percentage increase in the median remuneration of employees in the financial year: 12%

- d) The number of permanent employees on the rolls of company: 130

- e) The explanation on the relationship between average increase in remuneration and company performance:

The Company's PAT has grown from ₹ 914.12 lakhs to ₹ 1346.40 lakhs, an increase of 47 % against which the average increase in remuneration is 15% and this increase is in line with the policy of Company.

- 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	51.72*	17%	1346.40	47%
Mr. P. Venkateswara Rao	Chief Financial Officer	13.28*	11%		
Mr. R. Manoranjan	Company Secretary	6.36*	16%		

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

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

Date	Paid up Capital	Closing Market Price per shares	EPS	PE Ratio	Market Capitalisation (₹ in Lakhs)
31.03.2015	4,80,00,000	229.70	19.04	12.06	11,025.60
31.03.2016	4,80,00,000	439.80	28.05	15.67	21,110.40
Increase/Decrease	NIL	210.10	9.01	4.51	10,084.80
% Increase/Decrease	NIL	91.46	47.32	37.39	91.46
No issue of shares during the year	-	-	-	-	-

- 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 Managerial Remuneration is 12% for employees other than Key Managerial Personnel and 15% 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. 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 Caron India Co. Limited

Place : Chennai  
Date : 25th May, 2016

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

# PANASONIC CARBON INDIA CO. LIMITED

## Annexure - 7 to the 34<sup>th</sup> Annual Report of the Board of Directors

### FORM NO. AOC.2

#### **(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

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

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

Sl No	Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Terms of contracts	Justification for entering in to such contracts/arrangements/ transactions	Value of Contract (₹ in Crore)	Date(s) of approval by the Board
1	Panasonic Energy India Co. Ltd , India	Fellow Subsidiary under common control, one common Director	Sale of Carbon Rods	Yearly	Sale of Goods (Excluding Excise Duty & Sales Tax)	Transaction in the Ordinary course of business and on Arm's length basis	7.88	07-05-2015
2	Panasonic energy, Poland	Fellow Subsidiary under common control, , one common Director	Sale of Carbon Rods	Yearly	Sale of Goods (Excluding Excise Duty & Sales Tax)	Transaction in the Ordinary course of business and on Arm's length basis	12.34	07-05-2015

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

Place : Chennai  
Date : 25th May, 2016

**V.R GUPTA**  
DIRECTOR

**R. SENTHIL KUMAR**  
MANAGING DIRECTOR

Annexure - 2 to the 34<sup>th</sup> Annual Report of the Board of Directors

REPORT ON CORPORATE GOVERNANCE

**Introduction:**

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

**Company's Philosophy on Code of Corporate Governance:**

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

**Board of Directors:**

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

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

The Chairman of the Board is a Non-executive Director.

During the Financial Year ended 31<sup>st</sup> March, 2016, four Board Meetings were held on 7<sup>th</sup> May, 2015, 23<sup>rd</sup> July, 2015, 5<sup>th</sup> November, 2015 and 12<sup>th</sup> February, 2016.

The last Annual General Meeting was held on 23<sup>rd</sup> July, 2015.

The composition of the Board, attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meeting and numbers of other Directorships/Committee Memberships held by them as on 31<sup>st</sup> March, 2016 as applicable, are as follows:

Name of the Director	Designation and Category	No. of Board Meetings in the year		Attendance Last AGM	No. of outside Directorships (Excludes Private and Foreign Companies.)	No. of outside Board Committee Memberships (Excludes Private and Foreign Companies)*
		Held	Attended			
Mr.R.Senthil Kumar (1)	Managing Director, Executive	4	4	Yes	Nil	Nil
Mr. Kunal Jiwrajka (2)	Director, Promoter, Non-Executive	4	3	Yes	Nil	Nil
Mr.V.R.Gupte	Director, Independent	4	4	Yes	Nil	Nil
Mr.A.Raghavendra Rao	Director, Independent	4	4	Yes	Nil	Nil
Mr.K.Subramanian	Director, Independent	4	4	Yes	3	7
Mrs. C. Jayashree	Director, Independent	4	4	Yes	Nil	Nil
Mr.Mitsutoshi Shigeta (3)	Director , Promoter, Non-Executive	4	1	Yes	Nil	Nil
Mr. Chiaki Kidani (4)	Director , Promoter, Non-Executive	4	Nil	No	1	Nil

1) Mr. R. Senthil Kumar was re-appointed as Managing Director of the company for a period of one year with effective from 22<sup>nd</sup> April, 2016.

2) Mr. Kunal Jiwrajka resigned from Directorship on the Board of the Company at the Board Meeting held on 12<sup>th</sup> February, 2016 effective 21<sup>st</sup> January, 2016.

3) Mr. Mitsutoshi Shigeta resigned from Directorship on the Board of the Company at the Board Meeting held on 12<sup>th</sup> February, 2016 effective 1<sup>st</sup> January, 2016.

4) Mr. Chiaki Kidani appointed as an additional Director at the Board Meeting held on 12<sup>th</sup> February, 2016.

\*Only covers Membership / Chairmanship of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of public limited companies.

Mr. Chiaki Kidani is nominated by our Collaborators and employed in Japan.

Information about the Directors proposed to be appointed/re-appointed required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations, 2015) is furnished under 'Notes' attached to the Notice of the 34<sup>th</sup> Annual General Meeting to the Shareholders of the Company.

## PANASONIC CARBON INDIA CO. LIMITED

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.

### 1. Audit Committee:

#### Terms of Reference:

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

#### Composition and Attendance:

The Company has an Audit Committee of the Board consisting of three Non Executive Independent Directors and the Managing Director. The Audit Committee met four times during the financial year ended 31<sup>st</sup> March, 2016 i.e on 7<sup>th</sup> May, 2015, 23<sup>rd</sup> July, 2015, 5<sup>th</sup> November, 2015 and 12<sup>th</sup> February, 2016.

The details of attendance of Members are as follows:

Name of Director	Status	No. of Meetings held	No.of Meetings attended
Mr.V.R.Gupte	Chairman	4	4
Mr.A.Raghavendra Rao	Member	4	4
Mr.K.Subramanian	Member	4	4
Mr.R.Senthil Kumar	Member	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, Mr. R. Manoranjan, is the Secretary of the Committee. The representative of Statutory Auditor and Internal Auditor as well as Chief Financial Officer are permanent invitees to the Committee.

### 2. Stakeholders Relationship Committee:

#### Terms of Reference:

The Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and investor grievances, transfer/transmission/transposition of shares, Split, consolidation, issue of duplicate shares certificates, recording dematerialisation/rematerialisation of shares and related matters.

#### Composition :

The Stakeholders Relationship Committee constituted by the Board of Directors consist of the following Directors as Members:

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

Mr. R. Manoranjan, Company Secretary acts as the Compliance Officer to the Committee. During the financial year seventeen meetings of the Stakeholders' Relationship Committee were held.

During the year, one complaint was received from shareholders and investors. All the complaints have been resolved to the satisfaction of the complainants 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 transfers received during the year 2015-16 and no share transfer is pending at the end of the year.

### 3. Corporate Social Responsibility Committee:

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

## PANASONIC CARBON INDIA CO. LIMITED

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	Chairman
Mr.A.Raghavendra Rao	Independent Director	Member
Mr.K.Subramanian	Independent Director	Member
Mr. R. Senthil Kumar	Managing Director	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. Mr. R. Manoranjan, Company Secretary, acts as the Secretary to the Committee. During the year the Committee had one meeting i.e. on 5<sup>th</sup> November, 2015 which were attended by all the four members of the committee.

#### 4. Nomination and Remuneration Committee:

##### Terms of Reference:

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

##### Composition & Meetings:

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

Name of Director	Designation in the Company	Status in the Committee
Mr. V.R.Gupte	Independent Director	Chairman
Mr.A.Raghavendra Rao	Independent Director	Member
Mr.K.Subramanian	Independent Director	Member

The Committee met during the year on 7<sup>th</sup> May, 2015 and 12<sup>th</sup> February, 2016 to determine and recommend the appointment of Directors, 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, Mr. R. Manoranjan is the Secretary of the Committee.

