

PANASONIC CARBON INDIA CO. LIMITED
35th ANNUAL REPORT 2016 - 2017

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		As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.	
35th Annual General Meeting			
		Venue	: Hotel Benzz Park No. 62, Thirumalai Pillai Road, T. Nagar, Chennai-600017
		Date	: 8 th August, 2017
		Time	: 3.00 p.m.

Notes:

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

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NOTICE IS HEREBY GIVEN THAT THE THIRTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF PANASONIC CARBON INDIA CO. LIMITED (Corporate Identification Number: L29142TN1982PLC009560) will be held on Tuesday, the 8th August ,2017 at 3.00 p.m. at Hotel Benz Park, No.62, Thirumalai Pillai Road, T. Nagar, Chennai – 600 017 to transact with or without modifications, as may be permissible, the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the 35th Annual Report of the Board of Directors and Audited Statements of Account for the Financial Year ended 31st March, 2017 together with the Auditors' Report thereon.
2. To Declare a Dividend .
3. To appoint M/s. BSR & Co., LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company in place of M/s.Brahmayya & Co., Chartered Accountants, the retiring Statutory Auditors.

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

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013("Act"), read with the Companies (Audit & Auditors) Rules, 2014 and Securities and Exchange Board of India ("Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") including any statutory enactment or modification thereof for the time being in force and pursuant to the recommendations of the Audit committee and the Board of Directors of the Company ("Board"), M/s. BSR & Co., LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022 allotted by The Institute of Chartered Accountants of India (ICAI), who have confirmed their willingness to be appointed as Auditors of the Company and also certified that if the appointment is made, it shall be in accordance with the conditions prescribed under Rule 4 of the Companies (Audit & Auditors) Rules , 2014, as well as satisfy the criteria provided in Section 141 of the Companies Act, 2013 be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s. Brahmayya and Co., Chartered Accountants, the retiring Auditors who have completed two terms of five consecutive years, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of 40th Annual General Meeting of the Company (subject to ratification of their appointment by the members at every intervening Annual General Meeting held after this Annual General Meeting) and that the Board be

and is hereby authorised to fix such remuneration as may be recommended by the Audit committee in consultation with the Auditors..

"RESOLVED FURTHER THAT the Board of Directors of the Company and /or the Company Secretary of the Company be and are hereby severally authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary to give effect to this resolution."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 152 , 161 and any other applicable provisions of the Companies Act 2013 and rules made thereunder (including any statutory modification and re-enactment thereof for the time being in force) Mr. Kazuo Tadanobu (DIN :07818992) who was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 10th May 2017 and as per the Articles of Association of the Company, whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation".

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

"RESOLVED THAT in accordance with the provisions of section 196,197,203 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 approval of the Company be and is hereby accorded to the re-appointment of Mr. R. Senthil Kumar (DIN: 02170079) as Managing Director of the Company for a further period of One year with effect from 1st April, 2017 on the Terms and Conditions as specified in the earlier resolutions passed at the time of his appointment as modified by the present resolution and as approved by the Board of Directors with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and

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vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. R. Senthil Kumar”

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

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

6. 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 29th July, 2016 and in accordance with the provisions of section 196,197,203 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 consent of the Company be and is hereby accorded to the revised Remuneration w.e.f. 1st April, 2017 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 .

(A) Salary: Rs.4,20,000/- (Rupees Four Lakhs Twenty Thousand Only) per month.

(B) Perquisites:

- (i) House Rent Allowance: Rs.72,500/-(Rupees Seventy Two 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 Rs.3,00,000/- per annum.
- (iii) Use of Company’s Car and Telephone at residence.

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

- a. Contribution to Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
- b. Gratuity payable at a rate not exceeding half a month’s salary for each completed year of Service.
- c. One month’s leave on full pay and allowances for every eleven months of service. Encashment of leave, Medical Insurance and Personal Accident Insurance 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 to his appointment and remuneration as approved by shareholders at Annual General Meeting on 18th June,2008 remain unchanged.

EXPLANATION: “Family” means the spouse, dependent children and dependent parents of the managerial person.

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

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

Place: Chennai
Date: 10th May 2017

R. SENTHIL KUMAR
MANAGING DIRECTOR

CIN : L29142TN1982PLC009560
Regd office : “Pottipati Plaza”, Third floor,
No.77, Nungambakkam High Road
Chennai – 600 034
Website : www.panasoniccarbon.co.in

IMPORTANT NOTES:

1. Explanatory statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of the item of the Special Business as set out above is annexed hereto.

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2. A Member entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 2nd August 2017 to 8th August 2017 (both days inclusive).
4. The Dividend upon its declaration at the Meeting will be paid to those Members, whose names appear in the Register of Members as on 1st August, 2017.
5. Members desiring to have any clarification on Accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
6. Members holding Shares in physical form are requested to notify / send the following information by quoting their Folio Number to the Company / Registrar and Share Transfer Agents to facilitate better servicing:-
 - i. Any change in their address/mandate/bank account details with Phone Nos., Fax Nos., and E-mail ID for speedy disposal of letters on various issues; and payment of Dividend.
 - ii. Share Certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
7. Pursuant to Section 124 of the Companies Act, 2013 an amount of Rs. 4,85,464/- remaining unclaimed out of the dividend for the Financial Year 2008-09 were transferred to the Investor Education and Protection Fund (IEPF) Account constituted by the Central Government on 23rd September, 2016.

The unclaimed dividend, if any, for the Financial Year 2009-10 will become transferable to the "Investor Education and Protection Fund Account" on or before 28th August 2017. Therefore, Members are requested to send their claims, if any, for the relevant years from the Financial Year 2009-10 onwards before the respective amounts become due for transfer to the fund.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends from the financial years 2009-10 as on the date of the 34th Annual General Meeting (AGM) held on 29th July, 2016, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.panasoniccarbon.co.in
8. In respect of shares held in electronic form, the Dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. They may please note that the Dividend payable to them would be paid through National Clearing Services (NECS) at the available RBI locations. The Dividend would be credited to their Bank A/c as per the mandate given by the Members to their Depository Participants (DPs). In absence of availability of NECS facility, the Dividend will be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations.
9. The Shares of the Company have been activated for Dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vide **ISIN INE013E01017**. Members opt to dematerialize their shares may approach any Depository Participant (DP).
10. In respect of Shares held in physical form, Members desirous of receiving dividends by way of direct credit to their Bank Accounts through NECS may authorize the Company with their NECS mandate. The Members desirous of obtaining the NECS mandate may download the Form from the Website of the Company at www.panasoniccarbon.co.in or may write to the Company Secretary at the Registered Office of the Company.
11. Electronic copy of the Notice of the 35th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 35th Annual General Meeting of the Company is being sent in the permitted mode.

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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 35th Annual General Meeting and the Annual Report for the year 2016-17 will also be available on the Company's website www.Panasoniccarbon.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the Registrar and Share Transfer Agent's E-mail ID: investor@cameoindia.com.

14. E-Voting:

The Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 35th Annual General Meeting of the Company.

The facility for voting, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 35th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed M/s.Prowis Corporate Services Pvt Ltd, Practicing Company Secretaries, Chennai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed 1st August,2017 as the 'Cut-off Date'. The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. 1st August, 2017 only.

The instructions for shareholders voting electronically are as under:

- i) The remote e-voting period begins on 5th August, 2017 at 10.00 a.m. (IST) and ends on 7th August, 2017 at 05.00 p. m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 1st August, 2017 may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m (IST) on 7th August, 2017.
- ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting venue
- iii) The shareholders should log on to the e-voting website: www.evotingindia.com.
- iv) Click on "Shareholders" tab.
- v) Now, select the "Company Name" from the drop down menu and click on "Submit"
- vi) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company
- vii) Next enter the Image Verification as displayed and Click on Login.
- viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- ix) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number in the PAN Field.*In case the sequence no is less than 8 digits enter the applicable no of 0's before the number after the two

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	characters of the name in CAPITAL letters. Eg. if your name is Ramesh Kumar with sequence no 1 then enter R00000001 in the PAN field (sequence no has been provided as Sl.No in the address table).
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. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id / folio number in the 'Dividend Bank Details' field as mentioned in instruction (iv). Dividend Bank Details means Bank account number which is recorded in the demat account.

