

# 32<sup>nd</sup> Annual Report 2013-14



**Panasonic Carbon India Co. Ltd.**

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# PANASONIC CARBON INDIA CO. LIMITED

## 32<sup>nd</sup> ANNUAL REPORT 2013 – 2014

### BOARD OF DIRECTORS

R. SENTHIL KUMAR  
Managing Director  
K.K. JIWARAJKA  
MITSUTOSHI SHIGETA  
HITOSHI ARATA  
HIDEYUKI OKUNAGA  
V.R. GUPTA  
A.RAGHAVENDRA RAO  
K.SUBRAMANIAN

### SECRETARY

R. MANORANJAN

### AUDITORS

BRAHAMAYYA & CO.,  
Chartered Accountants,  
48, Masilamani Road, Balaji Nagar,  
Royapettah, Chennai – 600 014

### BANKERS

CANARA BANK  
THE BANK OF TOKYO-  
MITSUBISHI UFJ, LTD.  
ICICI BANK LIMITED  
STATE BANK OF INDIA  
SYNDICATE BANK

### REGISTERED OFFICE

Pottipati Plaza, third Floor,  
77, Nungambakkam High Road,  
Chennai – 600 034

### FACTORY

Tada Mandal, Nellore District,  
Andhra Pradesh – 524 401

### REGISTRAR AND SHARE TRANSFER AGENTS

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

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**32<sup>nd</sup> Annual General Meeting**

Venue: Hotel Dee Cee Manor (Opp. To Vani Mahal), No.90, G. N. Chetty Road,  
T. Nagar, Chennai – 600 017.

Date : 31<sup>st</sup> July, 2014

Time : 3.00 P.M.

NOTICE IS HEREBY GIVEN THAT THE THIRTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF THE PANASONIC CARBON INDIA CO LIMITED will be held on Thursday, the 31<sup>st</sup> July, 2014 at 3.00 p.m. at Hotel Dee Cee Manor (Opp. To Vani Mahal), No. 90, G.N Chetty 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 32<sup>nd</sup> Annual Report of the Board of Directors and Audited Statements of Account for the Financial Year ended 31<sup>st</sup> March, 2014 together with the Auditors' Report thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. K.K Jivarajka who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Brahmayya & Co. Chartered Accountant 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

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

**"RESOLVED THAT** Mr. Hideyuki Okunaga who was appointed as a Director by the Board under Section 262 of the Companies Act, 1956, (correspond to section 161(4) of the Companies Act, 2013) and the Articles of Association of the Company to fill in the casual vacancy on the Board occasioned due to the resignation of Mr. Kenichi Kudara, who ceases to hold office under the provisions of the said Section and the Article and is eligible for re-appointment and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation".

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

**"RESOLVED THAT** Mr. Mitsutoshi Shigeta who was appointed as a Director by the Board under Section 262 of the Companies Act, 1956, (correspond to section 161(4) of the Companies Act, 2013) and the Articles of Association of the Company to fill in the casual vacancy on the Board occasioned due to the resignation of Mr. Hiroyuki Aota who ceases to hold office under the provisions of the said Section and the Article and is eligible for re-appointment and in respect of whom, the Company has received a notice in writing

under Section 160 of the Companies Act, 2013 from a Member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation".

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 the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. V. R. Gupte, Director of the Company who retires by rotation at the Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019".

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

**"RESOLVED** that pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. A. Raghavendra Rao, Director of the Company whose period of office is liable to determination by retirement of Directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019".

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

**"RESOLVED** that pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. K. Subramanian, Director of the Company whose period of office is liable to determination by retirement of Directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019".

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

## PANASONIC CARBON INDIA CO. LIMITED

Resolved not to fill for the time being the vacancy caused by the retirement of Mr. Hitoshi Arata, Director, who retires by rotation at the Annual General Meeting and does not seek re-appointment.

11. 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 25<sup>th</sup> July, 2013 and pursuant to the Provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the 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 (correspond to sections 198, 269, 309, 310 and Schedule XIII and other applicable Provisions of the Companies Act, 1956) consent of the Company be and is hereby accorded to the revised Remuneration w.e.f. 1<sup>st</sup> April, 2013 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 (corresponding to Schedule XIII to the Companies Act, 1956).

(A) Salary: ` 2, 25,000/- (Rupees Two Lakhs Twenty Five Thousand) per month.

(B) Perquisites:

(i) House Rent Allowance: ` 31,500/- (Rupees Thirty One Thousand Five Hundred only) per month.

(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 ` 1,65,000/- per annum.

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

(iv) 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.

**Explanation:** "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 of the Companies Act, 2013 (correspond to Section II of Part II of Schedule XIII of the Companies Act, 1956)

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

Place: Chennai  
Date : 8<sup>th</sup> May, 2014

**R. SENTHIL KUMAR**  
**MANAGING DIRECTOR**

### 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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital 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, 2014 to 31<sup>st</sup> July, 2014 (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, 2014 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.
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:-
- Any change in their address/mandate/bank account details with Phone Nos., Fax Nos., and E-mail ID for speedy disposal of letters on various issues; and payment of Dividend.
  - Share Certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
7. Pursuant to Section 124 of the Companies Act, 2013 (correspond to section 205A of the erstwhile Companies Act, 1956) an amount of ₹ 3,43,428/- remaining unclaimed out of the dividend for the Financial Year 2005-06 was transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government on 24<sup>th</sup> July, 2013.
- The unclaimed dividend, if any, for the Financial Year 2006-07 will become transferable to the "Investor Education and Protection Fund" on or before 20<sup>th</sup> July, 2014. Therefore, Members are requested to send their claims, if any, for the relevant years from the Financial Year 2006-07 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 2006-07 as on the date of the 31<sup>st</sup> Annual General Meeting (AGM) held on 25<sup>th</sup> July, 2013, 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.in](http://www.panasoniccarbon.in)
8. Members holding shares in electronic mode may please note that the Dividend payable to them would be paid through National Electronic 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.in](http://www.panasoniccarbon.in) or may write to the Company Secretary at the Registered Office of the Company.
11. Electronic copy of the Notice of the 32<sup>nd</sup> Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 32<sup>nd</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 32<sup>nd</sup> Annual General Meeting and the Annual Report for the year 2013-14 will also be available on the Company's website [www.Panasoniccarbon.in](http://www.Panasoniccarbon.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the Registrar and Share Transfer Agent's email id: [investor@cameoindia.com](mailto:investor@cameoindia.com).
14. **Voting through electronic means:**
- In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide

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members facility to exercise their right to vote at the 32<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:-

### (A) In case of members receiving e-mail:

- i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii) Click on “Shareholders” tab to cast your votes.
- iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID. Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used. If you are a first time user, follow the steps given below:
- vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	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.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with the sequence number 1 then enter RA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- vii) After entering these details appropriately, click on “SUBMIT” tab.
- viii) Members holding shares in physical form will then reach directly to the selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are

required to mandatorily change 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.

- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the **EVSN** for the relevant <Company Name> on which you choose to vote
- xi) 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.
- xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- xiii) 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.
- xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the systems.
- xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resoution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the systems for the scrutinizer to verify the same.

### (II) In case of members receiving the physical copy

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above, to cast vote.
- (B) The voting period begins on 24<sup>th</sup> July, 2014 (9.00 a.m.) and ends on 26<sup>th</sup> July, 2014 (6.00 p.m.). During this period shareholders’ of the Company, holding

shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30<sup>th</sup> June, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(c) 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).

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

**Item No.5:**

At the Board Meeting held on 23<sup>rd</sup> January, 2014 Mr. Hideyuki Okunaga was appointed as a Director to fill in the casual vacancy caused by the resignation of Mr. Kenichi Kudara under the Articles of Association of the Company and pursuant to Section 262 of the Companies Act, 1956 (Correspond to section 161(4) of the Companies Act, 2013) Mr. Hideyuki Okunaga 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 his appointment 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. Hideyuki Okunaga 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, except Mr. Hideyuki Okunaga, being an appointee, is interested in this resolution. The Board of Directors recommend passing of the Resolution set out at Item No.5 of the Notice convening the Meeting.

**Item No 6:**

At the Board Meeting held on 23<sup>rd</sup> January, 2014 Mr. Mitsutoshi Shigeta was appointed as a Director to fill in the casual vacancy caused by the resignation of Mr. Hiroyuki Aota under the Articles of Association of the Company and pursuant to Section 262 of the Companies Act, 1956, (Correspond to section 161(4) of the Companies Act, 2013). Mr. Mitsutoshi Shigeta 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 his appointment 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. Mitsutoshi Shigeta represents the Foreign Collaborators on the Board. He shall not be paid any

Sitting Fee for attending the Meetings of the Board or Committee thereof.

None of the Directors, except Mr. Mitsutoshi Shigeta, being an appointee, is interested in this resolution. The Board of Directors recommend passing of the Resolution set out at Item No.6 of the Notice convening the Meeting.

**Item No.7:**

Mr. V.R Gupte, is a Non-Executive Independent Director of the Company and have held the positions as such for more than 5 (five) years.

Mr. V.R. Gupte, retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of section 149 and other applicable provisions of Companies Act, 2013, Mr. V.R Gupte being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term up to 31<sup>st</sup> March, 2019.

In the opinion of the Board, Mr. V.R Gupte fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. V.R. Gupte as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. V.R. Gupte as an Independent Director, for the approval by the shareholders of the Company.

His qualification and experience are detailed under the heading "*Information about the Directors to be appointed / re-appointed*" which forms part of this Notice. None of the Directors, except Mr. V.R Gupte, being an appointee, is interested in this resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**Item No.8:**

Mr. A.Raghavendra Rao is a Non-Executive Independent Director of the Company and have held the positions as such for more than 5 (five) years.

Mr. A. Raghavendra Rao is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of section 149 and other applicable provisions of Companies Act, 2013, Mr. A. Raghavendra Rao being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term up to 31<sup>st</sup> March, 2019.

In the opinion of the Board, Mr. A. Raghavendra Rao fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. A. Raghavendra Rao as an Independent Director. Accordingly, the Board



recommends the resolution in relation to appointment of Mr. A. Raghavendra Rao as an Independent Director, for the approval by the shareholders of the Company.

His qualification and experience are detailed under the heading "*Information about the Directors to be appointed / re-appointed*" which forms part of this Notice. None of the Directors, except Mr. A. Raghavendra Rao, being an appointee, is interested in this resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

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

Mr. K. Subramanian is a Non-Executive Independent Director of the Company and have held the positions as such for more than 5 (five) years.

Mr. K. Subramanian is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of section 149 and other applicable provisions of Companies Act, 2013, Mr. K. Subramanian being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term up to 31<sup>st</sup> March, 2019.

In the opinion of the Board, Mr. K. Subramanian fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. K. Subramanian as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. K. Subramanian as an Independent Director, for the approval by the shareholders of the Company.

His qualification and experience are detailed under the heading "*Information about the Directors to be appointed / re-appointed*" which forms part of this Notice. None of the Directors, except Mr. K. Subramanian, being an appointee, is interested in this resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

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

Mr. Hitoshi Arata is a Non-Executive promoter Director of the Company. He joined the Board of Directors of the Company in May, 2012. Mr. Hitoshi Arata retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956 and does not seek re-appointment owing to his busy schedule and commitments on other overseas Boards. Accordingly, Mr. Hitoshi Arata retires at this Annual General Meeting and the Board has decided not to fill, for the time being, the vacancy caused due to his retirement.