#### 5. Remuneration of Directors:

##### Executive Director:

The Company has one Executive Director. Mr. R. Senthil Kumar, the Managing Director and his re-appointment and Remuneration was approved by the Shareholders at the Annual General Meeting held on 25<sup>th</sup> July, 2013 for a period of three years effective from 23<sup>rd</sup> April, 2013 to 22<sup>nd</sup> April, 2016. The present term of appointment of Mr. R. Senthil Kumar expired on 22<sup>nd</sup> April, 2016.

The Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee meeting held on 12<sup>th</sup> February, 2016 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 effective from 23<sup>rd</sup> April, 2016.

The details of Remuneration paid to the Executive Director during the Financial Year 2015-16 under review is as under:

Name & Designation	Period	Salary ( ₹ )	Perquisites ( ₹ )	Total ( ₹ )
Mr.R.Senthil Kumar, Managing Director	01-04-2015 to 31-03-2016	42,90,000	8,81,878	51,71,878

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



## PANASONIC CARBON INDIA CO. LIMITED

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

### Non-Executive Directors:

The Board of Directors decided to pay the Remuneration to Non-Executive Directors by way of Sitting Fees for the Meetings of the Board / Committees of the Board attended by them and by way of commission up to a total of one percent on the Net Profits of the Company in each Financial Year. None of the Non-Executive Directors of your Company have any pecuniary relationship or material transactions with the Company 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 2015-16.

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 ₹	Remuneration Committee Meeting ₹
Mr.V.R.Gupte	4,53,539	40,000	40,000	10,000
Mr.A.Raghavendra Rao	4,53,539	40,000	40,000	10,000
Mr.K.Subramanian	4,53,539	40,000	40,000	10,000
Mr. Kunal Jivarajka	3,40,152	30,000	NIL	NIL
Mrs C. Jayashree	4,53,539	40,000	NIL	NIL
Mr. Chiaki Kidani	NIL	NIL	NIL	NIL
Mr. Mitsutoshi Shigeta	NIL	NIL	NIL	NIL
<b>Total</b>	<b>21,54,308</b>	<b>1,90,000</b>	<b>1,20,000</b>	<b>30,000</b>

### 6. Details of shareholding of Directors as on 31st March, 2016:

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

### 7. General Body Meetings:

The last Three Annual General Meetings were held as under:

Year and Date	Time	Venue
23rd July, 2015	10.30 A.M.	Hotel Dee Cee Manor (Opp. To Vani Mahal) No. 90, G.N.Chetty Road, T.Nagar, Chennai-600017
31st July, 2014	3.00 P.M.	
25th July, 2013	2.30 P.M.	

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

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

### 8. Whistle Blower Policy:

The Company has formulated a Whistle Blower Policy and established a Vigil Mechanism for Directors and Employees and the same has been disclosed on the Company's website at [www.panasoniccarbon.co.in](http://www.panasoniccarbon.co.in). The Management affirms that no personnel has been denied access to the Audit Committee during the year 2015-16.

### 9. Meeting of Independent Directors:

The Independent Directors of the Company had met during the year on 12<sup>th</sup> February, 2016 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.

## PANASONIC CARBON INDIA CO. LIMITED

### 10. Risk Management:

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

### 11. Disclosures:

#### (i) Related Party Transactions:

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

The Company sells carbon rods to Battery manufacturers which are subsidiaries of 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.

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. Following are the two material related party transactions for the year ended 31st March, 2016.

Sl.No	Name of the related party	Relationship	Nature of Transaction	Amount ₹ in Crore
1	Panasonic Energy India Co. Ltd, India	Fellow Subsidiary under common control	Sale of Carbon Rods	7.88
2	Panasonic energy, Poland	Fellow Subsidiary under common control	Sale of Carbon Rods	12.34

For the details of all related party transactions as required by the Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, please refer Note No 33 of notes to the Audited Financial Statements for the year ended 31st March, 2016.

#### ii) Compliances by the Company:

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

### 12. Means of Communication:

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

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

The Company is also filing the specified documents/statements/informations as per SEBI directive within the stipulated time. During the year ended 31st March, 2016 no presentation has been made to Analysts. 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

# PANASONIC CARBON INDIA CO. LIMITED

Board of Directors and Senior Management Personnel have affirmed compliance with the Code of conduct for the year ended 31<sup>st</sup> March, 2016

## 14. General Shareholders Information:

Annual General Meeting Date and time	29 <sup>th</sup> July, 2016; 2.30 p.m.	Date of payment of dividend	5 <sup>th</sup> August, 2016
Venue	Hotel Benz Park, No.62, Thirumalai Pillai Road, T. Nagar, Chennai-600017	Annual Results	25 <sup>th</sup> May, 2016
Book Closure Date	23 <sup>rd</sup> July, 2016 to 29 <sup>th</sup> July, 2016	BSE Stock Code	508941
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March	ISIN	INE013E01017
Rate of dividend	100% (₹ 10/- per share)	Corporate Identity Number of the Company (CIN)	L29142TN1982PLC009560

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

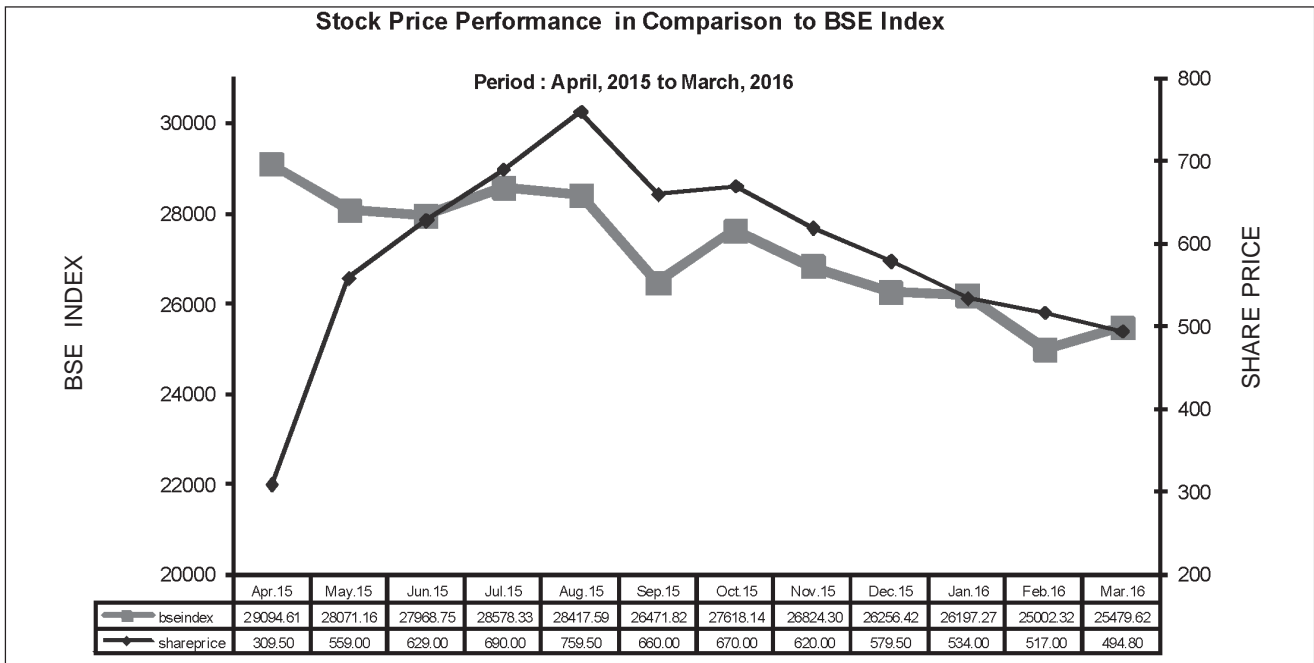
June 30 <sup>th</sup> , 2016	3 <sup>rd</sup> /4 <sup>th</sup> week of July, 2016
September 30 <sup>th</sup> , 2016	3 <sup>rd</sup> /4 <sup>th</sup> week of October, 2016
December 31 <sup>st</sup> 2016	3 <sup>rd</sup> /4 <sup>th</sup> week of January, 2017
March 31 <sup>st</sup> , 2017	3 <sup>rd</sup> /4 <sup>th</sup> week of May, 2017