- x) After entering these details appropriately, click on "SUBMIT" Tab.
- xii) Members holding Shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xiii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiii) Click the EVSN for the relevant <Company Name> on which you choose to vote. In this case, it would be Panasonic Carbon India Co. Ltd.
- xiv) 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.
- xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xvi) 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.
- xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xix) If Demat account holder has forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system
- xx) Shareholders can also cast their vote using CDSL's mobile app M-Voting available for android based mobiles. The M-Voting app can be downloaded from Google Play Store, iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xxi) Note for Non-Individual Shareholders and Custodians:
- Non-Individual Shareholders/Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration form bearing the stamp and sign of the entity should be emailed to: helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any,

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should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked

Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdisindia.com or call on 18002005533.

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

Item No.4:

At the Board Meeting held on 10th May 2017, Mr. Kazuo Tadanobu was appointed as an Additional Director under the Articles of Association of the Company and pursuant to section 161 of the Companies Act, 2013. Mr. Kazuo Tadanobu 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 under Section 160 of the Companies Act, 2013 proposing him as a candidate for office of Director of the Company whose period of office shall be 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. Kazuo Tadanobu represents the Promoter Director on the Board. He shall not be paid any Sitting Fee for attending the Meetings of the Board or Committee thereof. He does not hold by himself or on behalf of any other person on a beneficial basis, any Shares in the Company.

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

Item No. 5:

At the Annual General Meeting of the Company held on 29th July 2016, Mr. R. Senthil Kumar was re-appointed as the Managing Director of the Company for a period of One year up to 31st March, 2017. Accordingly, the present term of his appointment has expired on 1st April 2017.

In view of the contributions made by Mr. R. Senthil Kumar and his extensive knowledge of Company's operations, sincere and dedicated work, rich experience and expertise in managing the affairs of the Company, the Collaborators, M/s. Panasonic Corporation, Japan, recommended Mr. R. Senthil Kumar as a competent person to accomplish the duty of Managing Director of the Company for further

periods. The Board of Directors of the Company as recommended by the Nomination and Remuneration Committee at its meeting held on 31st January 2017 re-appointed Mr. R. Senthil Kumar as Managing Director of the Company, subject to approval of the Shareholders and subject to such other approvals as may be required, for a further period of one year upto 31st March 2018 on the Terms and Conditions specified in the earlier resolutions passed at the time of his appointment and as approved by the Board of Directors.

His re-appointment as detailed in the resolution is now placed before you for consideration and approval.

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

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

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

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

Item No.6:

The Board of Directors at their meeting held on 31st January, 2017 re-appointed Mr. R. Senthil Kumar as Managing Director of the Company and approved the remuneration for a period of one year effective from 1st April, 2017.

Considering the contribution and performance made by Mr. R. Senthil Kumar for the growth of the Company and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 31st January, 2017 revised his remuneration with effect from 1st April 2017 subject to your approval.

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

Mr.R.Senthil Kumar , Managing Director shall not be paid any sitting fees for attending the Meetings of the Board or any Committee thereof.

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

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

Mr. KazuoTadanobu

Mr.Kazuo Tadanobu , aged 49 years is a Master of Chemistry. He joined the Company on 1st April, 1992, Matsushita Electronic Components Co Ltd. in Electronic Components Headquarters and up to March, 2017 worked in various positions in different Divisions. Presently, effective 1st April, 2017, he is holding the position of Director, Energy Device Business Division, Automotive & Industrial Systems Company, Panasonic Corporation.

Mr.Kazuo Tadanobu is nominated by our Collaborators.

MR. R. SENTHIL KUMAR:

Mr. R. Senthil Kumar, aged 59 years is a graduate in Commerce. He joined the Company in 1982 as Assistant Officer in Accounts Department. From the date of joining the Company he has evinced lot of interest in Factory operations and Human Relations related to the Personal

Department also apart from improving his Departmental work. During his past 34 years of experience he had excelled not only in Accounts and Finance related matters but also in the entire operations of the Works and Administration. He has been elevated to the position of Managing Director of our Company by the Collaborators, Energy Company, M/s. Panasonic Corporation, Japan.

In December 2016, our Collaborators have recommended him as competent personnel to accomplish the duty of Managing Director of our Company, since he has adequate experience and expertise to carry out the day to day operations of the Company.

Mr. R. Senthil Kumar apart from being a Managing Director also a Member of Audit Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders Relationship Committee of our Company.

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

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

Place : Chennai
Date : 10th May, 2017

R. SENTHIL KUMAR
MANAGING DIRECTOR

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

PANASONIC CARBON INDIA CO. LIMITED

35th ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting to you their 35th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2017 and the Auditors' Report thereon.

1. FINANCIAL RESULTS:

The summarized working results for the year ended 31st March, 2017 as compared with the earlier year are as under:

	(₹ in Lakhs)	
Particulars	2016-17	2015-16
Gross Income	5494.73	5491.93
Profit Before Interest and Depreciation	2456.39	2130.07
Finance Charges	-	-
Gross Profit before Depreciation	2456.39	2130.07
Provision for Depreciation	49.64	45.11
Net Profit Before Tax	2406.75	2084.96
Provision for Tax	827.79	738.55
Net Profit After Tax	1578.96	1346.40
Balance of Profit brought forward from previous year	29.11	10.42
Balance available for appropriation	1608.07	1356.82
Proposed Dividend on Equity Shares	-	480.00
Tax on proposed Dividend	-	97.71
Transfer to General Reserve	1000.00	750.00
Surplus carried to Balance Sheet	608.07	29.11

2. DIVIDEND :

Your Directors recommend a dividend of Rs.10/- per share (i.e.) 100%. The same is in line with the financial strategy and policy of the Company. This dividend if approved by you at the ensuing 35th Annual General Meeting will be paid to the Shareholders whose names appear in the Register of Members as on the date of said Meeting.

3. MANAGEMENT DISCUSSION AND ANALYSIS:

INDUSTRY AND BUSINESS OVERVIEW AND OPERATIONAL AND FINANCIAL PERFORMANCE:

Our Company sold 2632 MLn. pieces of Carbon Rod, as against 2668 MLn. pieces which is 99% Sales of

last year. The Domestic Sales Quantity and Value were 1055 MLn. pieces and Rs.15.80 crores respectively which works out to 98% and 95% of the Sales of last year. The decrease in Domestic Sales was on UM-1 and UM-3 Carbon Rods and increase of UM-4 Carbon Rods when compared to last year.

The Export Sales Quantity and value were 1576 MLn. Pcs. and Rs. 31.60 Crores (FOB basis) respectively compared to last year's quantity of 1588 MLn. Pcs. and Rs.31.79 Crores which works out to 99 % by quantity and 99 % by value. As informed last year, your Company could stabilize the exports to Panasonic Group Battery Factories in Poland, Peru, Thailand, Indonesia, Brazil, Costa Rica and other African customers on regular basis. Though we could not get the orders from some of the African countries as planned due to political disturbances in those countries, we could get additional export orders from Panasonic group Companies.

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

OUTLOOK ON OPPORTUNITIES AND THREATS, RISKS AND CONCERNS:

The Company has increased the production capacity of smaller size Carbon rods in line with the market trend by in house modification of the bigger size Carbon rods machineries to meet the increased demand in the Domestic and International Markets in the years to come.

Your Company is also hopeful in maintaining the Domestic Sales by maintaining the quality and timely supply. On the Export Front, the Company is depending on the Battery market trend of various countries. Based on the present indications, your Company is confident of maintaining the current year's levels of export quantities in the coming years and also initiating efforts for improving the same. The Directors assure that all

PANASONIC CARBON INDIA CO. LIMITED

steps are being taken by the Company to achieve growth in the coming years, in proportion to the growth of the Dry Battery Industry by giving due consideration to the adverse conditions, if any, in the Dry Battery Industry. There are no materially significant threats, risks or concerns to the Company.

4. SEGMENT-WISE PERFORMANCE:

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

By value, while Domestic Sales contributed 33% of Sales and Exports Sales constitute the remaining 67%.