None of the Directors, except Mr. Hitoshi Arata, is interested in this resolution. The Board recommends the resolutions set forth at Item No.10 for approval by the shareholders of the Company.

### **Item No.11:**

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 the remuneration for a period of three years effective from 23<sup>rd</sup> April, 2013 to 22<sup>nd</sup> April, 2016. The said appointment and remuneration had also been approved by the Shareholders at the Annual General Meeting held on 25<sup>th</sup> July, 2013. The Shareholders at their Annual General Meeting held on 25<sup>th</sup> July, 2013 had approved the revision in remuneration to Mr. R. Senthil Kumar with effect from 1<sup>st</sup> April, 2012.

Considering his contribution and performance for the growth of the Company and based on the recommendation of the Remuneration Committee, the Board at their Meeting held on 25<sup>th</sup> July, 2013 revised his remuneration with effect from 1<sup>st</sup> April, 2013, 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. Mr. R. Senthil Kumar may be treated as interested in this resolution. The Board recommends passing of the resolution set out at item no.11 of the Notice convening the Meeting.

### **INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT :**

#### **MR. HIDEYUKI OKUNAGA:**

Mr. Hideyuki Okunaga is an Economics Graduate from Kobe University, Japan. He joined M/s Panasonic Corporation (Formerly M/s Matsushita Electric Industrial Co. Ltd), Japan, immediately after completion of Graduation (i.e) in April, 1988. From 1<sup>st</sup> October, 1993 to 31<sup>st</sup> March, 2001 he worked in the Department of Component, HQ, Panasonic Corporation. From 1<sup>st</sup> April, 2001 to 31<sup>st</sup> March, 2002 he worked in Public Relation Group, Corporate Communication, Pana -News Team, Panasonic Corporation. From 1<sup>st</sup> April, 2002 to 31<sup>st</sup> March, 2007, he worked in the Corporate Planning Group, Investigation-Research Team, Panasonic Corporation. From 1<sup>st</sup> April, 2007 to 30<sup>th</sup> September, 2008, he worked in the department of Corporate Planning Group, Policy Planning Team, Panasonic Corporation. From 1<sup>st</sup> October, 2008 to 31<sup>st</sup> November, 2013, he worked in Corporate Strategy Department, Corporate Planning Group, Policy Planning Team, Panasonic Corporation. Presently he is working as Group Manager, Global Business Planning Group, Energy Device Business Division, Panasonic Corporation, Japan.

He is a Director on the Board of Three other Foreign Companies.

**MR. MITSUTOSHI SHIGETA:**

Mr. Mitsutoshi Shigeta is a Management Graduate from Waseda University, Tokyo, Japan. He joined M/s. Panasonic Corporation (Formerly M/s. Matsushita Electric Industrial Co. Ltd), Japan, immediately after completion of Graduation (i.e) in April, 1988. From 1<sup>st</sup> June 1991 to 30<sup>th</sup> September, 2003 he worked in Overseas Business Promotion Department, Dry Battery Business Unit, Energy Company, Panasonic Corporation, Japan. From 1<sup>st</sup> October, 2003 to 31<sup>st</sup> August, 2006 he worked as full time Union Officer, Labour Union, Panasonic Corporation. From 1<sup>st</sup> September, 2006 to 30<sup>th</sup> September, 2007 he worked as a Manager, Promotion Team, Dry Battery Business Unit, Panasonic Corporation. From 1<sup>st</sup> October, 2007 to 30<sup>th</sup> June, 2008 he worked as a General Manager, Corporate Planning Group, Dry Battery Business Unit, Energy Company, Panasonic Corporation. From 1<sup>st</sup> July, 2008 to 31<sup>st</sup> December, 2013 he worked as President, PT. Panasonic Gobel Energy, Indonesia. Presently he is a Director of Energy Device Business Division, Automotive and Industrial Systems Company, Panasonic Corporation.

He is a Director on the Board of Eleven other Foreign Companies and Director of Panasonic Energy India Co. Limited.

**MR. K.K. JIWARAJKA:**

Mr. K.K. Jiwarajka after completing his graduation from the Bombay University joined the business in trading of Electronic Components in 1969. He was involved in the business of marketing and distribution of consumer durables and household appliances. He had rich experience in business development and trading activities in the Electrical, Electronic and Household appliances. He is not a member in any of the committees of the Board of your Company.

He is a director in Moza Hosiery India Ltd.

**MR. V.R GUPTA:**

Mr. V.R Gupta, after completing Master Degree in Law (L.L.M) and passing the I.R.S and allied service examinations of Union Public Service Commission, joined Indian Revenue service in 1954 and held several positions in Income Tax Department till 1964. In 1963, he obtained Master Degree in Law from Harvard Law School, USA and was appointed as Deputy Secretary, Ministry of Finance, Government of India in 1965. From 1969 to 1974 he was deputed to Embassy of India, Washington as Financial Advisor. He was the Joint Secretary, Ministry of Finance, Banking division from 1977 to 1980. On Voluntary Retirement from the Government Services in 1980, he worked as Finance Director, Spencer & Co., Chennai, till 1983 and thereafter he is practicing as an Advocate. Presently he is a Director on the Board of M/s Indo National Limited (formerly M/s. Nippo Batteries Co. Limited).

He is the Chairman of the Audit Committee, Shareholders/Investors Grievance Committee and a

Member of Remuneration Committee of M/s Indo National Limited (formerly M/s. Nippo Batteries Co. Limited). He is also the Chairman of the Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee of your Company.

**Mr. A. RAGHAVENDRA RAO:**

Mr.A. Raghavendra Rao is a B.Com (Hons), L.L.B. Graduate and an Associate Member of the Institute of Cost and Management Accountants of India, Kolkata. He joined Indian Revenue Service in 1958 and was holding various positions, including Commissioner of Income-tax, Under Secretary in Department of Revenue, Ministry of Finance, Additional Secretary in the Department of Space and Member of Central Board of Direct Taxes till 1992. He worked as Member/Vice Chairman/Chairman of Settlement Commission between 1992 and 1997. He was also appointed by Company Law Board as Chairman and by Madras High Court as Administrator for several Non Banking Financial Companies.

Presently he is a Director of the M/s. Panasonic Appliances India Co. Ltd., and the Chairman of M/s. Kumbakonam Mutual Benefits Fund Limited. He is also a Member of the Audit Committee, Shareholders Grievance Committee and Remuneration Committee of your Company. He is also a Member of the Audit Committee and Remuneration Committee of M/s. Panasonic Appliances India Co. Ltd.

**Mr. K. SUBRAMANIAN:**

Mr. K. Subramanian is an M.A.B.L. He joined the banking service in 1964 and after holding various positions rose to the level of Chairman and Managing Director of Indian Overseas Bank in 1996 and was holding that position till 1999. During his banking career he was Chief Executive of Indian Bank, Singapore Operations and also headed the International Division of the Bank as General Manager. He is an ardent lover of Sports, especially Cricket; he was Vice President of the Tamil Nadu Cricket Association and Member of the Finance Committee of the Board of Control for Cricket in India.

Presently he is a Director on the Board of M/s. Jeypore Sugar Co. Ltd, M/s. Panasonic Appliances India Co. Ltd and M/s. V. Ramakrishna Sugars Limited. He is also a Member of the Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee of your Company. He is a Member of the Audit Committee and Share Transfer Committee of The Jeypore Sugar Co. Ltd and a Member of the Audit Committee, Remuneration Committee and Share Transfer and Investors Grievance Committee of M/s. Panasonic Appliances India Co. Ltd.

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

Place: Chennai  
Date : 8<sup>th</sup> May, 2014

**R. SENTHIL KUMAR**  
**MANAGING DIRECTOR**

# PANASONIC CARBON INDIA CO. LIMITED

## 32<sup>nd</sup> ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting to you their 32<sup>nd</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014 and the Auditors' Report thereon.

### FINANCIAL RESULTS:

The summarized working results for the year ended 31<sup>st</sup> March, 2014 as compared with the earlier year are as under:

Particulars	Year ended 31.03.2014 (₹ in Lakhs)	Year ended 31.03.2013 (₹ in Lakhs)
Profit before depreciation	1075.42	1014.44
Less: Depreciation	37.85	39.57
Balance Profit before taxation	1037.57	974.87
Less: Provision for Taxation after adjustment towards deferred tax	353.00	321.36
Balance Profit after Taxation	684.57	653.51
Add: Surplus Brought Forward from Previous year	29.25	18.84
Amount available for Appropriation	713.82	672.35

Your Directors recommend the following Appropriations:

Proposed Dividend	336.00	336.00
Taxation on Dividend	57.10	57.10
Transfer to General Reserve	300.00	250.00
Transfer to Profit and Loss Statement	20.72	29.25
<b>Total</b>	<b>713.82</b>	<b>672.35</b>

### DIVIDEND :

Your Directors recommend a dividend of ₹ 7/- per Share (i.e.) 70% which as per the provisions of Income-tax Act presently in force will not be taxed in the hands of the Shareholders. However, the Company will be paying the prescribed tax on the distributed dividend. This dividend if approved by you at the ensuing 32<sup>nd</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.

### MANAGEMENT DISCUSSION AND ANALYSIS:

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

Your Company sold 2008 Mln. Pcs. of Carbon Rods, as against 2131 Mln. Pcs., which is 94% of Sales of last year. The Domestic Sales Quantity and Value were 1125 Mln. Pcs. and ₹ 17.21 Crores, which works out to 101% and 100% respectively of the Sales of last year. The increase in Domestic Sales was mainly on UM-3 and UM-4 carbon rods and decrease in UM-1 when compared to the last year

The Export Sales Quantity and value were 883 Mln. Pcs. and ₹ 17.48 Crores compared to last year's quantity of 1021 Mln. Pcs. and ₹ 17.91 Crores. Compared to last year, export sales quantity works out to 87% and value 98%. As informed last year, your Company could stabilize the exports to Panasonic Group Battery Factories in Poland, Peru, Thailand, Indonesia and other customers in African countries on regular basis.

There is a steep increase of fuel price and the electricity cost resulted in increase of production cost. The furnace oil price increased by 9 % and the electricity cost increased by 17%. However, reduced the fuel consumption by relocating the thermic fluid heater nearer to the process, by closely monitoring and maintaining the kiln temperature pattern, by improving productivity and by using pyrolysis oil as fuel in thermic fluid heater, the impact of increase in fuel price is minimized to the maximum extent. Though we could not get the orders from some of the Panasonic Group Companies as planned, we could get additional orders from African and Asian customers. The increase in profitability for the current year is mainly due to favorable exchange rate, orders from Africa and Asian customers and the various cost control measures initiated.

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

The Company has higher production capacity to meet any increased demand of Carbon rods in the Domestic and International Markets in the years to come. The company also increased the production capacity especially in smaller size carbon rods to meet the increasing demand by adding one mini screw press and one grinding machine. 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 maintain 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 taking into consideration the adverse conditions, if any, in the Dry Battery Industry.