## 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 2015-16 and there are no arrears.

## 17. Market Price data for the Financial Year ended 31<sup>st</sup> March, 2016:

Month	BSE		Month	BSE	
	High	Low		High	Low
April, 2015	309.50	226.00	October, 2015	670.00	476.00
May, 2015	559.00	282.20	November, 2015	620.00	515.75
June, 2015	629.00	486.00	December, 2015	579.50	485.25
July, 2015	690.00	536.50	January, 2016	534.00	384.10
August, 2015	759.50	431.00	February, 2016	517.00	400.00
September, 2015	660.00	445.00	March, 2016	494.80	433.10



## PANASONIC CARBON INDIA CO. LIMITED

### 18. Registrars and Share Transfer Agents:

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

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

### 19. Share Transfer System:

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

### 20. Distribution of Shareholding as on 31<sup>st</sup> March, 2016:

No. of Shares	Number of Shareholders		Number of Shares	
	Number	% of Total	Number	% of Total
1 - 100	5478	78.1566	244351	5.0906
101 - 500	1135	16.1934	268757	5.5991
501 - 1000	195	2.7821	151077	3.1474
1001 - 2000	93	1.3268	137420	2.8629
2001 - 3000	38	0.5421	99812	2.0794
3001 - 4000	17	0.2425	61125	1.2734
4001 - 5000	15	0.2140	71575	1.4911
5001 - 10000	21	0.2996	152258	3.1720
10001 - And Above	17	0.2425	3613625	75.2838
<b>Total</b>	<b>7009</b>	<b>100.00</b>	<b>48,00,000</b>	<b>100.00</b>

### 21. Category wise Shareholding pattern as on 31<sup>st</sup> March, 2016:

Category	No. of Shares Held	% of Shareholding
<b>Promoters</b>		
Indian Promoters	93,142	1.9405
Foreign Collaborators	30,36,820	63.2670
<b>Others</b>		
Corporate Bodies	3,38,593	7.0541
Mutual Funds & UTI	NIL	NIL
Banks & Financial Institutions	150	0.0031
Non-Resident Indians	52,979	1.1037
Public	12,78,316	26.6316
<b>Total</b>	<b>48,00,000</b>	<b>100.00</b>

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

Financial Year	Dividend Declaration date	Dividend Per share	Financial Year	Dividend Declaration date	Dividend Per share
2005-06	14 <sup>th</sup> June, 2006	6.00	2010-11	20 <sup>th</sup> July, 2011	7.00
2006-07	14 <sup>th</sup> June, 2007	6.00	2011-12	31 <sup>st</sup> July, 2012	7.00
2007-08	18 <sup>th</sup> June, 2008	7.00	2012-13	25 <sup>th</sup> July, 2013	7.00
2008-09	11 <sup>th</sup> Sept, 2009	7.00	2013-14	31 <sup>st</sup> July, 2014	7.00
2009-10	23 <sup>rd</sup> July, 2010	7.00	2014-15	23 <sup>rd</sup> July, 2015	8.00

**Note:** Face value ₹10 per share. Dividend of ₹ 10/- per share for the financial year 2015-16 recommended by the Board of Directors on 25<sup>th</sup> May, 2016 is subject to approval by the shareholders at the ensuing Annual General Meeting.

## PANASONIC CARBON INDIA CO. LIMITED

### 23. Dematerialization of Shares and Liquidity:

The Company's shares are available for trading in the Depository System of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31<sup>st</sup> March, 2016, 97.52% of the paid up share capital representing 46,81,322 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, M/s. 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.

### 24. Unclaimed/Unpaid Dividend Amounts:

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

Financial Year	Amount outstanding as on 31.03.2016	Date of Declaration of Dividend	Proposed date of transfer to IEPF
2008-09	485464	11-09-2009	17-10-2016
2009-10	524888	23-07-2010	28-08-2017
2010-11	290381	20-07-2011	25-08-2018
2011-12	444227	31-07-2012	05-09-2019
2012-13	509089	25-07-2013	30-08-2020
2013-14	361368	31-07-2014	05-09-2021
2014-15	437392	23-07.2015	28.08.2022

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.

### 25. Reconciliation of Share Capital Audit:

A quarterly audit was conducted by a practising company secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31<sup>st</sup> March, 2016 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 34<sup>th</sup> Annual General Meeting of the Company.

The facility for voting, through ballot / polling paper shall also be made available at the venue of the 34<sup>th</sup> Annual General Meeting. 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 Annual General Meeting.

The Company has appointed M/s. Rabi Narayan & Associates, Practising Company Secretaries, Chennai as the Scrutinizer for conducting the remote e-voting and the voting process at the Annual General Meeting in a fair and transparent manner. The instructions for shareholders voting electronically are provided in the notes to the Notice of 34<sup>th</sup> Annual General Meeting.

## PANASONIC CARBON INDIA CO. LIMITED

### 27. CEO/ CFO Certification

The Managing Director & CEO and the Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31<sup>st</sup> March, 2016.

### 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 or any convertible instruments conversion date and likely impact on equity

Not Applicable

### 30. Plant/Factory Location:

Tada Mandal, Nellore District, Andhra Pradesh- 524 401
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Phone: 08623 - 249126 / 249108 Fax: 08623 - 249049
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### 31. Address for correspondence:

The Shareholders may address their correspondence to:

The Company Secretary, M/s. Panasonic Carbon India Co. Limited, "Pottipati Plaza", 3 <sup>rd</sup> Floor, No.77, Nungambakkam High Road, Chennai 600 034 Phone :0091-044-28275216/226/015 Fax : 0091-044-28263010 E-mail: manoranjan.r@jp.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 : 25<sup>th</sup> May, 2016

**V.R. GUPTA**  
DIRECTOR

**R. SENTHIL KUMAR**  
MANAGING DIRECTOR

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

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

Place : Chennai  
Date : 25<sup>th</sup> May, 2016

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

# PANASONIC CARBON INDIA CO. LIMITED

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF PANASONIC CARBON INDIA CO. LIMITED

We have examined the compliance of conditions of Corporate Governance by **Panasonic Carbon India Co Limited** for the year ended 31<sup>st</sup> March, 2016, as stipulated in clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the stock exchange for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March, 2016.

The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 regulations of Corporate Governance as stipulated in the above-mentioned Listing Agreements / Listing Regulations, as applicable.

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

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**For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Registration No.000511S**

**R.NAGENDRA PRASAD  
Partner  
Membership No.: 203377**

Place : Chennai  
Date : 25<sup>th</sup> May, 2016

# PANASONIC CARBON INDIA CO. LIMITED

## Independent Auditor's Report

To

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

**Report on the Financial Statements**

1. We have audited the accompanying standalone financial statements of **Panasonic Carbon India Co. Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

### **Opinion**

7. 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 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<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure – "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



## PANASONIC CARBON INDIA CO. LIMITED

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure – “B”**.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note no. 23 to the financial statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- Place : Chennai  
Date : 25<sup>th</sup> May, 2016
- For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Registration No: 0005115**
- R.Nagendra Prasad  
Partner  
Membership No: 203377**

### ANNEXURE “A” TO AUDITORS’ REPORT

#### Referred to in paragraph 8 of our report of even date

- The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
  - Fixed assets have been physically verified by the management during the year based on the programme of verifying all the assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
  - 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.
- Physical verification of inventory has been conducted by the Management at reasonable intervals. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been adequately dealt with in the books of account.
- In our opinion and according to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii(a), (iii(b) and (iii(c) of paragraph 3 of the Order are not applicable to the company for the year.
- In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable.
- The company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provision of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under, apply.
- We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that prima facie the prescribed cost records have been maintained.
- According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been regular in depositing undisputed statutory dues including provident fund, employees state

## PANASONIC CARBON INDIA CO. LIMITED

insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess and other statutory dues with the appropriate authorities during the year. There are no undisputed amounts payable in respect of statutory dues, which are outstanding as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they become payable.

- i) Based on our audit procedures and on the information and explanations given to us, there are no dues outstanding in respect of sales tax, service-tax, duty of customs, duty of excise, value added tax on account of any dispute. Income tax demands under the Income Tax Act, 1961 for the assessment years 1999-2000 to 2007-08 aggregating to Rs.1,87,46,659/- have not been deposited since the Company's appeals are pending disposal before the Income Tax Appellate Authorities.
8. During the year under report, the company did not avail any loan or borrowings from banks or financial institutions and also did not have any debentures outstanding during the year under report. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the company has not availed any term loans during the year and accordingly, the provisions of clause 3(ix) of the Order are not applicable.
10. To the best of our knowledge and belief and according to the information and explanations given to us, there have been no cases of fraud by the company or on the company by its officers or employees has been noticed or reported during the year under report.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. 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.
13. 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.