5. FINANCIAL ARRANGEMENTS:

Your Company continues to be free from debts – both on Long Term and on Working Capital requirements. The surplus funds available with the Company are being invested with Banks in fixed deposits at regular intervals in line with the policy of the Company. This is reflected in increased deposits. Your Company had not accepted any Public Deposits under Chapter V of the Companies Act 2013 (Act).

6. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

7. HUMAN RESOURCES:

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

8. STATEMENT PURSUANT TO LISTING AGREEMENTS:

The Company's Securities are listed with BSE Ltd. The company confirms that it has paid the Annual Listing Fees to the said stock exchange for the financial year 2016-17 in time and there were no arrears.

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

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

10. CODE OF CORPORATE GOVERNANCE:

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

11. EXPORT HOUSE STATUS:

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

12. ENVIRONMENT

Your Company has consistently emphasized and worked towards sustainable use of natural resources. In order to promote the Environment Awareness for everybody and everywhere with an objective to create awareness and boost the PCIN brand image on a global basis, your company had observed the June month as "Environment month" and organized the "ECO" relay event emphasizing on Water Conservation on 27th June, 2016 at the TADA Village where your factory is located. The Company had distributed T-Shirts and Caps with the slogan inscribed on ECO Activities to participants especially students from TADA School. The Company actively makes effort to increase awareness among the students about the global warming, waste reduce, reuse, recycle and energy saving tips to sustain the environment and environmental protection. The Company has also made substantial investment in Solar panel installation to generate power using natural resource and reduce the generation of CO₂.

13. DIRECTORS:

Mr. Chiaki Kidani had resigned from the Board of your Company effective 1st April, 2017.

The Board of Directors places on record their appreciation for the valuable contribution made by Mr. Chiaki Kidani for the growth of the Company during his tenure of Directorship.

PANASONIC CARBON INDIA CO. LIMITED

Mr. Kazuo Tadanobu was appointed as an additional Director at the Board Meeting held on 10th May, 2017.

Mr. R. Senthil Kumar was re-appointed as Managing Director of the Company for a period of one year with effect from 1st April 2017 to 31st March 2018.

No Director is liable to retire by rotation in this Annual General Meeting.

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

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

14. MEETINGS OF THE BOARD:

Four Board Meetings were held during the Financial year and the details of the meetings were given in the Corporate Governance Report. The intervening gap between the Meetings was within the period as prescribed under the Companies Act, 2013

15. PERFORMANCE EVALUATION:

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

16. REMUNERATION POLICY:

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

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

The Nomination and Remuneration Committee recommends the remuneration of Executive Directors

which is approved by the Board of Directors, subject to the approval of Shareholders, where ever necessary. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the Directors and Key managerial personnel of the quality required to run the Company successfully.

17. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

18. CORPORATE SOCIAL RESPONSIBILITY:

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the areas of Education, Health Care, Drinking Water, Rural Development and Sanitation. These projects are largely in accordance with Section 135 and Schedule VII of the Companies Act, 2013 (Act). The Company's initiatives towards Corporate Social Responsibility have been suitably focused. The brief outline of the CSR Policy and the CSR initiatives undertaken by the Company during the financial year under review are provided in the Annual Report on Corporate Social Responsibility Activities 2016-17

forming part of this report as Annexure -3. The Policy adopted by the Company can be viewed at website of the Company.(www.panasoniccarbon.co.in)

19. GREEN INITIATIVE:

During the year 2016-17, we started a sustainability initiative with the aim of going green and minimizing our impact on the environment. Like the previous year, this year too, we are publishing only the statutory disclosures in the print version of the Annual Report. Additional information is available on our website, www.panasoniccarbon.co.in

Electronic copies of the Annual Report 2016-17 and Notice of the 35th AGM are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2016-17 and the Notice of the 35th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary, Panasonic Carbon India Co. Limited.

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

20. EXTRACT OF ANNUAL RETURN:

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

21. SECRETARIAL AUDIT:

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

22. PARTICULARS OF EMPLOYEES:

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

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

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

The Company has not received any complaint of Sexual harassment during the year 2016-17 under review.

24. RELATED PARTY TRANSACTIONS:

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

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

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

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

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

As per requirements of Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 [SEBI Regulations, 2015) and the relevant provisions of the Companies Act, 2013 read with related rules thereto approval of the shareholders for related party transactions which are considered as "Material" and entered into by the Company in the ordinary course of business and also on arm's length basis for a sum not exceeding ₹ 100 crores (Rupees Hundred crores

PANASONIC CARBON INDIA CO. LIMITED

only) per annum for the financial year 2016-17 and each subsequent financial year, till the termination of the said arrangement or any modification in the terms thereof had already been obtained in the last Annual General Meeting held on 29th July, 2016.

25. WHISTLE BLOWER POLICY/VIGIL MECHANISM

In compliance with provisions of Section 177 of the Act read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has constituted Vigil Mechanism/ Whistle Blower Policy for Directors, employees and vendors of the Company. The Whistle Blower Policy enables the Directors, employees and vendors to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or ethics Policy, thereby ensuring that the activities of the Company are conducted in a fair and transparent manner. The said policy is available at the Company's website at www.panasoniccarbon.co.in

We further affirm that no employee has been denied access to the audit committee during the year 2016-17.

26. STATUTORY AUDITORS:

The Statutory Auditors of the Company, M/s. Brahmayya & Co., Chartered Accountants, (Firm Registration No.000511S), Chennai, retire at the ensuing Annual General Meeting of the Company. As per section 139 of the Companies Act, 2013 and rules made thereunder no company shall appoint an audit firm which has completed its term as Auditor for more than two terms of five consecutive years. Hence it is proposed to appoint BSR & Co., Chartered Accountants, (Firm Registration No : 101248W/W-100022 as allotted by the Institute of Chartered Accountant of India as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

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

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

27. COST AUDITORS

In terms of Section 148 of the Companies Act, 2013

read with Companies (Cost records and audits) Rules, 2014, as amended, Carbon Rod manufactured by the Company and falling under the specified Central Excise Tariff Act heading are not covered under the ambit of mandatory cost audit .

28. INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

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

The Independent Directors of the Company had met during the year on 31st January 2017 to review the performance of Non- Independent Directors , Chairperson of the Company and the Board as a whole. They had accessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

29. RISK MANAGEMENT :

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

30. DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. R. Senthil Kumar, Managing Director & CEO, Mr. Vinayagam Sume, Chief Financial Officer and Ms.P. Maheswari, Company Secretary of the Company are the Whole Time Key Managerial Personnel (KMP) of the Company as on date of this report. The remuneration and other details of KMP for the FY 2016-17 are provided in Extract of the Annual Return which forms part of this Directors' report.

PANASONIC CARBON INDIA CO. LIMITED

31. OTHER DISCLOSURES:

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

There was no change in the nature of business during FY 2016-17.

The Company does not have any Subsidiary, Joint ventures or associates.

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

32. ACKNOWLEDGEMENT:

Your Directors wish to record their sincere appreciation for the support, co-operation, guidance and assistance provided by the Foreign Collaborators, M/s. Panasonic Corporation, Japan. Your Directors thank the valued

Customers for their patronage, the Suppliers for their timely and quality supply, the Shareholders for the confidence reposed and the Bankers, State and Central Governments for extending their invaluable support.

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

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

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

Place : Chennai
Date : 10th May, 2017

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

PANASONIC CARBON INDIA CO. LIMITED

Annexure - 1 to the 35th Annual Report of the Board of Directors

ANNEXURE- A

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

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

A. CONSERVATION OF ENERGY

Sustainability is an integral part of the Company's business philosophy. During the year under review **9.68%** reduction in consumption of electricity was achieved by replacement of transformer with energy saving model, by changing exhaust blower capacity from 50 to 40HP, by improving productivity of ball mill by increasing balls qty ,by reducing the hammer mill motor capacity from 50 to 40HP, by introducing the VFD for grinding blower and installation of solar power plant in factory.

During the year under review, reduction in consumption of furnace oil by **11.40%** was achieved by increasing carbon rod qty in basket and increasing the basket height by 65mm. Reduction in consumption of furnace oil by **10.12%** was also achieved due to reduction of recyclic material generations in mixing & extruding process.