There are no materially significant threats, risks or concerns to the Company.

### SEGMENT-WISE PERFORMANCE:

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

By value, while Domestic Sales was 50%; Exports Sales was 50%.

### 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 deposits at regular intervals in line with the policy of the Company. This is reflected in increased deposits.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has adequate internal control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes. A firm of experienced Chartered Accountants had carried Audit throughout the year. Whenever it is required, the systems and procedures are upgraded.

**HUMAN RESOURCES:**

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

**STATEMENT PURSUANT TO LISTING AGREEMENTS:**

The Company's Securities are listed with Madras Stock Exchanges Ltd and BSE Ltd and it has paid the respective Annual Listing Fees up-to-date and there are no arrears.

**TECHNOLOGY ABSORPTION, ENERGY CONSERVATION, FOREIGN EXCHANGE ETC:**

Details regarding conservation of energy, foreign exchange and technology absorption including R&D efforts are given separately in Annexure 'A' to this Report.

**CODE OF CORPORATE GOVERNANCE:**

A detailed report on Corporate Governance as updated with the particulars of this Financial Year, as per the directions from SEBI is annexed to this report (Annexure "B") together with Report of the Auditors on the compliance with the said Code.

**PERSONNEL:**

Particulars of employment as required under Section 217(2A) of the Companies Act, 1956 are not furnished as none of the employees were in receipt of remuneration exceeding the limits prescribed under the Companies Act.

**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.

**ENVIRONMENT:**

The Company has consistently has emphasized and worked towards sustainable use of natural resources. In order to promote the "ECO" Ideas for everybody and everywhere with an objective to create awareness and boost the PCIN brand image on a global basis, the Company had organized the "ECO" relay event on 25th June, 2013. The Company had distributed T-Shirts and caps with the slogan inscribed on ECO Activity to participants especially students from TADA School. The Company actively makes effort to increase awareness among the students about the global warming 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.

**DIRECTORS:**

Mr. Hiroyuki Aota had resigned from the Board of your Company effective 23<sup>rd</sup> January, 2014.

Mr. Kenichi Kudara had resigned from the Board of your Company effective 23<sup>rd</sup> January, 2014.

Mr. Mitsutoshi Shigeta was appointed as a Director in the casual vacancy caused on the resignation of Mr. Hiroyuki Aota at the Board Meeting held on 23<sup>rd</sup> January, 2014.

Mr. Hideyuki Okunaga was appointed as a Director in the casual vacancy caused on the resignation of Mr. Kenichi Kudara at the Board Meeting held on 23<sup>rd</sup> January, 2014.

The Board of Directors places on record their appreciation for the valuable contribution made by Mr. Hiroyuki Aota and Mr. Kenchi Kudara for the growth of the Company during their tenure of Directorship.

In accordance with the Articles of Association of the Company Mr. K.K Jiwarajka retires by rotation at this Annual General Meeting and being eligible seek re-appointment.

In accordance with the Articles of Association of the Company Mr. Hitoshi Arata who retires by rotation and does not seek re-appointment at this Annual General Meeting owing to his busy schedule and commitments on the overseas boards.

Impending notification of Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. V.R. Gupte, Mr. A.R. Rao and Mr. K. Subramanian as Independent Directors of the Company for Five consecutive years for a term up to 31<sup>st</sup> March, 2019.

Information about all the Directors proposed to be appointed/re-appointed is furnished in the Explanatory Statement under Section 102(1) 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.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirements u/s 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, your Directors confirm that they had:

1. followed in the preparation of Annual Accounts, 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 Profit of the Company for that period;
3. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the Assets of the Company and to prevent and detect fraud and other irregularities; and
4. Prepared the Accounts on a Going Concern basis.

## PANASONIC CARBON INDIA CO. LIMITED

### STATUTORY AUDITORS:

The Statutory Auditors of the Company, M/s.Brahmayya & Co., Chartered Accountants, Chennai, retire in accordance with the provisions of Companies Act, 1956 and are eligible for re-appointment. The Company has received letter to the effect that their re-appointment, if made, would be within the prescribed limits under section 141(3)(g) of the companies Act, 2013 and they are not disqualified for re-appointment. The Audit Committee and the Board of Directors recommend the re-appointment of M/s.Brahmayya & Co., Chartered Accountants, as the Auditors of the Company.

### COST AUDITORS:

As per the directions of Central Government, the Company has appointed M/s. P. Raju Iyer, M.Pandurangan Associates, practicing Cost Accountants, Chennai, as the Cost Auditors of the Company under Section 233B of the Companies Act, 1956, to conduct the Audit of Cost Accounting Records maintained by the Company for the Financial Year 2013-14. The Cost Audit Report for the Financial Year 2013-14 will be submitted to the Central Government before the due date.

### ACKNOWLEDGEMENT:

Your Directors wish to record their sincere appreciation for the support, co-operation, guidance and assistance provided by the 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	<b>V.R. GUPTA</b>	<b>R. SENTHIL KUMAR</b>
Date: 08.05.2014	DIRECTOR	MANAGING DIRECTOR

**ANNEXURE 'A' TO THE 32<sup>nd</sup> ANNUAL REPORT OF THE BOARD OF DIRECTORS**

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, etc.**

**A. CONSERVATION OF ENERGY:**

During the year under review, though there was a steep increase in Electricity rate by 12.93 % (₹ 6.59 to ₹ 7.44 per unit), reduction in Cost of Electricity was achieved by improving productivity, product yield, reducing process losses and also by reducing the impregnation process time for some grades of carbon rods. Various Energy reduction activities were carried out like (a) by using 15HP compressor at some processes in peak hours and power holidays by avoiding the usage of 40 HP compressor (b) replacement of ACC roofing sheets in the process halls about 6,700 m<sup>2</sup> and intermittently used UV coated transparent sheets and improved the natural lighting inside the process halls resulting in avoiding use of electric lights and reduction of energy consumption.

During the year under review, though there was a steep increase in Diesel's price by 35% (₹ 41 to ₹ 55.38 per litre), 79 % reduction in consumption of Diesel was achieved by:

- a) Shifting, mixing and extruding process Thermic Fluid Heaters nearer to the Extruding process reducing the hot oil pipeline distance by nearly 100 meters.
- b) Replacement of 10% Diesel Oil with Pyrolysis Oil in Thermic Fluid Heaters. Further, due to usage of Pyrolysis Oil significant reduction of Thermic Fluid Heater Fuel was achieved.
- c) Effective production planning and implement changes through weekly review there by drastically reduced the usage of Generator.

By effectively controlling the temperature pattern in the Tunnel kiln, Furnace oil consumption reduced by 2.58% compared to the previous year.

**B. TECHNOLOGY ABSORPTION:**

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

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

- a. Reduction of recycle material generation in R6 XP and R03 XP Grade in extruding process by suitably modifying the machine parts.
- b. Usage of Artificial graphite in place of natural graphite in R20 CP Grade.
- c. Reduction of Impregnation Process time by increasing dipping material quantity of half basket to full basket of R03 XP Grade.
- d. Reduction of Impregnation Process time by increasing dipping material quantity from half basket to full basket of Inch Carbon.
- e. In-house development of refractory bricks for construction of tunnel kiln refractory cars.

- f. Introduction of additional screw press.
- g. Introduction of high pressure and high flow Power pack/Pump for hydraulic presses.

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

- a. Reduction of return material generation in R6 XP carbon from 13.78 to 10.77% and in R03 XP Grade 25 to 17.29%.
- b. Reduction of natural resources consumption (Natural Graphite) by 31% in R20CP.
- c. Improving productivity in R03 XP Grade Impregnation process.
- d. Improving productivity in Inch carbon Impregnation process.
- e. Reduction of brick cost and solid waste generation.
- f. Improving R20 BP Grade extruding productivity.
- g. Improving R20 Grade extruding productivity.

**3. Future plan of action:**

- a) Removal of Coal Tar usage and usage of Powder Pitch in R6 BP Grade .
- b) Reduction of Sox concentration in tunnel Kiln by Installing Desulphurising plant.
- c) Removal of Carbon Black usage in R6 BP Grade.
- d) Arrangement cyclone separator for mixing process for reducing the SPM levels.

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

Total Expenditure - Revenue	₹ 19.10 lakhs
R&D Expenditure as a percentage to total turnover	0.54%

**Technology absorption, adaptation and Innovation:**

- 1. Efforts are taken to improve upon technology absorption, adaptation and innovation.  
Effective use of Mini Screw press in place of Hydraulic press for UM-4 Grade and modification of Impregnation process method for improving productivity and achieved reduction in recycles.
- 2. Benefits derived as a result of the above.  
Reduction of Energy cost, productivity improvement, quality improvement and improved environmental friendly operations.
- 3. Imported technology (imported during last five years)  
Except for regular up-gradation of the know-how, no specific technology had been imported in the last five years.

## PANASONIC CARBON INDIA CO. LIMITED

### FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to Exports: Initiatives taken to increase exports; development of new export markets for Products and services and export plans.
2. Total Foreign Exchange used and earned:

Total foreign exchange used in the year ended 31<sup>st</sup> March, 2014 towards import of raw materials and other remittances like Royalty, Dividend, Commission on Sales etc., was ₹ 6.55 Crores. With regard to the earning of Foreign Exchange, the direct inflow of foreign currency

due to Exports worked out to ₹ 17.73 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 is out approximately to ₹ 17 Crores.

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

Place: Chennai    **V.R. GUPTA**  
Date: 08.05.2014    DIRECTOR

**R. SENTHIL KUMAR**  
MANAGING DIRECTOR

ANNEXURE 'B' TO THE 32<sup>nd</sup> ANNUAL REPORT OF THE BOARD DIRECTORS

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

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

PCIN has always believed that Good Corporate Governance is more a way of business life than a mere legal compulsion. Corporate Governance enhances the confidence of all the stakeholders. 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 Seven Non-Executive Directors including three Independent Directors. The Chairman of the Board is a Non-Executive Director.

During the Financial Year ended 31<sup>st</sup> March, 2014, four Board Meetings were held on 26<sup>th</sup> April 2013, 25<sup>th</sup> July, 2013, 29<sup>th</sup> October, 2013 and 23<sup>rd</sup> January, 2014

The last Annual General Meeting was held on 25<sup>th</sup> July, 2013

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 are as follows:

Name of the Director	Designation and Category	No. of Board Meeting 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	Managing Director, Executive	4	4	Yes	Nil	Nil
Mr. K.K. Jiwaraajka	Director, Promoter, Non-Executive	4	1	Yes	1	Nil
Mr.V.R.Gupte	Director, Independent	4	4	Yes	1	3
Mr.A.Raghavendra Rao	Director, Independent	4	4	Yes	1	2
Mr.K.Subramanian	Director, Independent	4	4	Yes	3	5
Mr.Mitsutoshi Shigeta (1)	Director, Promoter, Non-Executive	4	Nil	No	1	Nil
Mr. Hideyuki Okunaga (2)	Director, Promoter, Non-Executive	4	Nil	No	Nil	Nil
Mr.Hiroyuki Aota (3)	Director, Promoter, Non-Executive	4	Nil	No	1	Nil
Mr. Kenichi Kudara (4)	Director, Promoter, Non-Executive	4	Nil	No	Nil	Nil
Mr. Hitoshi Arata	Director, Promoter, Non-Executive	4	Nil	No	Nil	Nil



## PANASONIC CARBON INDIA CO. LIMITED

- 1) Mr. Mitsutoshi Shigeta was appointed as Director on the Board of the Company in the casual vacancy caused due to the resignation of Mr. Hiroyuki Aota at the Board Meeting held on 23<sup>rd</sup> January, 2014, effective that date.
- 2) Mr. Hideyuki Okunaga was appointed as Director on the Board of the Company in the casual vacancy caused due to the resignation of Mr. Kenichi Kudara at the Board Meeting held on 23<sup>rd</sup> January, 2014, effective that date.
- 3) Mr. Hiroyuki Aota resigned from the Directorship of the Board of the Company at the Meeting held on 23<sup>rd</sup> January, 2014.
- 4) Mr. Kenichi Kudara resigned from the Directorship of the Board of the Company at the Meeting held on 23<sup>rd</sup> January, 2014.