14. 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.
15. 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 them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

### ANNEXURE - "B" TO AUDITORS' REPORT

#### Referred to in paragraph 9 (f) of our report of even date Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Panasonic Carbon India Co. Limited ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing,

issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting 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 control over financial reporting includes 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 over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting 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.

**For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Registration No: 0005115**

Place : Chennai  
Date : 25<sup>th</sup> May, 2016

**R.Nagendra Prasad**  
Partner  
**Membership No: 203377**

# PANASONIC CARBON INDIA CO. LIMITED

## Balance Sheet as at 31st March, 2016

Particulars	Note	Amount in ₹	
		As at March 31,2016	As at March 31,2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Funds</b>			
Share Capital	2	<b>48,000,000</b>	48,000,000
Reserves and Surplus	3	<b>690,914,400</b>	614,045,727
<b>2. Non-Current Liabilities</b>			
Deferred tax liabilities (Net)	9	-	-
<b>3. Current Liabilities</b>			
Trade payables	4		
- Total outstanding dues to micro enterprises and small enterprises		-	-
- Total outstanding dues to creditors other than micro enterprises and small enterprises		<b>32,600,938</b>	36,971,642
Other current liabilities	5	<b>22,047,911</b>	18,331,756
Short-term provisions	6	<b>65,788,982</b>	50,588,976
<b>Total</b>		<b><u>859,352,231</u></b>	<b><u>767,938,101</u></b>
<b>II. Assets</b>			
<b>1. Non-current assets</b>			
Fixed assets	7		
Tangible assets		<b>25,864,719</b>	27,645,361
Intangible assets		-	-
Non-current investments	8	<b>10,900</b>	10,900
Deferred tax assets (net)	9	<b>336,689</b>	692,153
Long term loans and advances	10	<b>7,494,342</b>	7,361,119
Other non-current assets		-	-
<b>2. Current assets</b>			
Inventories	11	<b>25,420,984</b>	24,104,869
Trade receivables	12	<b>32,313,131</b>	39,803,967
Cash and cash equivalents	13	<b>735,392,405</b>	644,764,523
Short-term loans and advances	14	<b>16,280,626</b>	10,107,315
Other current assets	15	<b>16,238,435</b>	13,447,894
<b>Total</b>		<b><u>859,352,231</u></b>	<b><u>767,938,101</u></b>

See accompanying notes 1-37 forming part of financial statements

As per our report attached

For Brahmayya & Co.,  
Chartered Accountants  
Firm Registration No: 000511S

R.Nagendra Prasad  
Partner  
Membership No: 203377

Place : Chennai  
Date : 25th May, 2016

For and on behalf of the Board

R.Senthil Kumar  
Managing Director

V.R.Gupte  
Director

P.Venkateswara Rao  
Chief Financial Officer

R. Manoranjan  
Company Secretary

## PANASONIC CARBON INDIA CO. LIMITED

### Statement of Profit and Loss for the year ended 31st March, 2016

Amount in ₹

Particulars	Note	Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue from operations	16	512,570,311	430,951,338
Less: Excise Duty		<u>22,400,965</u>	<u>17,732,002</u>
		490,169,346	413,219,336
Other Income	17	<u>59,023,856</u>	<u>56,117,433</u>
		<u>549,193,202</u>	<u>469,336,769</u>
<b>Expenses:</b>			
Cost of Raw materials consumed	18	151,094,002	139,018,916
Changes in inventories of finished goods and work-in-progress	19	(2,771,042)	(458,064)
Manufacturing Expenses	20	72,050,984	76,216,056
Employee benefits expense	21	67,673,585	66,550,641
Depreciation and amortization		4,510,953	6,532,659
Other expenses	22	<u>48,138,912</u>	<u>41,401,463</u>
		<u>340,697,394</u>	<u>329,261,671</u>
Profit before exceptional item and tax		208,495,808	140,075,098
Less: Exceptional Item		-	-
Profit before tax		<u>208,495,808</u>	<u>140,075,098</u>
Tax expense:			
Current tax		73,500,000	49,000,000
Deferred tax		355,464	(337,417)
<b>Profit after tax for the year</b>		<u><u>134,640,344</u></u>	<u><u>91,412,515</u></u>
Earning per equity share:			
Basic		₹ 28.05	₹ 19.04
Diluted		₹ 28.05	₹ 19.04

See accompanying notes 1-37 forming part of financial statements

**As per our report attached**

**For Brahmayya & Co.,  
Chartered Accountants  
Firm Registration No: 000511S**

**R.Nagendra Prasad**  
Partner  
Membership No: 203377

Place : Chennai  
Date : 25th May, 2016

**For and on behalf of the Board**

**R.Senthil Kumar**  
Managing Director

**V.R.Gupte**  
Director

**P.Venkateswara Rao**  
Chief Financial Officer

**R. Manoranjan**  
Company Secretary

# PANASONIC CARBON INDIA CO. LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in ₹

Particulars	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary activities	208,495,808	140,075,098
Add : Depreciation & Assets written off	4,510,953	6,532,659
Adjustment for foreign currency fluctuations (Net)	433,114	-
	<u>4,944,067</u>	<u>6,532,659</u>
	213,439,875	146,607,757
Less: Interest received	57,922,975	55,959,499
Profit on sale of fixed assets	174,999	0
Adjustment for foreign currency fluctuations (Net)	0	49,376
	<u>58,097,974</u>	<u>56,008,875</u>
	155,341,901	90,598,882
<b>Operating Profit before working capital changes</b>		
<b>Adjustments for working capital changes</b>		
Less/Add:(Increase)/Decrease in trade and other receivables	144,011	(12,750,760)
Increase in inventories	(1,316,116)	(347,708)
	<u>(1,172,105)</u>	<u>(13,098,468)</u>
	154,169,796	77,500,414
Add :(Decrease) / Increase in trade payables	(440,857)	6,469,112
Cash generated from operations	153,728,939	83,969,526
Less : Taxes paid	69,247,152	46,928,321
Cash flow before extra-ordinary items	84,481,787	37,041,205
Less : Extraordinary items	-	-
<b>Net Cash generated from operating Activities - Total (A)</b>	<u>84,481,787</u>	<u>37,041,205</u>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Sale of fixed assets	175,000	-
Interest received	55,132,435	54,625,450
	<u>55,307,435</u>	<u>54,625,450</u>
Less: Purchase of fixed assets	2,730,312	2,213,200
	<u>2,730,312</u>	<u>2,213,200</u>
<b>Net Cash generated from Investment Activities - Total (B)</b>	<u>52,577,123</u>	<u>52,412,250</u>
<b>C. CASH FLOW FINANCING ACTIVITIES</b>		
Dividends Paid	46,217,336	39,310,320
<b>Net Cash used in financing activities - Total (C)</b>	<u>46,217,336</u>	<u>39,310,320</u>
Net increase/ (Decrease) in cash and cash equivalents Total (A+B-C)	90,841,574	50,143,135
Opening cash and cash equivalents	641,498,022	591,354,887
Closing cash and cash equivalents	732,339,596	641,498,022
Net (Decrease)/increase in cash and cash equivalents	<u>90,841,574</u>	<u>50,143,135</u>

Note : For the purpose of this statement, Bank balances of ₹30,52,809 (Previous year ₹32,66,501) in unclaimed dividend account are not included in cash and cash equivalents as they are adjusted against unclaimed dividends payable since the obligations of the company are met from unclaimed dividends deposited into separate bank account in accordance with Sec.124 of the Companies Act, 2013

As per our report attached

For Brahmayya & Co.,  
Chartered Accountants  
Firm Registration No: 000511S

R.Nagendra Prasad  
Partner  
Membership No: 203377

Place : Chennai  
Date : 25th May, 2016

For and on behalf of the Board

R.Senthil Kumar  
Managing Director

V.R.Gupte  
Director

P.Venkateswara Rao  
Chief Financial Officer

R. Manoranjan  
Company Secretary

## Notes forming part of the Financial Statements as on 31st March, 2016

### 1. Significant Accounting Policies

#### Basis of Accounting & Preparation of Financial Statements

- 1.1 The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and comply with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.
- 1.2 The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts. Estimates include allowance for uncollectible accounts receivables, useful life of fixed assets, accounting for employee cost pending execution of agreements with workmen unions etc. The actual amounts may differ from these estimates.