B. TECHNOLOGY ABSORPTION:

Research and Development (R&D)

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

- Reduction of coal tar consumption by using 100% Pitch Powder in R6 .
- Reduction of Graphite by using of needle coke in R6 for improving quality.
- Introduction of Mini Screw Press instead of Hydraulic Press for R20CP .
- Inch Carbon productivity increased by introducing new composition.

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

- Quality improvement and reduction of Wax absorption in R6 Carbon through improved density.
- Reduced electrolyte penetration and cost reduction.
- Reduction of Recycles generation and reduction of Wax absorption in R20.
- Reduction of defects due to reduction of ellipse and critical cracks.
- Improved breaking strength which resulted in process breakages.

3. Future plan of action:

- Introduction of Screw press in place of Hydraulic Press for R20CN Grade.
- Elimination of crushing of Artificial Graphite.

- Reduction of Mixing process time in R6 Carbon
- Reduction of Carbon Black in R20BP carbon.

4. Expenditure on R&D:

Total Expenditure - Revenue	Rs.21.794lakhs
R&D Expenditure as a percentage to total turnover	0.45%

Technology absorption, adaptation and Innovation:

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

Effective use of Needle coke in place of amorphous graphite for R6BP Grade, introduction of coal tar pitch crushing process for improving quality of carbon, achievement of reduction in impregnation process non-conformities and fuel consumption. .

- Benefits derived as a result of the above.

Reduction of Fuel cost , productivity improvement, quality improvement and improved environmental friendly operations.

- Imported technology (imported during last five years)

Except for regular up-gradation of the know-how, no specific technology had been imported in the last five years.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

2. Total Foreign Exchange used and earned:

Total foreign exchange used in the year ended 31st March, 2017 towards Import of Raw materials and other remittances like Royalty, Dividend, Commission on Sales etc., was ₹ 12.04 Crores. With regard to the earning of Foreign Exchange, the direct inflow of foreign currency due to Exports worked out to ₹ 31.60 Crores. Apart from this, the Company has stopped outgo of substantial amount of Foreign Exchange by indigenously producing Carbon Rods as an import substitute. This saving worked out approximately to ₹ 15.80 Crores.

PANASONIC CARBON INDIA CO. LIMITED

Annexure - 3 to the 35th Annual Report of the Board of Directors

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
 - i. Corporate Social Responsibility (CSR) remains a core value and one of company's main corporate objectives.
 - ii. CSR Policy of the Company commits to make a positive contribution to society through high impact and sustainable programmes.
 - iii. The CSR commitments include but are not limited to education, healthcare, energy and climate change and betterment of the society through respect for universal human rights and the environment acting with integrity and accountability and operating responsible and sustainability.
 - iv. CSR Policy of the company has been uploaded in the company's website at www.panasoniccarbon.co.in
2. The Composition of the CSR Committee.
 1. Mr V.R Gupte, Chairman (Independent Director)
 2. Mr. K. Subramanian, Member (Independent Director)
 3. Mr A. Raghavendra Rao, Member (Independent Director)
 4. Mr. R. Senthil Kumar, Member (Managing Director & CEO)
3. Average net profit of the company for last three financial years is ₹ 15,71,06,436/-
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)
The Company is required to spend ₹ 31,42,129/- towards CSR.
5. Details of CSR spent during the financial year.
Total amount spent for the financial year is ₹ 31,73,995/- as against ₹ 31,42,129/- required to be spent.
6. Amount unspent, if any;
NIL
7. Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project/activity	Sector in which the Project is covered	Location	Amount outlay (budget) project or programwise (Amount in ₹)	Amount spent on the projects or Programwise (Amount in ₹)	Cumulative expenditure upto to the reporting period (Amount in ₹)	Amount spent: Direct or through implementing agency
1	Construction of Library for Boys & Girls School	Education	Tada, AP	12,00,315.00	12,00,315.00	12,00,315.00	Directly
2	Construction of Compound Wall for Boys & Girls School	Education	Tada, AP	16,45,946.00	16,45,946.00	28,46,261.00	Directly
3	Sullurpeta Fire Station Flooring Work	Rural development	Sullurpeta, AP	15,234.00	15,234.00	28,61,495.00	Directly
4	Provision of Uniform, Civil Dresses, Sport Dresses & Shoes with Socks (90 sets) to Govt School Children / needy Children	Education Nellore, AP	Vatsalya puri	3,12,500.00	3,12,500.00	31,73,995.00	through Janahita-Vatsalya

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

Place : Chennai
Date : 10th May, 2017

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

PANASONIC CARBON INDIA CO. LIMITED

Annexure - 4 to the 35th Annual Report of the Board of Directors

EXTRACT OF ANNUAL RETURN

financial year ended on 31.03.2017

FORM NO. MGT - 9

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

Sl No	I. Registration and other details	
1	CIN	L29142TN1982PLC009560
2	Registration Date	06/09/1982
3	Name of the Company	PANASONIC CARBON INDIA CO. LIMITED
4	Category / Sub-Category of the Company	Company having Share Capital
5	Address of the Registered Office and contact details	Pottipati Plaza, 77 (Old. No.35), Nungambakkam High Road, Third Floor, Nungambakkam, Chennai-600034 Tamil Nadu Ph : 044-28275216/28263010 Email id: maheswari.p@in.panasonic.com
6	Whether listed company	Yes (Listed in BSE)
7	Name, address and contact details of Registrar and Share Transfer Agent	M/s.Cameo Corporate Services Ltd "Subramaniam Building, No.1, Club House Road, Chennai-600 002 Ph: 044-28460390, 044-28460129 Email id: investor@cameoindia.com

II. Principal Business Activities of the Company

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

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

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

PANASONIC CARBON INDIA CO. LIMITED

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

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of the total Shares	Demat	Physical	Total	% of the total Shares	
A Promoters									
1) Indian									
a) Individual / HUF	67,338	0	67,338	1.4028	67,328	0	67,328	1.4026	0.0002
b) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Bodies Corporate	25,804	0	25,804	0.5375	25,804	0	25,804	0.5375	0.0000
e) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-Total (A)(1):	93,142	0	93,142	1.9404	93,132	0	93,132	1.9402	-0.0002
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Other - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corporate	30,36,820	0	30,36,820	63.2670	30,36,820	0	30,36,820	63.2670	0.0000
d) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-Total (A)(2):	30,36,820	0	30,36,820	63.2670	30,36,820	0	30,36,820	63.2670	0.0000
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	31,29,962	0	31,29,962	65.2075	31,29,952	0	31,29,952	65.2073	-0.0002
B Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Banks / FI	0	150	150	0.0031	0	150	150	0.0031	0.0000
c) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
g) FIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
h) Foreign Venture Capital	0	0	0	0.0000	0	0	0	0.0000	0.0000
i) Others (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-Total (B)(1):	0	150	150	0.0031	0	150	150	0.0031	0.0000
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	3,35,746	2,847	3,38,593	7.0540	2,23,147	2,847	2,25,994	4.7082	-2.3458
ii) Overseas	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Individuals									
i) Individual Shareholders holding nominal share capital up to 1 lakhs	9,28,362	1,15,494	10,43,856	21.7470	9,58,435	1,05,047	10,63,482	22.1558	0.4088
ii) Individual Shareholders holding nominal share capital in excess of 1 lakhs	72,872	0	72,872	1.5182	2,40,912	0	2,40,912	5.0190	3.5008
c) Others (FI)	35,000	0	35,000	0.7292	0	0	0	0.0000	0.0000
i) Shares held by Pakistani citizens vested with the custodian of enemy property	0	0	0	0.0000	0	0	0	0.0000	0.0000
ii) Other Foreign / Nationals	0	0	0	0.0000	0	0	0	0.0000	0.0000
iii) Foreign Bodies	0	0	0	0.0000	0	0	0	0.0000	0.0000
iv) NRI / OCBs	52,792	187	52,979	1.1037	56,142	187	56,329	1.1735	0.0697
v) Clearing Members/ Clearing House	51,093	0	51,093	1.0644	4,800	0	4,800	0.1000	0.9644
vi) Hindu Undivided Families	75,495	0	75,495	1.5728	78,356	25	78,381	1.6329	0.0601
vii) Limited Liability Partnership	0	0	0	0.0000	0	0	0	0.0000	0.0000
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0.0000	0	0	0	0.0000	0.0000
ix) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
Any others	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-Total (B)(2):	15,51,360	1,18,528	16,69,888	34.7893	15,61,792	1,08,106	16,69,898	34.7831	0.0000
Total Public Shareholding (B)=(B)(1)+(B)(2)	15,51,360	1,18,678	16,70,038	34.7925	15,61,792	1,08,256	16,70,048	34.7925	0.0000
C Shares held by Custodian for GDRs & ADRs	0	0	0	0.0000	0	0	0	0.0000	0.0000
Grand Total (A+B+C)	46,81,322	1,18,678	48,00,000	100.0000	46,91,744	108,256	48,00,000	100.0000	0.0000