Mr. Mitsutoshi Shigeta, Mr. Hideyuki Okunaga and Mr. Hitoshi Arata are nominated by our Collaborators and are employed in Japan.

Information about the Directors proposed to be appointed/re-appointed required to be furnished pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges is furnished under 'Notes' attached to the Notice of the 32<sup>nd</sup> Annual General Meeting to the Shareholders of the Company. None of the Directors of the Company was a member of more than 10 Committees of the Board as stipulated under clause 49 of the Listing Agreement or was a Chairman of more than 5 such Committees across all Companies in which he was a Director

### Committees of the Board:

#### 1. Audit Committee

##### Terms of Reference :

The Qualified and Independent Audit Committee of the Board of the Company monitors and provides effective supervision of the Management's financial reporting process with a view to ensure accurate and proper disclosure and transparency and quality of financial reporting. The Committee also reviews the financial and risk management policies and the adequacy of internal control systems and meets the Internal Auditors and Statutory Auditors periodically.

##### 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 year (i.e) on 26<sup>th</sup> April 2013, 25<sup>th</sup> July, 2013, 29<sup>th</sup> October, 2013 and 23<sup>rd</sup> January, 2014. 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.

#### 2. Shareholders/Investors Grievance Committee:

##### Terms of Reference :

The Committee oversees Share Transfers and monitor investors' grievance such as complaints on transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend, etc. and redressal thereof, within the purview of the guidelines set out in the Listing Agreement.

##### Composition :

The Shareholders/Investors Grievance committee constituted by the Board of Directors consists of the following three 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

The quorum for the Meeting shall be any two of the above three Members.

The Company Secretary, Mr. R. Manoranjan, is the Compliance Officer of the Committee.

The Company attends to the Shareholders / Investors grievances / correspondence expeditiously. No complaints of material nature were received during the year under review.

### 3. Share Transfer Committee:

#### Terms of reference:

This Committee attends to approval, issue and registration of transfers, transmissions, transpositions, splits, Duplicate Share Certificates and consolidations of Shares and other matters connected therewith, within the purview of the guidelines set out in the Listing Agreement.

#### Role and Performance:

The Board constituted this Committee delegating the powers of Share Transfer to expedite the process. The Members of the Committee are Mr.R.Senthil Kumar, Managing Director, Mr. P.Venkateswara Rao, CFO and Mr.R. Manoranjan, Secretary of the Company. The quorum for the Meeting shall be any of the above two Members. The Committee holds its Meeting regularly to consider all matters concerning transfer, transmission, transposition, Issue of Duplicate Share Certificates, split, consolidation etc. of Shares. During the period 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014, Sixteen Meetings of the Committee were held. All share transfers, transmissions, transpositions, splits, Issue of Duplicate Share Certificates and consolidations received upto 31<sup>st</sup> March, 2014 have already been considered and there were no pending Share Transfers etc. as at the end of the year.

### 4. Remuneration Committee:

The Committee is vested with necessary powers and authority to determine and recommend the Remuneration payable to Executive Director, within the purview of the Companies Act and Listing Agreement.

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 25<sup>th</sup> July, 2013 to determine and recommend the 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 is 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 revision in Remuneration as approved by the Remuneration Committee and the Board is being approved by the Shareholders at the Annual General Meeting on 25<sup>th</sup> July, 2013. The details of Remuneration paid to the Executive Director during the Financial Year 2013-14 under review is as under:

Name and Designation	Period	Salary	Perquisites	Total
Mr.R.Senthil Kumar, Managing Director	01-04-2013 to 31-03-2014	27,00,000	11,36,270	38,36,270

The Executive Director is not paid any sitting fees for the Board Meetings or for any Committees of the Board attended by him. The above Whole-time Director had been nominated by the Collaborators, M/s. Panasonic Corporation, Japan.

#### **Non-Executive Directors :**

The Board of Directors decided to pay the Remuneration to Non-Executive Directors. Non-Executive Directors of the Company are Remunerated 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.

## PANASONIC CARBON INDIA CO. LIMITED

There is no differential Accounting Treatment followed in the Company during the Financial Year 2013-14.

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	3,35,194	40,000	40,000	5,000
Mr.A.Raghavendra Rao	3,35,194	40,000	40,000	5,000
Mr.K.Subramanian	3,35,194	40,000	40,000	5,000
Mr.K.K. Jiwrajka	83,798	NIL	NIL	NIL
Mr. Mitsutoshi Shigeta	NIL	NIL	NIL	NIL
Mr. Hideyuki Okunaga	NIL	NIL	NIL	NIL
Mr. Hitoshi Arata	NIL	NIL	NIL	NIL
Total	10,89,380	1,20,000	1,20,000	15,000

No. of Shares held by Non-Executive Directors :

Name of the Director	No. of Shares held
Mr.V.R. Gupte	NIL
Mr.A.Raghavendra Rao	NIL
Mr.K.Subramanian	NIL
Mr.K.K.Jiwrajka	1,51,442
Mr. Mitsutoshi Shigeta	NIL
Mr. Hideyuki Okunaga	NIL
Mr. Hitoshi Arata	NIL

### 6. General Body Meetings :

The last Three Annual General Meetings were held as under:

Account Year ended	Date	Day	Time	Venue
31 <sup>st</sup> March, 2013	25 <sup>th</sup> July, 2013	Thursday	2.30 P.M.	Hotel Dee Cee Manor (Opp. To Vani Mahal) No. 90, G.N.Chetty Road, T. Nagar, Chennai-600017
31 <sup>st</sup> March, 2012	31 <sup>st</sup> July, 2012	Tuesday	2.30 P.M.	Sri.P.Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T.Nagar, Chennai-600017
31 <sup>st</sup> March, 2011	20 <sup>th</sup> July, 2011	Wednesday	2.30 P.M.	Sri P. Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T. Nagar, Chennai 600 017.

There was only one Special Resolution passed in the last three Annual General Meetings.

Subject	Annual General Meeting held on	For the Financial Year ended
Commission payable to Non-Executive Directors	31 <sup>st</sup> July, 2012	31 <sup>st</sup> March, 2012

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, 1956 as applicable at the relevant point of time.

### 7. Disclosures:

#### (i) Related Party Transactions

The Company has not entered into any transactions of a material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. (Transactions with related parties disclosed in Note No.33 of the Notes to the financial statements)

#### (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 Clause 49 of the Listing Agreement. The Company has not adopted the non-mandatory requirements of the above Clause.

- (c) The Company has not established a mechanism for Whistle Blower Policy since it is a non-mandatory requirement.
- (d) The Chief Executive Officer and Chief Financial Officer have issued necessary Certificate to the Board of Directors in Compliance with Clause 49 of the Listing Agreement.

### 8. 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 all the Stock Exchanges, where the Shares of the Company are listed.

The Quarterly and Annual Financial Results are published in Newspapers. 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.in](http://www.panasoniccarbon.in)

The Company is also filing the specified documents/statements/informations as per SEBI directive within the stipulated time.

During the year ended 31<sup>st</sup> March, 2014 no presentation has been made to Analysts.

The Management Discussion and Analysis Report form part of the Directors Report.

### GENERAL SHAREHOLDERS INFORMATION:

1. Annual General Meeting : Thursday, the 31<sup>st</sup> July, 2014, at 3.00 p.m. at Hotel Dee Cee Manor (Opp. To Vani Mahal), No. 90, G.N Chetty Road, T. Nagar, Chennai-600017
2. Dates of Book Closure : 23<sup>rd</sup> July, 2014 to 31<sup>st</sup> July, 2014 (both days inclusive)
3. Financial Year : 01-04-2013 to 31-03-2014
4. Financial calendar (tentative) result for the quarter ending:
  - June 30<sup>th</sup>, 2014 : 3<sup>rd</sup>/4<sup>th</sup> week of July, 2014
  - September 30<sup>th</sup>, 2014 : 3<sup>rd</sup>/4<sup>th</sup> week of October, 2014
  - December, 31<sup>st</sup> 2014 : 3<sup>rd</sup>/4<sup>th</sup> week of January, 2015
  - March, 31<sup>st</sup> 2015 : 3<sup>rd</sup>/4<sup>th</sup> week of May, 2015
5. Last date of receipt of Proxy Form : 48 Hrs before AGM
6. Dividend payment Date : 7<sup>th</sup> August, 2014
7. Listing on Stock Exchanges:

The Equity Shares of the Company are listed in the Madras Stock Exchange Limited and BSE Limited. The Company confirms that it has paid the Annual Listing Fees to the above Stock Exchanges for the financial year 2013-14 and there are no arrears.

### 8. Unpaid / Unclaimed Dividend:

Pursuant to Section 124 of the Companies Act, 2013 (correspond to section 205A of the erstwhile Companies Act, 1956) an amount of ` 3,43,428/- remaining unclaimed out of the dividend for the Financial Year 2005-06 was transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government on 24<sup>th</sup> July, 2013. The unclaimed dividend, if any, for the Financial Year 2006-07 will become transferable to the "Investor Education and Protection Fund" on or before 20<sup>th</sup> July, 2014. Therefore, Members are requested to send their claims, if any, for the relevant years from the Financial Year 2006-07 onwards before the respective amounts become due for transfer to the fund.