#### 1.3 Fixed Assets

Fixed Assets are stated at cost less depreciation except in the case of land which is stated at cost.

#### 1.4 Depreciation

Depreciation is provided on the fixed assets except Land under the written down value method at rates specified in Part C of Schedule II of the Companies Act, 2013. Assets costing less than ₹5,000/- individually are fully depreciated. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

#### 1.5 Impairment

The carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

#### 1.6 Inventories

Raw Materials, work-in-process and finished goods are valued at lower of cost and net realisable value. Stores and spares are valued at cost.

The cost of raw materials and stores and spares is arrived at on the basis of issues being charged out in the 'First-in-First-out' method.

The cost of work-in-process and finished goods is arrived at on the basis of materials consumed, production wages and salaries and production overheads.

#### 1.7 Transactions in Foreign Currencies

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the Profit and Loss Account.

Premium or discount on forward contracts is amortised over the life of such contract and is recognised as income or expense in the Profit and Loss Account.

#### 1.8 Employee benefits

Contribution to Provident Fund, Family Pension and Superannuation Funds which are in the nature of defined contributions schemes and the contribution made during the year are charged to Profit and Loss Account. Gratuity which is in the nature of defined benefit scheme and provided in the Books of Account based on the actuarial valuations. Gratuity is covered by the Group Gratuity Scheme with Life Insurance Corporation of India.

## PANASONIC CARBON INDIA CO. LIMITED

Leave encashment benefits payable to employees as per the rules of the Company has been provided in the Books of Account based on actuarial valuation. Leave Encashment is covered by the Group Leave Encashment Scheme with Life Insurance Corporation of India.

### 1.9 Investments

Investments are long term and carried at cost. Decline, other than temporary, will be recognised through Profit and Loss Statement.

### 1.10 Taxes on Income

Provision for taxation is the aggregate of Income Tax liability on the profits for the year chargeable to tax and Deferred Tax resulting from timing differences between Book and Tax Profits and is provided in accordance with relevant tax laws and the Accounting Standard – 22, "Accounting for Taxes on Income".

### 1.11 Revenue Recognition

Sales are net of sales returns and trade discounts and exclude all taxes and levies.

Export Incentive Benefits are accounted on the following basis:

- Duty Drawback entitlement is accounted on accrual basis.
- Focus Market Incentive Script / Duty Credit Scrip under Manufacturing Exporters Incentive Scheme (MEIS) is accounted on receipt of script.

Amount in ₹

## 2 Share Capital

Particulars	As at March 31, 2016	As at March 31, 2015
<b>2.1 Equity Share Capital</b>		
a) <b>Authorised Share Capital:</b>		
1,00,00,000 Equity shares of ₹10 each	<u>100,000,000</u>	<u>100,000,000</u>
b) <b>Issued, Subscribed and Fully Paid Up:</b>		
48,00,000 Equity shares of ₹ 10 each	<u>48,000,000</u>	<u>48,000,000</u>
<b>2.2 Reconciliation of number of shares outstanding</b>		
Particulars	As at March 31, 2016	As at March 31, 2015
Number of equity shares outstanding at the beginning of the year	4,800,000	4,800,000
Number of equity shares outstanding at the end of the year	4,800,000	4,800,000
Change in the number of Equity Shares Outstanding	-	-
<b>2.3 Number of Shares held by Holding company</b>		
Panasonic Corporation, Japan	<u>3,036,820</u>	<u>3,036,820</u>
<b>2.4 Number of shares held by each shareholder holding more than 5% shares</b>		
Particulars	As at March 31, 2016	As at March 31, 2015
<i>Name of Shareholder</i>	Number of Shares	Number of Shares
	% of holding	% of holding
Panasonic Corporation, Japan	3,036,820	3,036,820
Laxmi Devi Jiwarajka	-	301,359
	63.2670%	6.2783%

2.5 The Board of Directors in their meeting on 25th May, 2016 proposed a final dividend of ₹ 10 /- per equity share. The proposal is subject to approval of shareholders at the Annual General Meeting to be held on 29th July, 2016.



# PANASONIC CARBON INDIA CO. LIMITED

		Amount in ₹	
<b>3 Reserves and Surplus</b>			
<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	
<b>Reserves</b>			
<b>Capital Reserve</b>			
As per last Balance Sheet	1,003,250	1,003,250	
<b>Security Premium Account</b>			
As per last Balance Sheet	27,000,000	27,000,000	
<b>General Reserve</b>			
As per last Balance Sheet	585,000,000	540,000,000	
Add: Transfer from profit & loss account	<u>75,000,000</u>	<u>45,000,000</u>	
Closing balance	660,000,000	585,000,000	
<b>Surplus</b>			
As per last Balance Sheet	1,042,477	2,071,360	
Add: Net profit after tax for the year transferred from Profit and Loss Statement	134,640,344	91,412,515	
Less: Depreciation on those assets for which its useful life is nil as on 01.04.2014 net of deferred Tax of ₹ 6,30,297	-	(1,224,062)	
Less: Transfer to General Reserve	(75,000,000)	(45,000,000)	
Less: Proposed dividend	(48,000,000)	(38,400,000)	
Less: Tax on Dividend	<u>(9,771,671)</u>	<u>(7,817,336)</u>	
Closing balance	2,911,150	1,042,477	
	<u>690,914,400</u>	<u>614,045,727</u>	
<b>4 Trade payables</b>			
<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	
Trade payables	32,600,938	36,971,642	
Others	-	-	
	<u>32,600,938</u>	<u>36,971,642</u>	
<b>5 Other Current Liabilities</b>			
<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	
Unpaid dividends	3,052,809	3,266,501	
<b>Other payables</b>			
Statutory Dues	1,299,001	855,739	
Employee related dues	15,016,337	10,761,563	
Advances received from customers	118,184	1,564,838	
Others (refer Note 5.1)	<u>2,561,580</u>	<u>1,883,115</u>	
	22,047,911	18,331,756	
5.1 Includes amounts due to directors	<u>2,161,982</u>	<u>1,462,116</u>	
<b>6 Short Term Provisions</b>			
<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	
Provision For Taxation	73,500,000	49,000,000	
Lee: Advance Tax and Tax deducted at Source	<u>65,482,689</u>	<u>44,628,360</u>	
Provision for dividend	48,000,000	38,400,000	
Provision for dividend tax	<u>9,771,671</u>	<u>7,817,336</u>	
	65,788,982	50,588,976	

# PANASONIC CARBON INDIA CO. LIMITED

## 7 Fixed Assets

Amount in ₹

Particulars	Gross Block				Depreciation					Net Block	
	As at April 1, 2015	Additions	Deletions	As at March 31, 2016	As at April 1, 2015	Adjustment	Additions	Deletions March 31, 2016	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>Tangible Assets</b>											
Land	1,932,544	-	-	1,932,544	-	-	-	-	-	1,932,544	1,932,544
Building	76,616,064	-	-	76,616,064	56,545,264	-	1,777,738	-	58,323,002	18,293,062	20,070,800
Plant, Machinery & Equipment	263,671,496	900,255	-	264,571,751	259,925,143	-	1,532,432	-	261,457,575	3,114,176	3,746,353
Furniture & Fixtures	4,045,034	20,922	-	4,065,956	3,849,958	-	72,891	-	3,922,849	143,107	195,076
Vehicles	5,567,715	1,158,705	598,167	6,128,253	4,267,248	-	637,378	598,166	4,306,460	1,821,793	1,300,467
Office Equipments	12,094,071	650,430	-	12,744,501	11,693,950	-	490,514	-	12,184,464	560,037	400,121
<b>Intangible assets</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Work- in - Progress</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>363,926,924</b>	<b>2,730,312</b>	<b>598,167</b>	<b>366,059,069</b>	336,281,563	-	<b>4,510,953</b>	<b>598,166</b>	<b>340,194,350</b>	<b>25,864,719</b>	27,645,361
<b>Figures for the previous year</b>	361,713,724	2,213,200	-	363,926,924	327,894,545	1,854,359	6,532,659	-	336,281,563	27,645,361	33,819,179

\* Includes assets retired from active use and the original cost of retired assets is ₹ 4,92,27,892 and carrying cost of retired assets is ₹ Nil (net of provision which is included in accumulated depreciation made of ₹ 34,45,116.)