PANASONIC CARBON INDIA CO. LIMITED

ii) Shareholding of Promoters

SI No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Panasonic Corporation	30,36,820	63.2671	-	30,36,820	63.2671	-	0.0000
2	JSK Marketing Pvt Ltd	25,804	0.5376	-	25,804	0.5376	-	0.0000
3	Gopal Kumar Jiwrajka	1,000	0.0208	-	1,000	0.0208	-	0.0000
4	Laxmi Devi Jiwrajka	66,328	1.3818	-	66,328	1.3818	-	0.0000
5	R. P. Khaitan	10	0.0002	-	0	0.0000	-	0.0000
	Total	31,29,962	65.2073		31,29,952	65.2071	-	0.0000

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

Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
R. P. Khaitan				
At the beginning of the year	10	0.0002	10	0.0002
Transaction (transferred during the year)	10	0.0002	10	0.0002
At the end of the year	0	0.00	0	0.00

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

SI No	For Each of the Top 20 Shareholders	Shareholding as on 31-03-2017	
		No. of Shares	% of total shares of the company
1	Hemanth Prathap Bhai Kotak	83,000	1.7291
2	Pivotal Business Managers LLP	79,406	1.6542
3	Kunareddy Simi	35,605	0.7417
4	Raghvendra	33,451	0.6968
5	Ramakant	30,000	0.6250
6	Meka Thirupathi V.P. Rama Rao (HUF)	28,532	0.5944
7	One up Financial Consultants Pvt Ltd	26,500	0.5520
8	JSK Marketing Private Limited	25,804	0.5375
9	SRL Impex Pvt. Limited	25,000	0.5208
10	Sunil Kumar Gupta	21,000	0.4375
11	K. Naimi	20,898	0.4353
12	Savitri Devi Jiwrajka	12,908	0.2689
13	Sharad Kantilal Shah	12,500	0.2604
14	Apamaa Sarees Private Limited	11,962	0.2492
15	Subramanyam Pisupati	11,000	0.2291
16	Uma Kunareddy	10,550	0.2197
17	Amit Gunchandra Mehta	10,000	0.2083
18	Santosh Kumar Khemka	10,000	0.2083
19	Meka Thirupathi V.P. Rama Rao	9,852	0.2052
20	Pamaja Meka	9,096	0.1895

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

PANASONIC CARBON INDIA CO. LIMITED

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No of Shares	% of total shares of the company
Mr. R. Senthil Kumar, Managing Director				
At the beginning of the year	134	0.0028	134	0.0028
Transaction during the year	0	0.00	0	0.00
At the end of the year	134	0.0028	134	0.0028
Mr. P. Venkateswara Rao, Chief Financial Officer #				
At the beginning of the year	15	0.0003	15	0.0003
Transaction during the year	0	0.00	0	0.00
At the end of the year	15	0.0003	15	0.0003
Mr. Vinayagam Sume, Chief Financial Officer **				
At the beginning of the year	0	0	0	0
Transaction during the year	0	0	0	0
At the end of the year	0	0	0	0
Mr. R. Manoranjan, Company Secretary *				
At the beginning of the year	2	0.0000	2	0.0000
Transaction during the year	0	0.0000	0	0.0000
At the end of the year	2	0.0000	2	0.0000
Ms.P. Maheswari, Company Secretary **				
At the beginning of the year	0	0.0000	0	0.0000
Transaction during the year	0	0.0000	0	0.0000
At the end of the year	0	0.0000	0	0.0000

* left during the year

** joined during the year

retired during the year

V. INDEBTEDNESS

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

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

NIL

PANASONIC CARBON INDIA CO. LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr.No	Particulars of Remuneration	Mr. R. Senthil Kumar	Total Amount
	Gross Salary		
1	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	51,00,000	51,00,000
	b) Value of perquisites under section 17(2) of Income Tax Act, 1961	1,84,290	1,84,290
	c) profit in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission -as a percentge of profit	-	-
5	Contribution to PF, Medical and Superannuation etc.	8,40,000	8,40,000
	Total (A)	61,24,290	61,24,290

B. Remuneration to other Directors:

1. Independent Directors

Sr.No	Particulars of Remuneration	Name of the Director				Total Amount
		Mr.V.R.Gupte	Mr.A.R.Rao	Mr.K.Subramanian	Mrs. C. Jayashree	
1	Fee for attending Board / Committee Meetings	85,000	85,000	85,000	40,000	2,95,000
2	Commission	5,89,437	5,89,437	5,89,436	5,89,436	23,57,746
3	Others Please Specify	-	-	-	-	
	Total (B) (1)	6,74,437	6,74,437	6,74,436	6,29,436	26,52,746

2. Other Non Executive Directors

Sr.No	Particulars of Remuneration	Name of the Director	Total Amount
		Mr.Chiaki Kidani*	
1	Fee for attending Board / Committee Meetings	0	0
2	Commission	0	0
3	Others Please Specify	-	0
	Total (B) (2)	0	0
3.	Total (B)=(B)(1)+(B)(2)		26,52,746

*Relinquished his office with effect from 1st April, 2017

PANASONIC CARBON INDIA CO. LIMITED

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

Sr.No	Particulars of Remuneration	Key Managerial Personnel				Total amount
		Mr. P.V. Rao Chief Financial Officer (10 months)	Mr.Vinayagam Sune Chief Financial Officer (2 months)	Mr. R. Manoranjan Company Secretary (7 months)	Ms.P.Maheswari Company Secretary (5 months)	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961 (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 (c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	12,45,000	1,46,000	5,11,000	1,95,000	20,97,000
2	Stock Options	-	-			
3	Sweat Equity	-	-			
4	Commission - as % of profit	-	-			
5	-others, specify	-	-			
	Total (C)	12,45,000	1,46,000	5,11,000	1,95,000	20,97,000

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

PANASONIC CARBON INDIA CO. LIMITED

Annexure - 5 to the 35th Annual Report of the Board of Directors

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

To,

The Members of PANASONIC CARBON INDIA CO. LIMITED,

We were appointed by the Board of Directors **PANASONIC CARBON INDIA CO. LIMITED** (hereinafter called the Company) to conduct Secretarial Audit for the financial year ended 31st March, 2017.

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

Management's Responsibility for Secretarial Compliances

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

Auditor's Responsibility

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

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

Opinion

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2017 according to the provisions of:

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

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

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

- i) Secretarial Standards (SS-1 and SS-2) as issued by The Institute of Company Secretaries of India which became effective from 1st July, 2015.

PANASONIC CARBON INDIA CO. LIMITED

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the financial year ended on March 31, 2017 complied with the aforesaid laws.

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors Independent Directors and a Woman Director. The changes in the composition of the Board of Directors, which took place during the financial year under review were carried out in compliance with the provisions of the Acts and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.
2. Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings and Committees thereof. Agenda and detailed notes on agenda were sent in advance of at least three days before the meeting. There exists a system for Directors to seek and obtain further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting;
3. Majority decision is carried and the views are captured and recorded as part of the Minutes of the Meetings;
4. The Company has proper Board processes.