### 9. Stock Code:

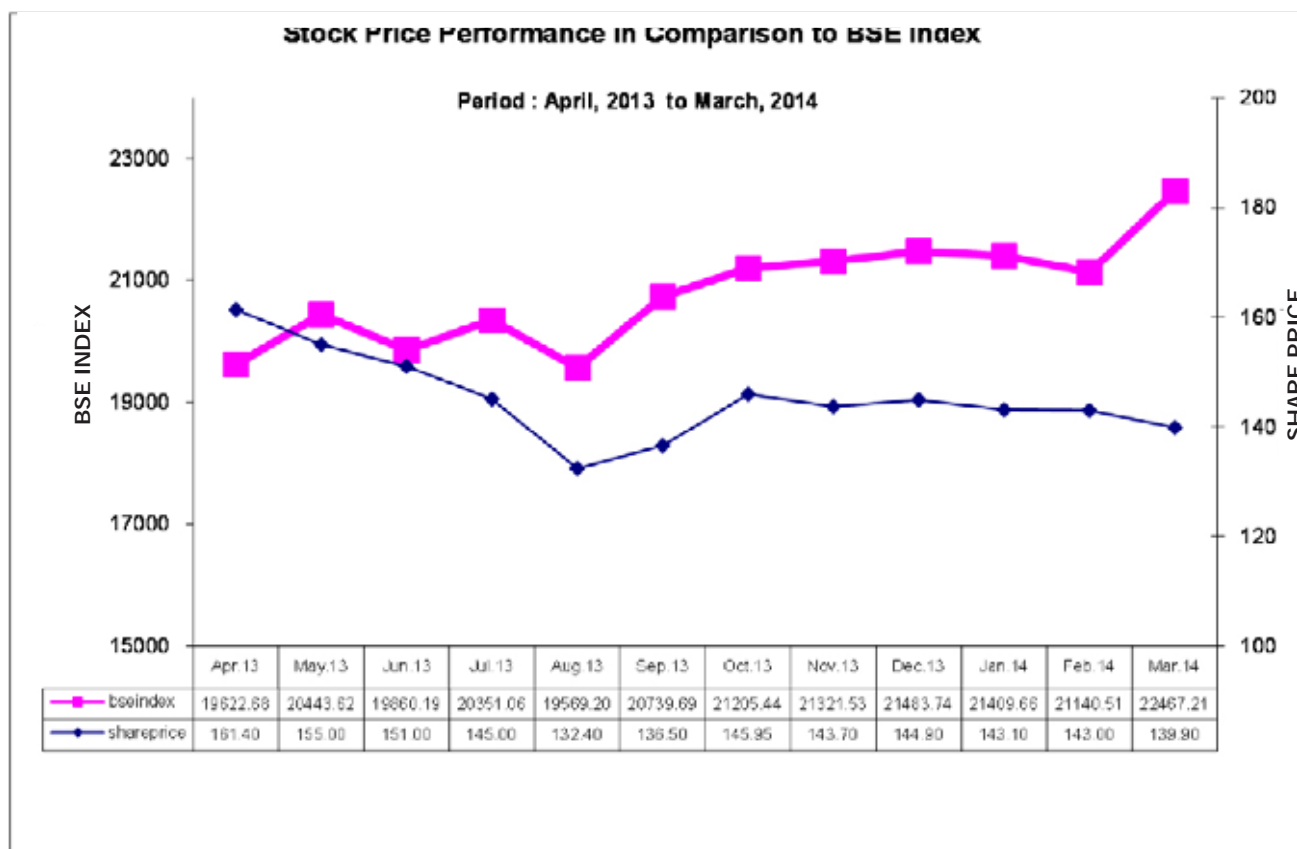
Madras Stock Exchange Ltd.	IMT
The BSE Limited	508941

### 10. Trading of securities in NSE:

Since the Madras Stock Exchange does not have own platform for trading its share, it had enabled trading of its shares on the NSE platform as a permitted security through a Memorandum of Understanding with the NSE, executed in 2009. The Company's share is trading in NSE. Shareholder may see the market price data at the website of the NSE- [www.nseindia.com](http://www.nseindia.com) The stock code for the Company in NSE is **PANCARBON**

11. Market Price data for the Financial Year ended 31<sup>st</sup> March, 2014

Month	BSE	
	High Rs.P.	Low Rs.P.
April, 2013	161.40	141.00
May, 2013	155.00	141.50
June, 2013	151.00	130.00
July, 2013	145.00	130.50
August, 2013	132.40	118.80
September, 2013	136.50	118.00
October, 2013	145.95	126.05
November, 2013	143.70	126.00
December, 2013	144.90	128.00
January, 2014	143.10	130.00
February, 2014	143.00	127.20
March, 2014	139.90	127.50



12. 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 Dematerialised form through NSDL and CDSL and also for Shares held in Physical mode.

**Address:**

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

**Name of Contact Person:**

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

13. Share Transfer System :

The Shares received for Transfer in physical mode are considered expeditiously and, on its approval, the duly endorsed Share Certificates are returned to the Transferees immediately thereafter. In cases, where it is accompanied with D-mat request form, the Transferred and endorsed Share Certificates are retained and further

processing are done. Confirmation in respect of the requests received for Dematerialisation is sent to the Depositories concerned through the Registrars.

The Share Transfer Committee constituted by the Board of Directors of the Company holds its meeting regularly to consider all matters concerning Transfers etc., as well as approval of all the above said requests.

**14. Distribution of Shareholding as on 31<sup>st</sup> March, 2014 :**

No. of Shares	Number of Shareholders		Number of Shares	
	Number	% of Total	Number	% of Total
1 - 100	4,390	76.5875	2,14,739	4.4737
101 - 500	1,005	17.5331	2,37,854	4.9552
501 - 1000	178	3.1053	1,35,914	2.8315
1001 - 2000	85	1.4829	1,23,780	2.5787
2001 - 3000	25	0.4361	62,664	1.3055
3001 - 4000	10	0.1744	35,197	0.7332
4001 - 5000	7	0.1221	32,819	0.6837
5001 - 10000	17	0.2965	1,13,075	2.3557
10001- And Above	15	0.2616	38,43,958	80.0824
<b>Total</b>	<b>5,732</b>	<b>100.00</b>	<b>48,00,000</b>	<b>100.00</b>

**15. Category wise Shareholding pattern as on 31<sup>st</sup> March, 2014 :**

Category	No. of Shares Held	% of Shareholding
<b>Promoters</b>		
Indian Promoters	4,79,173	9.9827
Foreign Collaborators	30,36,820	63.2670
<b>Others</b>		
Corporate Bodies	2,71,683	5.6600
Mutual Funds & UTI	NIL	NIL
Banks & Financial Institutions	150	0.0031
Non-Resident Indians	15,117	0.3149
Public	9,97,057	20.7720
<b>Total</b>	<b>48,00,000</b>	<b>100.00</b>

**16. Dematerialisation of Shares and Liquidity :**

The Company's shares are available for trading in the Depository System of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company is **INE013E01017**. As on 31<sup>st</sup> March 2014, 96.88% of the paid up share capital representing 46,50,038 Equity Shares of the Company including promoter and Collaborators holding are in Dematerialised form.

**17. Outstanding GDR/ADR/Warrants or any convertible instruments :**

The Company has not issued any GDRs /ADRs/ Warrants or any convertible instruments.

**18. Plant Location :**

CIN: (L29142TN1982PLC009560)

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

**19. Address for correspondence :**

The Shareholders may address their correspondence to

The Company Secretary,  
Panasonic Carbon India Co.Limited,"  
Pottipati Plaza", 3<sup>rd</sup> Floor,  
No.77, Nungambakkam High Road,  
Chennai 600 034  
Phone :0091-044-28275216, 28275226, 28275015  
Fax : 0091-044-28263010  
E-mail: manoranjana.r@jp.panasonic.com

(and/or)

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

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

Place: Chennai  
Date: 8<sup>th</sup> May, 2014

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

**DECLARATION**

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

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

Place: Chennai  
Date : 8<sup>th</sup> May, 2014

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

**AUDITORS REPORT 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, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions 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 conditions of the 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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

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

Place: Chennai  
Date : 8<sup>th</sup> May, 2014

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

**Independent Auditors' Report to the Members of  
Panasonic Carbon India Co. Limited**

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of M/s. Panasonic Carbon India Co. Limited ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Profit and Loss Statement and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

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

2. Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

4. In our opinion and to the best of our information and according to the explanations given to us, the 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:
  - (i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2014;
  - (ii) in the case of the Profit and Loss Statement, of the Profit for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

5. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
6. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, the Profit and Loss Statement and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

**R.NAGENDRA PRASAD**  
Partner

Place: Chennai  
Date : 8<sup>th</sup> May, 2014

(Membership No.: 203377)



## PANASONIC CARBON INDIA CO. LIMITED

### Annexure referred to in Paragraph 5 of our report of even date

1. The provisions of Clauses of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 listed below are not applicable to the Company for the year.
  - a) Clause (vi) regarding acceptance of deposits since no deposits accepted from public during the year;
  - b) Clause (x) regarding accumulated losses since the company's net worth is positive and the company has not incurred any cash losses during the current year and in the immediately preceding financial year;
  - c) Clause (xi) regarding defaults in repayment of dues to financial institutions, bank and debenture-holders since the company has not availed any loans during the year;
  - d) Clause (xii) regarding loans granted against pledge of shares and securities etc. since no loans have been granted by the company during the year;
  - e) Clause (xiii) regarding special statutes applicable to Chit Funds and Nidhis/Mutual Benefit Fund and Societies since the company has not carried on such business;
  - f) Clause (xiv) regarding dealing or trading in shares, securities etc. since the company did not carry on such activities during the year;
  - g) Clause (xvi) regarding funds raised by term loans and their end use since the company did not borrowed term loans during the year;
  - h) Clause (xviii) regarding preferential allotment of shares to specified parties since no allotment of shares was made during the year to such parties;
  - i) Clause (xix) regarding creation of securities in respect of debentures since no debentures issued during the year; and
  - j) Clause (xx) regarding money raised by public issue and their end use since no money was raised by public issue during the year.
2. 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. During the year, there was no substantial disposal of fixed assets affecting the status of the Company as a going concern.
3. Physical verification of inventory has been conducted by the Management at reasonable intervals. The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of its inventory and 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.
4. (a) In our opinion and according to the information and explanations given to us, the company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.  
  
(b) In our opinion and according to the information and explanations given to us, the company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
6. Based on the audit procedures applied by us and according to the information and explanations provided by the Management, we are of the opinion that particulars of contracts and arrangements referred to in section 301 of the Act have been entered in the register maintained under the said section.
7. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Registers maintained under Section 301 and exceeding the value of ₹ 5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices and commercial conditions at the relevant time.
8. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
9. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 209(1)(d) of the Act, and are of the opinion that prima facie the prescribed cost records have been maintained.

10. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess. There are no undisputed amounts payable in respect of statutory dues, which are outstanding as on 31<sup>st</sup> March, 2014 for a period of more than six months from the date they become payable.
11. Based on our audit procedures and on the information and explanations given by the Management, there are no dues outstanding in respect of sales tax, excise duty, customs duty, wealth-tax, service-tax and cess on account of any dispute. Income tax demands for the assessment years 1999-2000 to 2007-08 aggregating to ₹ 1,87,46,659/- has not been deposited since the Company's appeals are pending disposal before the appellate authorities.
12. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
13. The Company has not raised any funds short term and long term.
14. Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

**R.NAGENDRA PRASAD**

Partner

**Place: Chennai**  
**Date : 8<sup>th</sup> May, 2014**

(Membership No.: 203377)

# PANASONIC CARBON INDIA CO. LIMITED

Balance Sheet as at 31<sup>st</sup> March, 2014

Amount in ₹

Particulars	Note	As at March 31, 2014	As at March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Funds</b>			
Share Capital	2	48,000,000	48,000,000
Reserves and Surplus	3	570,074,610	540,927,808
<b>2. Non-Current Liabilities</b>			
Deferred tax liabilities (Net)	9	275,561	-
<b>3. Current Liabilities</b>			
Trade payables	4	35,699,492	33,776,459
Other current liabilities	5	13,101,406	12,340,633
Short-term provisions	6	41,445,737	41,613,906
<b>Total</b>		<b>708,596,806</b>	<b>676,658,806</b>
<b>II. Assets</b>			
<b>1. Non-current assets</b>			
<i>Fixed assets</i>			
Tangible assets	7	33,819,179	34,221,117
Intangible assets		-	-
Non-current investments	8	10,900	13,900
Deferred tax assets (net)	9	-	324,693
Long term loans and advances	10	7,196,574	7,200,931
Other non-current assets		-	-
<b>2. Current assets</b>			
Inventories	11	23,757,161	24,666,837
Trade receivables	12	33,165,209	30,338,055
Cash and cash equivalents	13	594,588,000	568,524,459
Short-term loans and advances	14	3,945,937	1,320,269
Other current assets	15	12,113,846	10,048,545
<b>Total</b>		<b>708,596,806</b>	<b>676,658,806</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: 8<sup>th</sup> May, 2014

For and on behalf of Board

**R.Senthil Kumar**  
Managing Director

**V.R.Gupte**  
Director

**R. Manoranjan**  
Secretary

Profit and Loss Statement for the year ended 31<sup>st</sup> March, 2014

Amount in ₹

Particulars	Note	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>Income</b>			
Revenue from operations	16	369,788,564	372,817,549
Less: Excise Duty		20,917,450	21,247,183
		<u>348,871,114</u>	<u>351,570,366</u>
Other Income	17	53,659,499	52,402,948
<b>Total Revenue</b>		<u>402,530,613</u>	<u>403,973,314</u>
<b><u>Expenses:</u></b>			
Cost of Raw materials consumed	18	120,856,001	125,170,550
Changes in inventories of finished goods and work-in-progress	19	(721,267)	4,333,977
Manufacturing Expenses	20	79,812,906	87,243,519
Employee benefits expense	21	59,794,264	52,841,366
Depreciation and amortization		3,784,950	3,957,630
Other expenses	22	35,246,383	32,939,692
<b>Total Expenses</b>		<u>298,773,237</u>	<u>306,486,734</u>
Profit before exceptional item and tax		103,757,376	97,486,580
Less: Exceptional Item		-	-
<b>Profit before tax for the year</b>		<u>103,757,376</u>	<u>97,486,580</u>
Tax expense:			
Current tax		34,700,000	29,100,000
Deferred tax		600,254	3,035,593
<b>Profit after tax for the year</b>		<u>68,457,122</u>	<u>65,350,987</u>
Earning per equity share (face value of ₹ 10/- each)			
Basic		₹ 14.26	₹ 13.61
Diluted		₹ 14.26	₹ 13.61

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: 8<sup>th</sup> May, 2014

For and on behalf of Board

**R.Senthil Kumar**  
Managing Director

**V.R.Gupte**  
Director

**R. Manoranjan**  
Secretary

# PANASONIC CARBON INDIA CO. LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

Particulars	Amount in ₹	
	01.04.2013 to 31.03.2014	01.04.2012 to 31.03.2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary activities	103,757,376	97,486,580
Add : Depreciation & Assets written off	3,784,950	3,957,630
Adjustment for foreign currency fluctuations (Net)	360,515	-
	<u>4,145,465</u>	<u>3,957,630</u>
	107,902,841	101,444,210
Less: Interest received	52,488,777	51,449,665
Profit on sale of fixed assets	608,838	606,038
Adjustment for foreign currency fluctuations (Net)	-	32,540
	<u>53,097,615</u>	<u>52,088,243</u>
	54,805,226	49,355,967
<b>Operating Profit before working capital changes</b>		
<b>Adjustments for working capital changes</b>		
Less/Add:(Increase)/Decrease in trade and other receivables	(5,813,338)	(7,885,258)
Decrease in inventories	909,676	1,978,871
	<u>(4,903,662)</u>	<u>(5,906,388)</u>
	49,901,564	43,449,580
Add :(Decrease) / Increase in trade payables	2,521,347	9,375,039
	<u>52,422,911</u>	<u>52,824,619</u>
Cash generated from operations	52,422,911	52,824,619
Less : Taxes paid	34,863,812	26,796,414
	<u>17,559,099</u>	<u>26,028,205</u>
Cash flow before extra-ordinary items	17,559,099	26,028,205
Less : Extraordinary items	-	-
<b>Net Cash generated from operating Activities - Total (A)</b>	<u>17,559,099</u>	<u>26,028,205</u>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Sale of fixed assets	815,612	971,150
Sale of Investments	3,000	0
Interest received	50,423,477	53,863,371
	<u>51,242,089</u>	<u>54,834,521</u>
Less: Purchase of fixed assets	3,589,786	1,627,960
	<u>3,589,786</u>	<u>1,627,960</u>
<b>Net Cash generated from Investment Activities - Total (B)</b>	<u>47,652,303</u>	<u>53,206,561</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends Paid	39,310,320	39,050,760
<b>Net Cash used in financing activities - Total (C)</b>	<u>39,310,320</u>	<u>39,050,760</u>
Net increase/ (Decrease) in cash and cash equivalents Total (A+B-C)	<u>25,901,082</u>	<u>40,184,006</u>
Opening cash and cash equivalents	565,453,805	525,269,799
Closing cash and cash equivalents	<u>591,354,887</u>	<u>565,453,805</u>
Net (Decrease)/increase in cash and cash equivalents	<u>25,901,082</u>	<u>40,184,006</u>

Note : For the purpose of this statement, Bank balances of ₹ 32,33,113 (Previous year ₹ 30,70,654) in unclaimed / unpaid dividend account are not included in cash and cash equivalents as they are adjusted against unclaimed / unpaid dividend payable since the obligations of the company are met from unclaimed / unpaid dividends deposited into separate bank account in accordance with Sec.205A of the Companies Act, 1956.

As per our report attached  
For **Brahmayya & Co.,**  
**Chartered Accountants**  
(Firm Registration No: 000511S)  
**R.Nagendra Prasad**  
Partner  
(Membership No: 203377)  
Place: Chennai  
Date: 8<sup>th</sup> May, 2014

For and on behalf of Board  
**R.Senthil Kumar**  
Managing Director  
**V.R.Gupte**  
Director  
**R. Manoranjan**  
Secretary

## Notes on accounts forming part of Financial Statements as on 31st March, 2014

## 1. Significant Accounting Policies

## Basis of Accounting

1.1 The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with the Companies Act, 1956 and comply with the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956.

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 Schedule XIV to the Companies Act, 1956. Assets costing less than ₹ 5,000/- individually are fully depreciated.

## 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, 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 the 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 Statement.

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 Statement.

## 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 Statement. 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.

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:

- (a) Duty drawback entitlement is accounted on accrual basis.
- (b) Focus Market Incentive Script is accounted on receipt of script.

# PANASONIC CARBON INDIA CO. LIMITED

## Notes forming part of financial Statements

### 2 Share Capital

Amount in ₹

Particulars		As at March 31, 2014	As at March 31, 2013
2.1	<b>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>
2.2	<b>Reconciliation of number of shares outstanding</b>		
	Particulars	As at March 31, 2014	As at March 31, 2013
	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	-	-
2.3	<b>Number of Shares held by Holding company</b> Panasonic Corporation, Japan	<u>3,036,820</u>	<u>3,036,820</u>
2.4	<b>Number of shares held by each shareholder holding more than 5% shares</b>		

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	% of holding	Number of Shares	% of holding
Panasonic Corporation, Japan	3,036,820	63.27%	3,036,820	63.27%

2.5 The Board of Directors in their meeting on 8<sup>th</sup> May, 2014 proposed a final dividend of ₹ 7/- per equity share. The proposal is subject to approval of shareholders at the Annual General Meeting to be held on 31<sup>st</sup> July, 2014.

### 3 Reserves and Surplus

Amount in ₹

Particulars	As at March 31, 2014	As at March 31, 2013
<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	510,000,000	485,000,000
Add: transfer from profit & loss statement	<u>30,000,000</u>	<u>25,000,000</u>
Closing balance	540,000,000	510,000,000
<b>Surplus</b>		
As per last Balance Sheet	2,924,558	1,883,891
Add: Net profit after tax for the year transferred from Profit and Loss Statement	68,457,122	65,350,987
Less: Transfer to General Reserve	(30,000,000)	(25,000,000)
Less: Proposed dividend	(33,600,000)	(33,600,000)
Less: Tax on Dividend	<u>(5,710,320)</u>	<u>(5,710,320)</u>
Closing balance	2,071,360	2,924,558
	<u>570,074,610</u>	<u>540,927,808</u>

Notes forming part of financial statements

Trade payable		Amount in ₹	
Particular	As at March 31, 2014	As at March 31, 2013	
Trade payables	35,699,492	33,776,459	
Others	-	-	
	<u>35,699,492</u>	<u>33,776,459</u>	

5 Other Current Liabilities

Amount in ₹

Particulars	As at March 31, 2014	As at March 31, 2013
Unpaid dividend	3,233,113	3,070,654
<b>Other payables</b>		
Statutory Dues	1,476,947	1,591,695
Employee related dues	6,601,150	5,129,020
Advances received from customers	72,314	128,415
Others (refer Note 5.1)	1,717,883	2,420,849
	<u>13,101,406</u>	<u>12,340,633</u>
5.1 Includes amounts due to directors	<u>1,089,380</u>	<u>1,019,784</u>

6 Short Term Provisions

Amount in ₹

Particulars	As at March 31, 2014		As at March 31, 2013	
Provision For Taxation	34,700,000		29,100,000	
Less: Advance Tax and Tax deducted at Source	<u>32,564,583</u>	2,135,417	<u>26,796,414</u>	2,303,586
Provision for dividend		33,600,000		33,600,000
Provision for dividend tax		5,710,320		5,710,320
		<u>41,445,737</u>		<u>41,613,906</u>



Notes forming part of financial statements

7 Fixed Assets

Amount in ₹

Particulars	Gross Block			Depreciation			Net Block		
	As at 1st April, 2013	Additions	Deletions	As at 31st March, 2014	As at 1st April, 2013	Additions	Deletions	As at 31st March, 2014	As at 31st March, 2013
<b>Tangible Assets</b>									
Land	1,932,544	-	-	1,932,544	-	-	-	1,932,544	1,932,544
Building	76,616,064	-	-	76,616,064	52,763,469	1,419,055	-	22,433,540	23,852,595
Plant, Machinery & Equipments*	265,471,359	2,237,075	5,540,713	262,167,721	260,551,550	1,313,345	5,343,028	5,645,854	4,919,809
Furniture & Fixtures	3,850,478	97,351	28,886	3,918,943	3,363,573	161,118	28,252	422,504	486,905
Vehicles	5,195,708	1,015,000	642,993	5,567,715	3,499,636	483,406	634,538	2,219,211	1,696,072
Office Equipments	11,270,377	240,360	-	11,510,737	9,937,185	408,026	-	1,165,526	1,333,192
Intangible assets	-	-	-	-	-	-	-	-	-
Capital Work- in - Progress	-	-	-	-	-	-	-	-	-
<b>Total</b>	364,336,530	3,589,786	6,212,592	361,713,724	330,115,413	3,784,950	6,005,818	33,819,179	34,221,117
Figures for the previous year	369,937,691	1,627,960	7,229,122	364,336,529	333,021,792	3,957,630	6,864,010	34,221,117	36,915,899

\* 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.)