## PANASONIC CARBON INDIA CO. LIMITED

		Amount in ₹	
<b>8</b>	<b>Non- Current Investments</b>		
	<b>Particulars</b>	<b>As at March 31, 2016</b>	As at March 31, 2015
	(i) Trade Investments	-	-
	(ii) <b>Other Investments - QUOTED</b>		
	Investment in equity instruments		
	(i) 100 Equity share of ₹ 5 each of Eveready Industries India Limited	<b>5,450</b>	5,450
	(ii) 100 Equity share of ₹5 each of McLeod Russel India Limited	<b>5,450</b>	5,450
		<u><b>10,900</b></u>	<u>10,900</u>
	1 Aggregate value of Quoted investments	<b>10,900</b>	10,900
	2 Market value of the Quoted investments	<b>41,700</b>	49,955
	3 Aggregate value of Unquoted investments	-	-
	4 Aggregate provision for diminution in value of investments	-	-
<b>9</b>	<b>Deferred Tax Assets (Net)</b>		
	<b>Particulars</b>	<b>As at March 31, 2016</b>	As at March 31, 2015
	<b>Deferred Tax Assets</b>		
	VRS Compensation to employees	-	495,985
	Bonus and Provisions	<b>363,384</b>	356,895
		<u><b>363,384</b></u>	<u>852,880</u>
	<b>Deferred Tax Liabilities</b>		
	Related to Fixed Assets	<b>26,695</b>	160,727
	<b>Deferred Tax (Liability) / Asset (Net)</b>	<u><b>336,689</b></u>	<u>692,153</u>
<b>10</b>	<b>Long Term Loans and Advances</b>		
	<b>Particulars</b>	<b>As at March 31, 2016</b>	As at March 31, 2015
	<b>Unsecured, considered good, unless otherwise stated</b>		
	Capital Advance	-	
	Security deposits	<b>4,325,546</b>	3,585,146
	Other loans and advances		
	Advance Tax and Tax deducted at source (Net of Provision for Income Tax) ( Refer Note 10.1)	<b>3,168,796</b>	3,775,973
		<u><b>7,494,342</b></u>	<u>7,361,119</u>
<b>10.1</b>	<b>Advance Tax and Tax deducted at source</b>		
	<b>Particulars</b>	<b>As at March 31, 2016</b>	As at March 31, 2015
	Advance Income Tax	<b>149,294,689</b>	164,059,905
	Tax deducted at Source	<b>693,333</b>	45,572,584
		<u><b>149,988,022</b></u>	<u>209,632,489</u>
	Less: Provision for income tax	<b>146,819,226</b>	205,856,516
		<u><b>3,168,796</b></u>	<u>3,775,973</u>

# PANASONIC CARBON INDIA CO. LIMITED

		Amount in ₹	
<b>11</b>	<b>Inventories</b> (Refer Note 1.6 for method of valuation)		
	<b>Particulars</b>	<b>As at March 31, 2016</b>	As at March 31, 2015
	Raw materials	11,319,905	11,861,214
	Work in progress	12,529,051	9,758,009
	Finished goods	-	-
	Stores and Spares	1,572,028	2,485,646
		<u>25,420,984</u>	<u>24,104,869</u>
<b>12</b>	<b>Trade Receivables</b>		
	<b>Particulars</b>	<b>As at March 31, 2016</b>	As at March 31, 2015
	Trade receivables, Unsecured, Considered Good outstanding for more than 6 months others	-	-
		<u>32,313,131</u>	<u>39,803,967</u>
		<u>32,313,131</u>	<u>39,803,967</u>
<b>13</b>	<b>Cash and Bank Balances</b>		
	<b>Particulars</b>	<b>As at March 31, 2016</b>	As at March 31, 2015
	Cash in hand	144,946	417,204
	Balance with banks		
	In current accounts	10,194,650	6,080,818
	In deposit accounts	20,000,000	46,500,000
	<b>Other Bank Balances:</b>		
	In Deposit accounts	702,000,000	588,500,000
	<b>In earmarked accounts</b>		
	Unpaid dividend accounts	3,052,809	3,266,501
		<u>735,392,405</u>	<u>644,764,523</u>
<b>14</b>	<b>Short-term Loans and Advances</b>		
	<b>Particulars</b>	<b>As at March 31, 2016</b>	As at March 31, 2015
	<b>Unsecured, considered good, unless otherwise stated</b>		
	Others		
	Advances for Supplies and Services	856,635	18,719
	Advances to Staff	343,047	858,550
	Prepaid expenses	535,621	294,354
	Balance with Government Authorities		
	Balance with excise and Cenvat Credit	5,178,999	3,149,297
	Other Receivables (Refer Note No. 14.1)	9,366,324	5,786,395
		<u>16,280,626</u>	<u>10,107,315</u>
<b>14.1</b>	<b>Other Receivables</b>		
	<b>Particulars</b>	<b>As at March 31, 2016</b>	As at March 31, 2015
	Export Incentive Receivable	271,594	1,734,972
	Cenvat Refund Receivable	9,094,730	3,908,813
	Other Receivable	-	142,610
		<u>9,366,324</u>	<u>5,786,395</u>
<b>15</b>	<b>Other Current Assets</b>		
	<b>Particulars</b>	<b>As at March 31, 2016</b>	As at March 31, 2015
	Interest accrued on deposits	16,238,435	13,447,894
		<u>16,238,435</u>	<u>13,447,894</u>

# PANASONIC CARBON INDIA CO. LIMITED

Amount in ₹

16 Revenue from Operations	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Particulars</b>		
Sale of Products	506,069,294	423,623,208
Less: Excise Duty paid	22,400,965	17,732,002
	<u>483,668,329</u>	<u>405,891,206</u>
Other operating revenues		
Sale of Scrap	655,474	673,539
Export Incentive Earned	5,845,543	6,654,591
	<u>490,169,346</u>	<u>413,219,336</u>
<b>Sale of products comprise Manufactured Goods</b>		
Midget Electrodes	<u>506,069,294</u>	<u>423,623,208</u>
<b>17 Other Income</b>	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
<b>Particulars</b>		
Interest Income	57,922,975	55,959,499
Dividend Income	500	786
Foreign Exchange Fluctuations (net)	925,239	157,148
Miscellaneous Income	143	-
Profit on Sale of Fixed assets	174,999	-
	<u>59,023,856</u>	<u>56,117,433</u>
<b>18 Cost of Materials Consumed</b>	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
<b>Particulars</b>		
Opening Stock of Raw Materials	11,861,214	11,749,844
Clearing, forwarding, Storage and transportation charges	10,847,795	11,849,593
Purchases	139,704,898	127,280,693
	<u>162,413,907</u>	<u>150,880,130</u>
Less: Closing stock of Raw Material	11,319,905	11,861,214
	<u>151,094,002</u>	<u>139,018,916</u>
<b>18.1 Particulars of Raw material consumed</b>	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
<b>Particulars</b>		
Low Ash Content Coal Coke	6,821,729	6,710,859
ParaffinWax	26,387,129	23,445,978
Coal Tar Pitch	35,651,907	34,747,011
Amorphous Graphite	3,924,307	6,482,056
Others	78,308,930	67,633,012
	<u>151,094,002</u>	<u>139,018,916</u>
<b>19 Changes in Inventories of Finished Goods and Work-in-Progress</b>	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
<b>Particulars</b>		
Opening Stock		
- Finished Goods	-	1,798,872
- Work-in-Progress	9,758,009	7,711,798
	<u>9,758,009</u>	<u>9,510,670</u>
Less: Adjustment relating to Excise duty on finished goods	-	(210,725)
	<u>9,758,009</u>	<u>9,299,945</u>
Closing Stock		
- Finished Goods	-	-
Work-in-Progress	12,529,051	9,758,009
	<u>12,529,051</u>	<u>9,758,009</u>
Changes in Inventories of finished goods and work-in-Progress	<u>(2,771,042)</u>	<u>(458,064)</u>