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary in practice and taken on record by the Board of Directors at their meeting(s) , we are of the opinion that the management has:-

- (a) Adequate system and process commensurate with its

size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

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

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

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

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

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

Place: Chennai
Date : 10th May, 2017

PANASONIC CARBON INDIA CO. LIMITED

Annexure - 6 to the 35th Annual Report of the Board of Directors

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

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

Name	Designation	Ratio to median remuneration of the employees
Mr. R. Senthil Kumar,	Managing Director & CEO	13:1

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

Name	Designation	% increase in remuneration
Mr. R. Senthil Kumar,	Managing Director & CEO	18%
Mr. P. Venkateswara Rao Mr. Vinayagam Sume {joined during the year}	Chief Financial Officer	12% -
Mr. R. Manoranjan Ms. P. Maheswari {joined during the year}	Company Secretary	24% -

- c) The percentage increase in the median remuneration of employees in the financial year: 18%
- d) The number of permanent employees on the rolls of company: 130
- e) The explanation on the relationship between average increase in remuneration and company performance:
The Company's PAT has grown from ₹ 1346.40 lakhs to ₹ 1578.96 lakhs, an increase of 17.2 % against which the average increase in remuneration is 15% and this increase is in line with the policy of Company.
- f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

Name	Designation	CTC ₹ in Lakhs	% Increase in CTC	PAT (₹ in Lakhs)	% Increase in PAT
Mr. R. Senthil Kumar	Managing Director & CEO	61.24	18%	1578.96	17%
Mr. P. Venkateswara Rao Mr. Vinayagam Sume {joined during the year}	Chief Financial Officer	12.45 1.46	12% -		
Mr. R. Manoranjan Ms. P. Maheswari {joined during the year}	Company Secretary	5.11 1.95	24% -		

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

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

Date	Paid up Capital	Closing Market Price per shares	EPS	PE Ratio	Market Capitalisation (₹ in Lakhs)
31.03.2016	4,80,00,000	439.80	28.05	15.67	21,110.40
31.03.2017	4,80,00,000	487.60	32.90	14.82	23,404.80
Increase/(Decrease)	NIL	47.80	4.85	(0.85)	2,294.40
% Increase/Decrease	NIL	10.87	17%	(5.42)	10.87
No issue of shares during the year	-	-	-	-	-

- h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof any exceptional circumstances for increase in the managerial remuneration:
Average increase in Managerial Remuneration is 18% for employees other than Key Managerial Personnel and 15% for Managerial Personnel (KMP and Senior Management)
- i) The key parameters for any variable component of remuneration availed by the directors:
The Company has not paid any variable components of remuneration to the Managing Director except remuneration by way of salary and perquisites.
Independent-Non Executive Directors are paid sitting fees and commission as per their terms of appointment.
Non executive Directors are paid sitting fees only.
The Directors nominated by the collaborator are not paid any sitting fees and commission.
- j) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Not Applicable
- k) It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

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

Place : Chennai
Date : 10th May, 2017

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

PANASONIC CARBON INDIA CO. LIMITED

Annexure - 7 to the 35th Annual Report of the Board of Directors

FORM NO. AOC.2

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

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

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

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

Sl No	Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Terms of contracts	Justification for entering in to such contracts/arrangements/ transactions	Value of Contract (₹ in Crore)	Date(s) of approval by the Board
1	Panasonic Energy India Co. Ltd , India	Fellow Subsidiary under common control	Sale of Carbon Rods	Yearly	Sale of Goods (Excluding Excise Duty & Sales Tax)	Transaction in the Ordinary course of business and on Arm's length basis	6.43	25-05-2016
2	Panasonic energy, Poland S.A. Poland	Fellow Subsidiary under common control	Sale of Carbon Rods	Yearly	Sale of Goods (Excluding Excise Duty & Sales Tax)	Transaction in the Ordinary course of business and on Arm's length basis	11.87	25-05-2016
3	Panasonic Do Brasil Limitada, Brazil	Fellow Subsidiary under common control	Sale of Carbon Rods	Yearly	Sale of Goods (Excluding Excise Duty & Sales Tax)	Transaction in the Ordinary course of business and on Arm's length basis	5.43	25-05-2016

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

Place : Chennai
Date : 10th May, 2017

V.R GUPTA
DIRECTOR

R. SENTHIL KUMAR
MANAGING DIRECTOR

PANASONIC CARBON INDIA CO. LIMITED

Annexure - 2 to the 35th Annual Report of the Board of Directors

REPORT ON CORPORATE GOVERNANCE

Introduction:

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

Company's Philosophy on Code of Corporate Governance:

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

Board of Directors:

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

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

During the Financial Year ended 31st March, 2017, four Board Meetings were held on 25th May 2016, 29th July 2016, 18th October 2016 and 31st January 2017.

The last Annual General Meeting was held on 29th July, 2016.

The composition of the Board, attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meeting and numbers of other Directorships/Committee Memberships held by them as on 31st March, 2017 as applicable, are as follows:

Name of the Director	Designation and Category	Relationship between Directors inter-se	No. of Board Meetings in the year		Attendance Last AGM	No. of outside Directorships (Excludes Private/ Section 8 Company and Foreign Companies.)*	No. of outside Board Committee Memberships/Chairman (excludes Private and Foreign Companies)**
			Held	Attended			
Mr.R.Senthil Kumar (1)	Managing Director, Executive	Not Related	4	4	Yes	Nil	Nil
Mr.V.R.Gupte	Director,	Not Related Independent	4	4	Yes	Nil	Nil
Mr.A.Raghavendra Rao	Director,	Not Related Independent	4	4	Yes	Nil	Nil
Mr.K.Subramanian	Director,	Not Related Independent	4	4	Yes	1	3
Mrs. C. Jayashree	Director,	Not Related Independent	4	4	Yes	1	Nil
Mr. Chiaki Kidani(2)	Director,	Not Related Promoter, Non-Executive	4	1	Yes	Nil	Nil
Mr. Kazuo Tadanobu(3)	Director, Promoter,	Not Related Non-Executive	-	-	-	-	-

1) Mr. R. Senthil Kumar was re-appointed as Managing Director of the company for a period of one year with effect from 1st April, 2017

2) Mr. Chiaki Kidani resigned from Directorship on the Board of the Company at the Board Meeting held on 10th May 2017 effective 1st April 2017 onwards

3) Mr. Kazuo Tadanobu appointed as an Additional Director at the Board Meeting held on 10th May, 2017, with effect from 1st April, 2017

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

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

The Directors of the Company do not hold any Equity shares of the Company as on 31st March, 2017 except Mr. R. Senthil Kumar, Managing director who holds 134 equity shares in the Company.

Mr. Kazuo Tadanobu is nominated by our Collaborators and employed in Japan.

Information about the Directors proposed to be appointed/re-appointed required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished under 'Notes' attached to the Notice of the 35th Annual General Meeting to the Shareholders of the Company.

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

PANASONIC CARBON INDIA CO. LIMITED

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

1. Audit Committee:

The composition, powers, role and terms of reference of the Committee are constituted as per the Section 177 mentioned under the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015).

Terms of Reference:

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

Composition and Attendance:

The Company has an Audit Committee of the Board consisting of three Non Executive Independent Directors and the Managing Director. The Audit Committee met four times during the financial year ended 31st March, 2017 i.e. on 25th May 2016, 29th July 2016, 18th October 2016 and 31st January 2017.

The details of attendance of Members are as follows:

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

The Quorum shall be either two Members or one-third of the Members, whichever is higher and there shall be a minimum of two Independent Directors. The Company Secretary, Mr. R. Manoranjan, is the Secretary of the Committee of first three meetings and Ms.P. Maheswari is the Secretary of the Committee of the fourth meeting held during the financial year 2016-17. The representative of Statutory Auditor and Internal Auditor as well as Chief financial Officer are also permanent invitee to the Committee.

2. Stakeholders Relationship Committee:

Terms & Reference

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

Composition :

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

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

Ms.P. Maheswari , Company Secretary acts as a Compliance Officer to the Committee. During the financial year. Eleven meetings of the Stakeholder's Relationship Committee were held.

The detailed particulars of Investors' complaints handled by the Company / Registrar & Share Transfer Agent during the year 2016-17 are as under:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	01	01	Nil

The complaint has been resolved to the satisfaction of the complainant and no investor complaint was pending at the beginning or at the end of the year. The Company has acted upon all valid requests for share transfer received during the year 2016-17 and no such transfer is pending at the end of the year.