Notes forming part of financial statements

8 Non- Current Investments		Amount in ₹	
Particulars	As at March 31, 2014	As at March 31, 2013	
(i) Trade Investments	-	-	
(ii) <b>Other Investments - QUOTED</b>			
a) Investment in equity instruments			
(i) 100 Equity share of ₹ 5 each of Eveready Industries India Limited	5,450	5,450	
(ii) 100 Equity share of ₹ 5 each of McLeod Russel India Limited	5,450	5,450	
b) Investment in government securities			
6 Years National Savings Certificate VIII Issue	-	3,000	
	<u>10,900</u>	<u>13,900</u>	
1 Aggregate value of Quoted investments	10,900	10,900	
2 Market value of the Quoted investments	35,100	29,565	
3 Aggregate value of Unquoted investments	-	3,000	
4 Aggregate provision for diminution in value of investments	-	-	
<b>9 Deferred Tax Assets (Net)</b>		<b>Amount in ₹</b>	
Particulars	As at March 31, 2014	As at March 31, 2013	
<b>Deferred Tax Assets</b>			
VRS Compensation to employees	950,794	1,428,148	
Bonus and Provisions	340,673	340,673	
	<u>1,291,467</u>	<u>1,768,821</u>	
<b>Deferred Tax Liabilities</b>			
Related to Fixed Assets	1,567,028	1,444,128	
<b>Deferrred Tax (Liability) / Asset (Net)</b>	<u>(275,561)</u>	<u>324,693</u>	
<b>10 Long Term Loans and Advances</b>		<b>Amount in ₹</b>	
Particulars	As at March 31, 2014	As at March 31, 2013	
<b>Unsecured, considered good, unless otherwise stated</b>			
Capital Advance	-	-	
Security deposits	3,585,146	3,585,146	
Other loans and advances			
Advance Tax and Tax deducted at source (Net of Provision for Income Tax) ( Refer Note 10.1)	3,611,428	3,615,785	
	<u>7,196,574</u>	<u>7,200,931</u>	
<b>10.1 Advance Tax and Tax deducted at source</b>			
Advance Income Tax	134,382,150	109,738,583	
Tax deducted at Source	40,385,794	35,933,718	
	<u>174,767,944</u>	<u>145,672,301</u>	
Less: Provision for income tax	171,156,516	142,056,516	
	<u>3,611,428</u>	<u>3,615,785</u>	

# PANASONIC CARBON INDIA CO. LIMITED

## Notes forming part of financial statements

11 Inventories		Amount in ₹	
Particulars	As at March 31, 2014	As at March 31, 2013	
<b>(Refer Note 1.6 for mode of valuation)</b>			
Raw materials	11,749,844	12,545,517	
Work in progress	7,711,798	7,083,668	
Finished goods	1,798,872	1,733,026	
Stores and Spares	2,496,647	3,304,626	
	<u>23,757,161</u>	<u>24,666,837</u>	
<b>12 Trade Receivables</b>		<b>Amount in ₹</b>	
Particulars	As at March 31, 2014	As at March 31, 2013	
Trade receivables, Unsecured, Considered Good	-	-	
outstanding for more than 6 months	-	-	
others	33,165,209	30,338,055	
	<u>33,165,209</u>	<u>30,338,055</u>	
12.1 Amount receivable from Related Parties ` 2,40,88,303 ( Previous year ` 196,27,867 )			
<b>13 Cash and Bank Balances</b>		<b>Amount in ₹</b>	
Particulars	As at March 31, 2014	As at March 31, 2013	
<b>Cash and cash equivalents</b>			
Cash in hand	368,780	100,494	
Balance with banks			
In current accounts	10,986,107	7,172,103	
In deposit accounts	5,000,000	5,018,771	
<b>Other Bank Balances</b>			
In Deposit accounts	575,000,000	553,162,437	
<b>In earmarked accounts</b>			
Unpaid dividend accounts	3,233,113	3,070,654	
	<u>594,588,000</u>	<u>568,524,459</u>	
<b>14 Short-term Loans and Advances</b>		<b>Amount in ₹</b>	
Particulars	As at March 31, 2014	As at March 31, 2013	
<b>Unsecured, considered good, unless otherwise stated</b>			
<b>Others</b>			
Advances for Supplies and Services	536,904	126,680	
Advances to Staff	5,650	120,754	
Prepaid expenses	298,700	518,631	
Balance with Government Authorities			
Balance with excise and Cenvat Credit	1,420,068	360,796	
Other Receivables	1,684,615	193,408	
	<u>3,945,937</u>	<u>1,320,269</u>	
<b>15 Other Current Assets</b>		<b>Amount in ₹</b>	
Particulars	As at March 31, 2014	As at March 31, 2013	
Interest accrued on deposits	12,113,846	10,048,545	
	<u>12,113,846</u>	<u>10,048,545</u>	

Notes forming part of financial statements

		Amount in ₹	
<b>16</b>	<b>Revenue from Operations</b>		
	<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2014</b>	<b>Year ended 31<sup>st</sup> March, 2013</b>
	Sale of Products	367,837,950	372,212,586
	Less: Excise Duty paid	20,917,450	21,247,183
		<u>346,920,500</u>	<u>350,965,403</u>
	Other operating revenues		
	Sale of Scrap	427,367	604,963
	Export Incentive Earned	1,523,247	-
		<u>348,871,114</u>	<u>351,570,366</u>
<b>16.1</b>	<b>Sale of products comprise <i>Manufactured Goods</i></b>		
	Midget Electrodes	<u>367,837,950</u>	<u>372,212,586</u>
<b>17</b>	<b>Other Income</b>		<b>Amount in ₹</b>
	<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2014</b>	<b>Year ended 31<sup>st</sup> March, 2013</b>
	Interest Income	52,488,777	51,449,665
	Dividend Income	876	629
	Foreign Exchange Fluctuations (net)	561,008	346,616
	Profit on Sale of Fixed assets	608,838	606,038
		<u>53,659,499</u>	<u>52,402,948</u>
<b>18</b>	<b>Cost of Raw Materials Consumed</b>		<b>Amount in ₹</b>
	<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2014</b>	<b>Year ended 31<sup>st</sup> March, 2013</b>
	Opening Stock of Raw Materials	12,545,517	10,204,328
	Clearing, forwarding, Storage and transportation charges	10,355,450	10,345,750
	Purchases	109,704,878	117,165,989
		<u>132,605,845</u>	<u>137,716,067</u>
	Less: Closing stock of Raw Material	11,749,844	12,545,517
		<u>120,856,001</u>	<u>125,170,550</u>
<b>18.1</b>	<b><i>Particulars of Raw material consumed</i></b>		
	Low Ash Content Coal Coke	6,683,617	5,245,760
	ParaffinWax	22,592,492	23,326,852
	Coal Tar Pitch	32,574,701	33,052,842
	Amorphous Graphite	6,844,963	6,433,113
	Others	52,160,228	57,111,983
		<u>120,856,001</u>	<u>125,170,550</u>
<b>19</b>	<b>Changes in Inventories of Finished Goods and Work-in-Progress</b>		<b>Amount in ₹</b>
	<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2014</b>	<b>Year ended 31<sup>st</sup> March, 2013</b>
	Opening Stock		
	Finished Goods	1,733,026	3,260,613
	Work-in-Progress	7,083,668	10,087,915
		<u>8,816,694</u>	<u>13,348,528</u>
	Less: Adjustment relating to Excise duty on finished goods	(27,291)	(197,857)
		<u>8,789,403</u>	<u>13,150,671</u>
	Closing Stock		
	Finished Goods	1,798,872	1,733,026
	Work-in-Progress	7,711,798	7,083,668
		<u>9,510,670</u>	<u>8,816,694</u>
	Changes in Inventories of finished goods and work-in-Progress	<u>(721,267)</u>	<u>4,333,977</u>

Notes forming part of financial statements

20	Manufacturing Expenses	Amount in ₹	
Particulars	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013	
Stores consumed	13,659,538	12,893,286	
Power and fuel	56,455,562	65,075,220	
Machinery Maintenance	9,697,806	9,275,014	
	<u>79,812,906</u>	<u>87,243,519</u>	
21	Employee benefit expenses	Amount in ₹	
Particulars	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013	
Salaries, Wages and Bonus	45,129,707	40,859,130	
Gratuity	2,406,671	107,578	
Contribution to Providend fund, Employee State Insurance & Super annuation fund	5,018,023	4,392,181	
Staff Welfare	7,239,863	7,482,477	
Voluntary Retirement Scheme Expenses (Refer Note No.36)	-	-	
	<u>59,794,264</u>	<u>52,841,366</u>	
22	Other Expenses	Amount in ₹	
Particulars	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013	
Rent	2,429,568	2,431,763	
Rates and taxes, excluding taxes on income	1,168,181	1,056,748	
Royalty	11,672,530	11,584,022	
Insurance	383,586	441,107	
Electricity	503,003	335,528	
Repairs to buildings	3,726,617	727,830	
Repairs others	6,271,114	6,071,124	
Communication expenses	1,068,344	1,404,903	
Printing & Stationery	393,460	366,534	
Advertisement	115,816	161,760	
Sitting fees	255,000	220,000	
Professional and Consultancy charges	536,342	920,303	
Travelling & conveyance expenses	1,287,454	1,324,901	
Commission & discount	-	158,607	
Freight outwards	3,384,091	3,653,645	
Loss on sale of Assets ( Net)	-	-	
Audit fees (Refer Note No.22.1)	460,730	440,000	
Commission to Non-Whole time Directors	1,089,380	1,019,784	
Bank charges	350,607	517,136	
Miscellaneous Expenses	50,560	103,997	
	<u>35,246,383</u>	<u>32,939,692</u>	
22.1	Audit fees		
a)	Statutory Audit	200,000	200,000
b)	Tax Audit	60,000	60,000
c)	Other services *	200,730	180,000
		<u>460,730</u>	<u>440,000</u>

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

Notes forming part of financial statements

23 Contingent liabilities & Commitments		Amount in ₹	
Particulars	March 31, 2014	March 31, 2013	
(to the extent not provided for)			
<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.	14,932,076	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	-	-	
Particulars	March 31, 2014	March 31, 2013	
<b>24 Value of CIF imports made during the year</b>			
1 Raw Materials	29,292,722	38,168,566	
2 Components & Spare parts	1,732,335	-	
3 Capital goods	2,875,560	-	
4 Others	56,647	-	
<b>25 Expenses incurred in foreign currency</b>			
1 Royalty ( Net of Tax Deducted at Source )	10,505,277	10,390,868	
2 Travelling and Training fees	331,715	270,308	
3 Commission On Sales	-	158,607	
4 Other matters	139,392	714,097	
<b>26 (a) Raw materials consumed</b>			
	<u>Value</u>	<u>%</u>	<u>Value</u> <u>%</u>
Imported	35,047,583	31.72%	44,547,094 38.80%
Indigenous	75,452,968	68.28%	70,277,706 61.20%
Total	110,500,551	100.00%	114,824,800 100.00%
<b>(b) Spare Parts consumed</b>			
	<u>Value</u>	<u>%</u>	<u>Value</u> <u>%</u>
Imported	908,019	15.00%	- -
Indigenous	5,030,119	85.00%	4,234,774 100.00%
Total	5,938,138	100.00%	4,234,774 100.00%
<b>(c) Details of finished goods and work-in-progress</b>			<b>Amount in ₹</b>
		<b>Closing inventory</b>	<b>Opening inventory</b>
<b>(i) Details of Finished Goods</b>			
<i>Manufactured Goods</i>			
Midget Electrodes		1,798,872	1,733,026
<b>(ii) Details of Work-in-progress</b>			
Midget Electrodes		7,711,798	7,083,668

# PANASONIC CARBON INDIA CO. LIMITED

## Notes forming part of financial statements

Amount in ₹

27	Amount remitted in Foreign exchange	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
	On account of dividend	2,12,57,740	2,12,57,740
	Total number of non - resident share holders	1	1
	Number of shares held persons mentioned in (Note No.2.3)	30,36,820	30,36,820
	Year of dividend declared	2012-13	2011-12

## 28 Earnings in Foreign Exchange

Export of goods calculated on FOB Basis	173,254,484	177,344,287
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29 Cost of Research and Development revenue expenditure aggregated to ₹ 19.10 lakhs (Previous Year ₹ 15.55 lakhs) 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, 2014. 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.