Amount in ₹

20	<b>Manufacturing Expenses</b>	Year ended 31st March, 2016	Year ended 31st March, 2015
	<b>Particulars</b>		
	Stores consumed	17,494,646	15,469,879
	Power and fuel	40,371,719	49,000,361
	Machinery Maintenance	14,184,619	11,745,816
		<u>72,050,984</u>	<u>76,216,056</u>
21	<b>Employee benefit expenses</b>	Year ended 31st March, 2016	Year ended 31st March, 2015
	<b>Particulars</b>		
	Salaries, Wages and Bonus	53,540,315	52,768,439
	Gratuity	1,531,759	893,583
	Contribution to Provident fund, Employee State Insurance & Super annuation fund	4,996,188	5,138,608
	Staff Welfare	7,605,323	7,750,011
		<u>67,673,585</u>	<u>66,550,641</u>
22	<b>Other Expenses</b>	Year ended 31st March, 2016	Year ended 31st March, 2015
	<b>Particulars</b>		
	Rent	2,647,092	2,622,442
	Rates and taxes, excluding, taxes on income	1,222,363	1,087,993
	Royalty	16,426,629	13,651,650
	Insurance	411,988	416,895
	Electricity	215,892	375,515
	Repairs to buildings	4,833,849	3,810,521
	Repairs others	6,424,631	6,170,177
	Communication expenses	1,597,968	1,381,107
	Printing & Stationery	417,143	411,433
	Advertisement	178,299	124,294
	Sitting fees	340,000	265,000
	Professional and Consultancy charges	985,521	778,071
	Travelling & conveyance expenses	1,760,688	1,936,683
	Freight outwards	4,014,737	3,901,309
	Audit fee	685,818	530,000
	Commission to Non-Whole time Directors	2,161,982	1,462,116
	Bank charges	530,423	457,688
	Corporate Social Responsibility (CSR) Expenses	2,601,292	1,624,349
	Miscellaneous expenses	682,597	394,220
		<u>48,138,912</u>	<u>41,401,463</u>
22.1	Audit fees		
	a) Statutory Audit	225,000	225,000
	b) Tax Audit Matters	190,000	60,000
	c) Other services *	270,818	245,000
		<u>685,818</u>	<u>530,000</u>

\* Include fee for quarterly limited review and corporate governance reports

## PANASONIC CARBON INDIA CO. LIMITED

		Amount in ₹			
23	<b>Contingent liabilities &amp; Commitments</b> (to the extent not provided for)				
		<b>31st March, 2016</b>	31st March, 2015		
<b>Particulars</b>					
<b>(i) Contingent liabilities</b>					
Income Tax demands in dispute for which the company has preferred appeals to higher authorities and has been legally advised that demands are unsustainable.		<b>14,932,076</b>	14,932,076		
<b>(ii) Commitments</b>					
a) Estimated amount of contracts remaining to be executed on capital account and not provided for		-	-		
b) other commitments		-	-		
24	<b>Value of CIF imports made during the year</b>				
		<b>31st March, 2016</b>	31st March, 2015		
<b>Particulars</b>					
1	Raw Materials	<b>77,275,392</b>	51,932,522		
2	Components & Spare parts	<b>1,705,459</b>	3,692,489		
3	Capital goods	-	-		
4	Others	-	-		
25	<b>Expenses incurred in foreign currency</b>				
		<b>31st March, 2016</b>	31st March, 2015		
<b>Particulars</b>					
1	Royalty	<b>14,783,966</b>	12,286,485		
2	Travelling and Training fees	<b>587,624</b>	551,630		
3	Other matters	<b>138,870</b>	60,964		
26	<b>(a) Raw materials consumed</b>	<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>
Imported		<b>62,841,094</b>	<b>44.81%</b>	58,092,404	45.68%
Indigenous		<b>77,405,113</b>	<b>55.19%</b>	69,076,919	54.32%
Total		<b>140,246,207</b>	<b>100.00%</b>	127,169,323	100.00%
<b>(b) Spare Parts Consumed</b>					
Imported		<b>376,842</b>	<b>4.96%</b>	266,448	3.71%
Indigenous		<b>7,216,799</b>	<b>95.04%</b>	6,912,772	96.29%
Total		<b>7,593,641</b>	<b>100.00%</b>	7,179,220	100.00%
<b>(c) Details of finished goods and work-in-progress</b>					
<b>Particulars</b>		<b>Closing inventory</b>	Opening inventory		
<b>(i) Details of Finished Goods</b>					
<b>Manufactured Goods</b>					
Midget Electrodes		-	-		
<b>(ii) Details of Work-in-progress</b>					
Midget Electrodes		<b>12,529,051</b>	9,758,009		
27	<b>Amount remitted in Foreign exchange</b>				
		<b>31st March, 2016</b>	31st March, 2015		
<b>Particulars</b>					
On account of dividend		<b>24,294,560</b>	21,257,740		
Total number of non - resident share holders		<b>1</b>	1		
Number of shares held		<b>30,36,820</b>	30,36,820		
Year of dividend declared		<b>2014-15</b>	2013-14		

## PANASONIC CARBON INDIA CO. LIMITED

Amount in ₹

### 28 Earnings in Foreign Exchange

Particulars	31st March, 2016	31st March, 2015
Export of goods calculated on FOB Basis	<u>317,942,967</u>	<u>241,310,989</u>

29 Cost of Research and Development revenue expenditure aggregated to ₹ 2,129,123 (Previous Year ₹ 1,725,860) which has been debited to various heads of account in the Profit and Loss Account. There was no Research and Development Capital expenditure during the year as well as in the previous year.

### 30 Outstanding dues to Micro, Small and Medium Enterprises

There are no Micro and Small Enterprise to whom the Company owes dues, which are outstanding for more than forty five days as at 31<sup>st</sup> March, 2016. The identification of Micro and Small Enterprises and the information as required to be disclosed under the Micro, Small and Medium Enterprises development Act, 2006 has been determined on the basis of Vendor information available with the Company.

Particulars	31st March, 2016	31st March, 2015
The disclosure pursuant to the said Act is as under		
(i) Principal amount ( alongwith payment made to suppliers)	-	-
(ii) Interest paid beyond the appointed day during the year	-	-
(iii) Interest due and payable for delay in making the payment	-	-
(iv) Interest accrued and remaining unpaid at the end of the year	-	-
(v) Further interest remaining due and payable in succeeding years	-	-

### 31 Defined Benefit Plan

Defined benefit plan as per actuarial valuation as on 31<sup>st</sup> March, 2016 and recognised in the financial statements in respect of Employee Benefit Scheme: Disclosure under AS 15 (Revised) Employee Benefit Schemes

I. Components of Employee Cost	Gratuity 2015-16 (₹)	Gratuity 2014-15 (₹)
Interest cost	1,777,478	1,608,695
Current service cost	912,185	815,859
Expected rate return on plan assets	(1,782,300)	(1,724,445)
Acturial Loss / ( gain )	624,396	193,474
Expenses to be recognised in profit and loss account	<u>1,531,759</u>	<u>893,583</u>
II. Net Asset / (Liability) recognised in Balance Sheet as on 31st March, 2016	2015-16 (₹)	2014-15 (₹)
Present value of defined benefit obligation	24,279,963	22,218,472
Less : Fair Value of Plan Assets	22,748,204	21,324,889
(Liability) / Asset recognised in the balance sheet	<u>(1,531,759)</u>	<u>(893,583)</u>



## PANASONIC CARBON INDIA CO. LIMITED

III. Changes in defined benefit obligation	2015-16 (₹)	2014-15 (₹)
a. Present Value of defined benefit obligation at the beginning of the year	22,218,472	20,108,686
b. Interest cost	1,777,478	1,608,695
c. Current service cost	912,185	815,859
d. Benefits paid	(1,252,568)	(508,242)
e. Actuarial (gains)/losses on obligation	624,396	193,474
Present value of defined benefit obligation at the end of the year	<u>24,279,963</u>	<u>22,218,472</u>
IV. Changes in fair value of plan assets	2015-16 (₹)	2014-15 (₹)
Fair Value of Plan assets at the beginning of year	21,324,889	17,597,660
Return on plan assets	1,782,300	1,724,445
Contribution	893,583	2,511,026
Benefits paid	(1,252,568)	(508,242)
Actuarial ( gain ) / Loss on plan assets	-	-
Fair Value of Plan assets as at 31st Mar 2016	<u>22,748,204</u>	<u>21,324,889</u>
V. Principle actuarial assumptions at the balance sheet date.		
Discount rate	8%	8%
Salary growth rate	8%	8%
Expected rate of return on plan assets	8%	8%
Attrition rate	1-3%	1-3%