3. Corporate Social Responsibility Committee:

The Board of Directors has constituted "Corporate Social Responsibility Committee" (CSR) as required under Section 135 of the

PANASONIC CARBON INDIA CO. LIMITED

Companies Act, 2013. The Committee comprises of 4 Members. The Chairman of the Committee is a Non – Executive and Independent Director.

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

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

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

The quorum for the CSR Committee Meeting shall be either one-third of its members or two members, whichever is higher. The Company Secretary, acts as the Secretary to the Committee. During the year the Committee had one meeting i.e. 29th July , 2016 which were attended by all the four members of the committee.

4. Nomination and Remuneration Committee:

Terms of Reference:

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

Composition & Meetings:

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

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

The Committee met during the year on 31st January 2017 to determine and recommend the appointment of Directors and reappointment and revision in Remuneration payable to the Managing Director. The quorum for the Meeting shall be any two of the above three Members. The Company Secretary, Ms.P. Maheswari act as a Secretary of the Committee.

5. Remuneration of Directors:

Executive Director:

The Company has one Executive Director. Mr. R. Senthil Kumar, the Managing Director and his re-appointment and Remuneration was approved by the Shareholders at the Annual General Meeting held on 29th July, 2016 for a period of one year effective from 22nd April, 2016 to 21st April, 2017. The present term of appointment of Mr. R. Senthil Kumar expired on 21st April, 2017. The scales of remuneration are determined based on the levels of responsibility and scales prevailing in the industry. The Board of Directors of the Company had authorized the Nomination and Remuneration Committee to approve the remuneration package of the Executive Director. Accordingly, the remuneration package of the Executive Director, including its break up into fixed component and performance linked incentive, along with the performance criteria are determined by the Nomination and Remuneration Committee.

The Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee meeting held on 31st January 2017, re-appointed Mr. R. Senthil Kumar as Managing Director of the Company subject to approval of the Shareholders and subject to such other approvals as may be required, for a further period of one year upto 31st March 2018.

The details of Remuneration paid to the Executive Director during the Financial Year 2016-17 under review is as under:

Name & Designation	Period	Salary Rs.	Perquisites Rs.	Total Rs.
Mr.R.Senthil Kumar,Managing Director	01-04-2016 to 31-03-2017	51,00,000	10,24,290	61,24,290

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.

PANASONIC CARBON INDIA CO. LIMITED

Non-Executive Directors:

The Board of Directors decided to pay the Remuneration to Non-Executive Directors by way of Sitting Fees for the Meetings of the Board / Committees of the Board attended by them and by way of commission up to a total of one percent on the Net Profits of the Company in each Financial Year.

None of the Non-Executive Directors of your Company have any pecuniary relationship or material transactions with the Company except for Sitting Fees paid to them for attending Board Meetings and Committee Meetings thereof and Commission on Net Profits.

The Company has not issued Stock Options to any of its Directors. There is no differential Accounting Treatment followed in the Company during the Financial Year 2016-17.

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

Name of the Director	Commission Rs.	Sitting Fees		
		Board Meeting Rs.	Audit Committee Meeting Rs.	Nomination and Remuneration Committee Meeting Rs.
Mr.V.R.Gupte	5,89,437	40,000	40,000	5,000
Mr.A.Raghavendra Rao	5,89,437	40,000	40,000	5,000
Mr.K.Subramanian	5,89,436	40,000	40,000	5,000
Mrs C. Jayashree	5,89,436	40,000	Nil	Nil
Mr. Chiaki Kidani	Nil	Nil	Nil	Nil
Total	23,57,746	1,60,000	1,20,000	15,000

6. Details of shareholding of Directors as on 31st March 2017:

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

7. General Body Meetings:

The last Three Annual General Meetings were held as under:

Year and Date	Time	Venue
29 th July 2016	2.30 P.M.	Hotel Benz Park , No.62, Thirumalai Pillai Road, T. Nagar, Chennai – 600 017
23 rd July, 2015	10.30 A.M.	Hotel Dee Cee Manor (Opp. To Vani Mahal) No. 90, G.N.Chetty Road, T.Nagar, Chennai-600017
31 st July, 2014	3.00 P.M.	

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

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

8. Whistle Blower Policy:

The Company has formulated a Whistle Blower Policy and established a Vigil Mechanism for Directors and Employees and the same has been disclosed on the Company's website at www.panasoniccarbon.co.in. The Management affirms that no personnel has been denied access to the Audit Committee during the year 2016-17.

9. Meeting of Independent Directors:

The Independent Directors of the Company had met during the year on 31st January 2017 to review the performance of non-Independent Directors, Chairperson of the Company and the Board as a whole. They had assessed the Quality, Quantity and timeliness of flow of information between the Company management and the Board.

10. Risk Management:

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

PANASONIC CARBON INDIA CO. LIMITED

11. Disclosures:

(i) Related Party Transactions:

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

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

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

For the details of all related party transactions as required by the Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, please refer Note No 32 of notes to the Audited Financial Statements for the year ended 31st March, 2017.

ii) Compliances by the Company:

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

12. Means of Communication:

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

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

The Company is also filing the specified documents/statements/informations as per SEBI directive within the stipulated time. During the year ended 31st March, 2017 , no presentation has been made to Analysts. The Management Discussion and Analysis Report are appended separately to this report. Annual Report is displayed on the Company's website www.panasoniccarbon.co.in

13. Compliance with Code of Conduct:

The Company has adopted a code of conduct for the Managing Director, Senior Management Personnel and other employees of the Company. The updated Code incorporate the duties of Independent Directors. The Code is available on the website of the Company. The Managing Director has given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of conduct for the year ended 31st March, 2017.

14. General Shareholders Information:

Annual General Meeting Date and time	8 th August 2017; 3.00 p.m.	Date of payment of dividend	17 th August, 2017
Venue	Hotel Benz Park, No.62, Thirumalai Pillai Road, T. Nagar, Chennai-600017	Annual Results	10 th May, 2017
Book Closure Date	2 nd August 2017 to 8 th August 2017	BSE Stock Code	508941
Financial Year	1 st April 2016 to 31 st March 2017	ISIN	INE013E01017
Rate of dividend	100% (Rs. 10/- for share)	Corporate Identity Number of the Company (CIN)	L29142TN1982PLC009560

PANASONIC CARBON INDIA CO. LIMITED

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

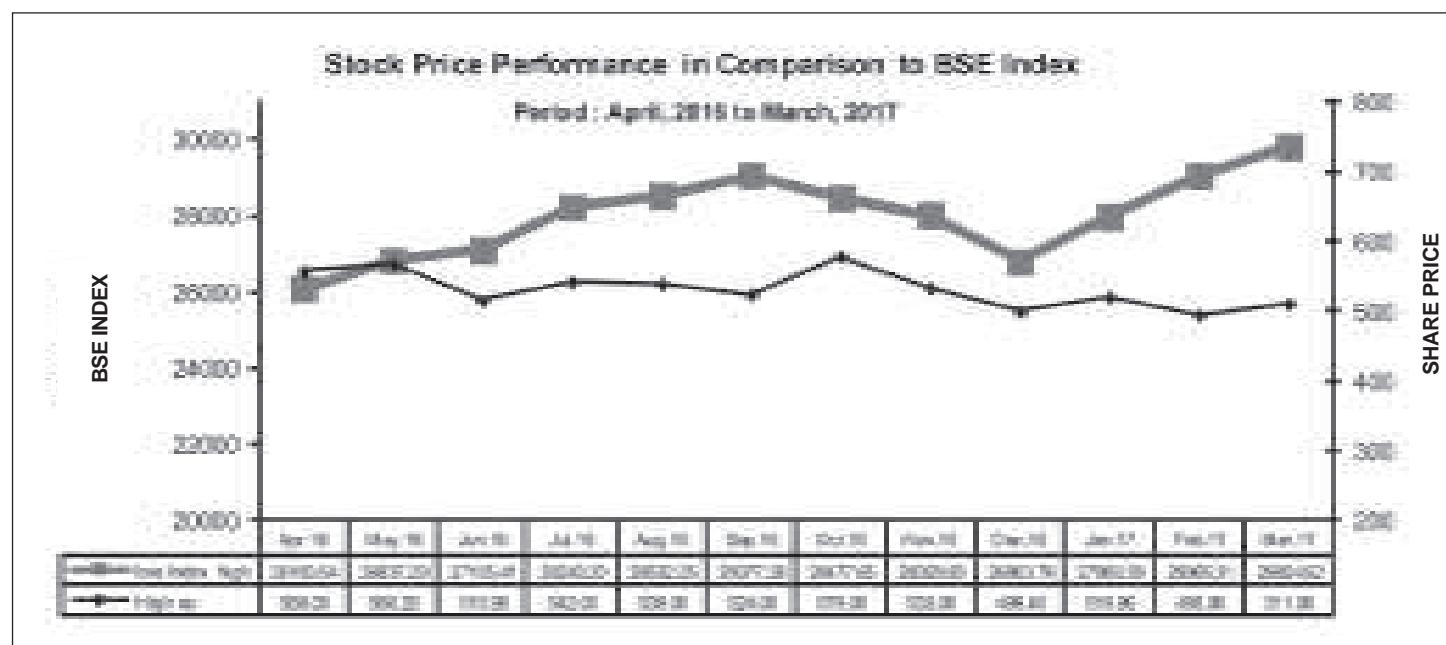
June 30 th , 2017	2 nd week of August, 2017
September 30 th , 2017	4 th week of October, 2017
December 31 st 2017	4 th week of January, 2018
March 31 st , 2018	4 th week of May, 2018