31<sup>st</sup> March, 2014 31<sup>st</sup> March, 2013

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, 2014 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 2013-14 (₹)	Gratuity 2012-13 (₹)
Interest cost	1,422,624	1,371,516
Current service cost	757,723	742,423
Expected rate return on plan assets	(1,476,729)	(1,485,889)
Actuarial Loss / ( gain )	1,703,053	(520,472)
Expenses to be recognised in profit and loss statement	2,406,671	107,578

### II. Net Asset / (Liability) recognised in Balance Sheet as at 31st March, 2014

	2013-14 (₹)	2012-13 (₹)
Present value of defined benefit obligation	20,108,686	17,782,805
Less : Fair Value of Plan Assets	17,597,660	17,678,450
(Liability) / Asset recognised in the balance sheet	(2,511,026)	(104,355)

Notes forming part of financial statements

Amount in ₹

III. Changes in defined benefit obligation

	2013-14	2012-13
	(₹)	(`)
a. Present Value of defined benefit obligation at the beginning of the year	17,782,805	17,143,952
b. Interest cost	1,422,624	1,371,516
c. Current service cost	757,723	742,423
d. Benefits paid	(1,557,519)	(954,614)
e. Actuarial (gains)/losses on obligation	1,703,053	(520,472)
Present value of defined benefit obligation at the end of the year	<u>20,108,686</u>	<u>17,782,805</u>

IV. Changes in fair value of plan assets

	2013-14	2012-13
	(₹)	(`)
Fair Value of Plan assets at the beginning of the year	17,678,450	16,157,865
Return on plan assets	1,476,729	1,485,889
Contribution	-	989,310
Benefits paid	(1,557,519)	(954,614)
Actuarial ( gain ) / Loss on plan assets	-	-
Fair Value of Plan assets as at 31st March, 2014	<u>17,597,660</u>	<u>17,678,450</u>

V. Principle actuarial assumptions at the balance sheet date.

Discount rate	8%	8%
Salary growth rate	9%	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) Panasonic Energy(Thailand) Co.Ltd, Thailand (PECTH) e) P.T Panasonic Gobel Energy, Indonesia,Indonesia (PECGI) f) Panasonic energy Poland., S.A.Poland (PECPL) g) Panasonic Asia Pacific Pte. Limited,Singapore (PA) h) Panasonic Energy Taiwan Co. Ltd., Taiwan i) Panasonic Carbon Anyang Co Limited, China j) Panasonic Centro Americana, S.A., Costa Rica k) Panasonic India Pvt Ltd, India l) Panasonic Management , Thailand
Associates under Common Control	Nil

Key Management Personnel

Mr.R. Senthil Kumar, Managing Director



# PANASONIC CARBON INDIA CO. LIMITED

## Notes forming part of financial statements

Amount in ₹

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Key Management Personnel	Total
Sale of Goods (Excluding Excise Duty & Sales tax) ( Refer Note No. 33.2 Below)	-	<b>224,565,478</b> (22,98,25,019)	-	-	<b>22,45,65,478</b> (22,98,25,019)
Purchase of Goods	-	<b>8,80,963</b> (4,03,925) <b>71,235</b>	-	-	<b>8,80,963</b> (4,03,925) <b>71,235</b>
Training fees paid	-	-	-	-	-
Royalty payable	<b>1,16,72,530</b> (1,15,84,022)	-	-	-	<b>(1,16,72,530)</b> (1,15,84,022)
Reimbursement of expenses	<b>1,66,166</b> (7,14,097)	<b>5,20,453</b> (12,78,404)	-	-	<b>6,86,619</b> (19,92,501)
Remuneration	-	-	-	<b>38,36,270</b> (32,52,023)	<b>38,36,270</b> (32,52,023)
Due from as on 31 <sup>st</sup> March, 2014	-	<b>2,40,88,303</b> (1,96,27,867)	-	-	<b>2,40,88,303</b> (1,96,27,867)
Due to as on 31 <sup>st</sup> March, 2014	<b>1,17,09,033</b> (1,16,06,534)	<b>5,91,688</b> (12,78,404)	-	-	<b>1,23,00,721</b> (1,28,84,938)

33.1 Previous year's figures are shown in the brackets

33.2 Material Transactions of Sales (i) PECIN ` 79,817,380 (` 7,76,94,760) (ii) PECTZ ` 30,132,531 (` 1,55,79,262) (iii) PECGI ` 40,833,583 (` 3,18,53,974) (iv) PANAPERU ` 29,732,617 (` 2,85,24,486) (v) PECPL ` 1,49,99,782 (` 5,10,00,762) (vi) Others ` 29,049,585 (` 2,51,71,775)

34 Particulars of earnings per share	Current year	Previous year
Net profit (loss) after tax	<b>68,457,122</b>	65,350,987
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>14.26</b>	13.61
Diluted	<b>14.26</b>	13.61

35 **The Outstanding Derivative Instruments as on 31<sup>st</sup> March, 2014**

(i) Derivative instruments that are outstanding as on 31<sup>st</sup> March, 2014 is ` Nil. (Previous year ` Nil)

(ii) The Foreign Currency Exposures not hedged by a Derivative Instrument or otherwise as on 31<sup>st</sup> March, 2014 is Receivables of **US\$ 393,342/- ₹ 2,35,53,349/-** (Previous Year US\$ 2,90,848/- ` 1,57,11,634/-)

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

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As per our report attached  
For **Brahmayya & Co.,**  
**Chartered Accountants**  
(Firm Registration No: 000511S)

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

Place: Chennai  
Date: 8<sup>th</sup> May, 2014

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**For and on behalf of Board**

**R.Senthil Kumar**  
Managing Director

**V.R.Gupte**  
Director

**R. Manoranjan**  
Secretary

# PANASONIC CARBON INDIA CO. LIMITED

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

ATTENDANCE SLIP

## 32<sup>nd</sup> ANNUAL GENERAL MEETING

# 2014

I/We, hereby record my/our presence at the 32<sup>nd</sup> Annual General Meeting of the Company at Hotel Dee Cee Manor, (Opp. To Vani Mahal), No.90, G.N Chetty Road, T. Nagar, Chennai-600017 on Thursday, the 31<sup>st</sup> July, 2014 at 3.00 p.m.

Member's Folio/DP ID-Client ID No.

Member's /Proxy's name in Block Letters

Member's/Proxy's Signature

- Note:
- Please complete the Folio/DP ID-CL ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
  - Electronic copy of the Annual Report for the 2013-14 and Notice of AGM along with Attendance Slip and proxy form is being sent to all the members whose e-mail address is registered with the Company/DP unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
  - Physical copy of the Annual Report for the year 2013-14 and Notice of the AGM along with Attendance Slip and proxy form is sent in the permitted mode to all the members whose e-mail is not registered with the Company.

# PANASONIC CARBON INDIA CO. LIMITED

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

PROXY FORM

Name of the Member :

Registered Address :

Email Id :

Folio/DP ID-Client ID No. :

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

- |                |                                   |
|----------------|-----------------------------------|
| (1) Name.....  | Address.....                      |
| Email Id:..... | Signature.....or failing him/her; |
| (2) Name.....  | Address.....                      |
| Email Id:..... | Signature.....or failing him/her; |
| (3) Name.....  | Address.....                      |
| Email Id:..... | Signature.....or failing him/her; |

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company to be held on Thursday, 31<sup>st</sup> July, 2014 at 3.00 p.m. at Hotel Dee Cee Manor,(Opp. to Vani Mahal), No. 90, G.N Chetty Road, T. Nagar, Chennai-600017 and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Resolutions	Optional*	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2014		
2.	Declaration of Dividend		
3.	Re-appointment of Mr. K.K. Jivarajka, who retires by rotation		
4.	Appointment of M/s. Brahmayya & Co., Chartered Accountants as Auditors of the Company and fixing their remuneration.		
<b>Special Business</b>			
5.	Appointment of Mr. Hideyuki Okunaga as a Director, retiring by rotation		
6.	Appointment of Mr. Mitsutoshi Shigeta as a Director, retiring by rotation		
7.	Appointment of Mr. V.R. Gupte as an Independent Director		
8.	Appointment of Mr. A. Raghavendra Rao as an Independent Director		
9.	Appointment of Mr. K. Subramanian as an Independent Director		
10.	Resolved not to fill the vacancy for the time being caused by the retirement of Mr. Hitoshi Arata, Director who retires by rotation and does not seek re-appointment		
11.	Approval in terms of remuneration payable to Mr. R. Senthil Kumar, Managing Director of the Company		

Signed this.....day of....., 2014

Member's Folio/DP ID-Client ID No.....Signature of shareholder(s).....

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

Affix  
Revenue  
Stamp  
Re.1/-

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.
- For the resolutions, Explanatory Statements and Notes, please refer to the notice of 32<sup>nd</sup> AGM.
- It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in the box before submission.

### ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	User ID	Password
140630006	Please enter your Folio/DP ID/CL ID	Please enter your PAN with DOB / Bank A/c. No.

# Panasonic Carbon India Co. Ltd.

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  
CIN: L29142TN1982PLC009560  
www.panasoniccarbon.in

## FORM A

Format of covering letter of the annual audit report to be filed with the  
Stock exchanges

1.	Name of the Company	Panasonic Carbon India Co. Ltd.
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Not Applicable
5.	To be signed by- <ul style="list-style-type: none"> <li>• CEO/Managing Director (R. Senthil Kumar)</li> <li>• CFO (P.V Rao)</li> <li>• Auditor of the company( M/s Brahmayya &amp; Co., Chartered Accountants, R. Nagendra Prasad, Partner) Membership No: 203377</li> <li>• Audit Committee Chairman (V.R Gupte)</li> </ul>	<p><i>R. Senthil Kumar</i></p> <p><i>P.V Rao</i></p> <p><i>R. N. Prasad</i></p> <p><i>V.R Gupte</i></p>