32 The company operates in only one segment (i.e) Midget Electrodes as a component of Dry Cell Batteries

### 33 Related Parties

Holding Company	Panasonic Corporation, Japan (PC)
Fellow Subsidiaries under Common Control	a) Panasonic Energy India Co. Ltd., Vadodara & Pithampur (PECIN) b) Panasonic Energy Tanzania Co. Ltd., Tanzania (PECTZ) c) Panasonic Peruana S.A., Peru (PANAPERU) d) P.T Panasonic Gobel Energy Indonesia, Indonesia (PECGI) e) Panasonic energy Poland., S.A. Poland (PECPL) f) Panasonic Centro Americana, S.A., Costarica (PCA) g) Panasonic Management Thailand Co. Ltd, Thailand (PMT) h) Panasonic Do Brasil Limitada, Brazil (PANABRAS) i) Panasonic Energy (Shanghai) Co. Ltd, Shanghai (PECSH) j) Panasonic India Pvt Ltd, India (PI) k) Panasonic Asia Pacific Pte. Limited, Singapore (PA)
Associates under Common Control	Nil
Key Management Personnel	Mr.R. Senthil Kumar, Managing Director

# PANASONIC CARBON INDIA CO. LIMITED

Amount in ₹

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Key Management Personnel	Total
Sale of Goods (Excluding Excise Duty & Sales tax)	-	<b>376,564,237</b> (302,207,544)	-	-	<b>376,564,237</b> (302,207,544)
Purchase of Goods	-	- (4,566,123)	-	-	- (4,566,123)
Training Fees paid	-	-	-	-	-
Royalty payable	<b>16,426,629</b> (13,651,650)	-	-	-	<b>16,426,629</b> (13,651,650)
Reimbursement of expenses	<b>154,098</b> (102,658)	<b>1,006,968</b> (852,894)	-	-	<b>1,161,066</b> (955,552)
Remuneration	-	-	-	<b>5,171,878</b> (4,409,400)	<b>5,171,878</b> (4,409,400)
Due from as on 31 <sup>st</sup> March, 2016	-	<b>25,881,321</b> (34,398,673)	-	-	<b>25,881,321</b> (34,398,673)
Due to as on 31 <sup>st</sup> March, 2016	<b>16,461,213</b> (13,685,129)	- (117,819)	-	-	<b>16,461,213</b> (13,802,948)

33.1 Note: The Previous year's figures are shown in the brackets

33.2 Material Transactions of sales (i) PECIN ₹ **7,88,16,048** ( ₹ 8,04,99,839) (ii) PECTZ ₹ **2,55,19,737** ( ₹ 2,84,58,010) (iii) PECGI ₹ **3,60,41,115** ( ₹ 97,85,337) (iv) PANAPERU ₹ **3,49,14,351** ( ₹ 2,86,87,508) (v) PECPL ₹ **12,33,64,544** ( ₹ 7,11,36,428) (vi) PANABRAS ₹ **3,28,22,309** ( ₹ 1,72,34,233) (vii) PMT ₹ **2,42,06,085** ( ₹ 2,40,53,684) (viii) PECSH ₹ **1,36,95,560** ( ₹ 1,21,47,568) (ix) PCA ₹ **71,84,488** ( ₹ 2,04,937) (x) Others ₹ **Nil** ( ₹ Nil)

## 34 Particulars of earnings per share

	Current year ₹	Previous year ₹
Net profit (loss) after tax	<b>134,640,344</b>	91,412,516
Number of equity shares – Basic	<b>4,800,000</b>	4,800,000
Number of equity shares – Diluted	<b>4,800,000</b>	4,800,000
Nominal value of the shares	<b>₹10</b>	₹10
Earnings per share – Basic	<b>28.05</b>	19.04
- Diluted	<b>28.05</b>	19.04

## 35 The Outstanding Derivative Instruments as on 31<sup>st</sup> March, 2016

- (i) Derivative instruments that are outstanding as on 31st March, 2016 is ₹ Nil. (Previous year ₹ Nil)  
(ii) The Foreign Currency Exposures not hedged by a Derivative Instrument or otherwise as on 31st March, 2016 is Receivables of **US\$ 3,64,501/-** ₹ **2,40,07,499/-** (Previous Year US\$ 4,62,325/- ₹ 2,88,76,833/-)

36 In the opinion of management, current assets, loans and advances are approximately of the value stated in the balance sheet if realized in the ordinary course of business.

37 Previous year's figures have been re-grouped and reclassified wherever necessary so as to make them comparable with the current year's figures.

## As per our Report attached

for **BRAHMAYYA & CO.,**  
Chartered Accountants  
Firm registration no: 000511S

**R.Nagendra Prasad**  
Partner  
Membership No: 203377  
Place : Chennai  
Date : 25th May, 2016

## For and on behalf of the Board

**V.R.Gupte**  
Director

**P.Venkateswara Rao**  
Chief Financial Officer

**R.Senthil Kumar**  
Managing Director

**R.Manoranjan**  
Company Secretary

## PROXY FORM

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

### PANASONIC CARBON INDIA CO. LIMITED

(CIN: L29142TN1982PLC009560)

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

Website: www.panasoniccarbon.co.in

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

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

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 29<sup>th</sup> July, 2016 at 2.30 p.m. at Hotel Benz Park, No. 62, Thirumalai Pillai Road, T. Nagar, Chennai-600017 and at any adjournment thereof in respect of such resolutions as are indicated below.

#### Ordinary Business

- Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors thereon for the year ended 31<sup>st</sup> March, 2016
- Declaration of Dividend
- Appointment of M/s. Brahmayya & Co., Chartered Accountants as Auditors of the Company and fixing their remuneration.

#### Special Business

- Appointment of Mr. Chiaki Kidani as Director
- Appointment of Mr. R. Senthil Kumar as Managing Director
- Approval of remuneration payable to Mr. R. Senthil Kumar, Managing Director of the Company
- Approval of existing Material Related Party Transactions for the year 2015-16
- Approval of prospective Material Related Party Transactions for the year 2016-17 and each subsequent financial year.

Signed this..... day of..... 2016

Signature of Shareholder.....

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

Affix  
Revenue  
Stamp

#### 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

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

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

- I/We hereby record my/our presence at the 34<sup>th</sup> Annual General Meeting of the Company being held on Friday, the 29<sup>th</sup> July, 2016 at 2.30 p.m. at Hotel Benz Park, No. 62, Thirumalai Pillai 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
160627020	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 34<sup>th</sup> Annual General Meeting. The Voting period starts from 9.00 a.m. (IST) on 26<sup>th</sup> July, 2016 and ends at 5.00 p.m. (IST) on 28<sup>th</sup> July, 2016. The voting module shall be disabled by CDSL for voting thereafter.

# Panasonic Carbon India Co. Ltd.

CIN: L29142TN1982PLC009560

Regd. Office : Pottipati Plaza, 3rd Floor,  
77 (Old No. 35) Nungambakkam High Road,  
Nungambakkam, Chennai - 600 034, India

Tel : +91 44 28275216, 28275226, 28275015  
Fax : +91 44 28263010  
www.panasoniccarbon.co.in

The BSE Limited,  
Floor: 25, P.J. Towers,  
Dalal Street, Fort, Mumbai- 400 001

29<sup>th</sup> July, 2016

Dear Sir,

**Sub: Furnishing of Annual Report for the year 2015-16 as required under Regulation 34, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Ref: SCRIP CODE: 508941 ISIN: INE013E01017**

In further reference to our letter dated 7<sup>th</sup> July, 2016, wherein we had informed about the Book Closure dates with regard to our ensuing Annual General Meeting to be convened on Friday, the 29<sup>th</sup> July, 2016, we are sending our Annual Report for the financial year 2015-16 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For Panasonic Carbon India Co. Limited**



**R. Manoranjan**  
Company Secretary