16. Listing on Stock Exchanges:

The Company's Securities are listed with BSE Ltd. The Company confirms that it has paid the Annual Listing Fees to the said stock exchange for the financial year 2016-17 and there are no arrears.

17. Market Price data for the Financial Year ended 31st March, 2017:

Month	BSE		Month	BSE	
	High (Rs.P.)	Low(Rs.P.)		High (Rs.P.)	Low(Rs.P.)
April, 2016	558.00	435.00	October, 2016	579.00	481.50
May, 2016	568.25	465.00	November, 2016	533.00	424.00
June, 2016	515.90	464.00	December, 2016	499.40	444.00
July, 2016	542.00	468.00	January, 2017	519.90	466.10
August, 2016	539.00	475.00	February, 2017	495.00	451.50
September, 2016	524.00	468.00	March, 2017	511.00	439.00



18. Registrars and Share Transfer Agents:

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

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

PANASONIC CARBON INDIA CO. LIMITED

19. Share Transfer System:

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

20. Distribution of Shareholding as on 31st March, 2017:

No. of Shares	Number of Shareholders		Number of Shares	
	Number	% of Total	Number	% of Total
10-5000	7,054	94.3300	52,66,490	11.7135
5001-10000	220	2.9419	16,69,700	3.4785
10001-20000	97	1.2971	14,11,540	2.9407
20001-30000	38	0.5081	9,75,180	2.0316
30001-40000	22	0.2941	7,87,850	1.6413
40001-50000	8	0.1069	3,88,420	0.8092
50001-100000	21	0.2828	14,42,180	3.0045
100001- And Above	18	0.2407	3,57,02,640	74.3805
Total	7,478	100.0000	4,80,00,000	100.0000

21. Category wise Shareholding pattern as on 31st March, 2017:

Category	No. of Shares Held	% of Shareholding
Promoters		
Indian Promoters	93,132	1.9402
Foreign Collaborators	30,36,820	63.2670
Others		
Corporate Bodies	3,09,175	6.4411
Mutual Funds & UTI	Nil	Nil
Banks & Financial Institutions	150	0.0031
Non-Resident Indians	56,329	1.1735
Public	13,04,394	27.1748
Total	48,00,000	100.00

22. Dividend Declared for the last 10 Years:

Financial Year	Dividend Declaration date	Dividend Per share ₹	Financial Year	Dividend Declaration date	Dividend Per share ₹
2006-07	14 th June, 2007	6.00	2011-12	31 st July, 2012	7.00
2007-08	18 th June, 2008	7.00	2012-13	25 th July, 2013	7.00
2008-09	11 th Sept, 2009	7.00	2013-14	31 st July, 2014	7.00
2009-10	23 rd July, 2010	7.00	2014-15	23 rd July, 2015	8.00
2010-11	20 th July, 2011	7.00	2015-16	29 th July, 2016	10.00

Note: Face value of Rs.10/- per share. Dividend of Rs 10/- per share for the financial year 2016-17 recommended by the Board of Directors on 10th May, 2017, is subject to approval by the shareholders at the ensuing Annual General Meeting.

23. Dematerialization of Shares and Liquidity :

The Company's shares are available for trading in the Depository System of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company is **INE013E01017**. As on 31st March 2017, 97.74% of the paid up share capital representing 46,91,744 Equity Shares of the Company including promoter and Collaborators holding are in Dematerialized form.

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

PANASONIC CARBON INDIA CO. LIMITED

24. Unclaimed/Unpaid Dividend Amounts:

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

Financial Year	Amount outstanding as on 31.03.2017(Rs.)	Date of Declaration of Dividend	Proposed date of transfer to IEPF
2009-10	5,24,888	23-07-2010	28-08-2017
2010-11	2,88,547	20-07-2011	25-08-2018
2011-12	4,41,084	31-07-2012	05-09-2019
2012-13	5,07,724	25-07-2013	30-08-2020
2013-14	3,58,491	31-07-2014	05-09-2021
2014-15	4,33,088	23-07-2015	28-08-2022
2015-16	6,19,120	05-08-2016	10-09-2023

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

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

25. Reconciliation of Share Capital Audit:

A quarterly audit was conducted by a practising company secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of Shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March, 2017, there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories.

26. E-Voting/Ballot Voting:

In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 35th Annual General Meeting (AGM) of the Company.

The facility for voting, through ballot / polling paper shall also be made available at the venue of the 35th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed M/s. Prowis Corporate Services Pvt Ltd, Practising Company Secretaries, Chennai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. The instructions for shareholders voting electronically are provided in the notes to the Notice of 35th Annual General Meeting.

27. CEO/ CFO Certification

The Managing Director & CEO and the Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2017.

28. Prevention of Insider Trading:

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

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

Not Applicable

30. Plant/Factory Location:

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

31. Address for correspondence:

The Shareholders may address their correspondence to:

PANASONIC CARBON INDIA CO. LIMITED

The Company Secretary, M/s. Panasonic Carbon India Co. Limited, "Pottipati Plaza", 3 rd Floor, No.77, Nungambakkam High Road, Chennai 600 034 Phone :0091-044-28275216/226/015 Fax : 0091-044-28263010 E-mail: maheswari.p@in.panasonic.com Web: www.panasoniccarbon.co.in	and/or	Mr.R.D.Ramasamy, Director, M/s.Cameo Corporate Services Ltd. "Subramaniam Building", No.1, Club House Road, Chennai 600 002 Phone : 0091-44-28460390 (5 Lines) Fax No.: 0091-44-28460129 Email : investor@cameoindia.com
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By Order of the Board of Directors
For Panasonic Carbon India Co. Limited

Place : Chennai
Date : 10th May, 2017

V.R. GUPTA
DIRECTOR

R. SENTHIL KUMAR
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 : 10th May, 2017

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

PANASONIC CARBON INDIA CO. LIMITED

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF PANASONIC CARBON INDIA CO. LIMITED

We have examined the compliance of regulations of Corporate Governance by Panasonic Carbon India Co Limited for the year ended 31st March, 2017, as per regulations 17-27, classes (a) to (m) of Regulation 46(2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

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

For BRAHMAYYA & CO.

Chartered Accountants

(Firm Registration No: 000511S)

R.NAGENDRA PRASAD

Partner

Membership No.203377

Place: Chennai

Date: 10th May, 2017

PANASONIC CARBON INDIA CO. LIMITED

Independent Auditor's Report

To

The Members of Panasonic Carbon India Co. Limited

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of **Panasonic Carbon India Co. Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

PANASONIC CARBON INDIA CO. LIMITED

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure – “B”**.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note no. 23 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management-Refer note no. 36 to the financial statements.

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

Place : Chennai
Date : 10th May, 2017

R.Nagendra Prasad
Partner
Membership No: 203377

ANNEXURE A TO AUDITORS' REPORT

Referred to in paragraph 8 of our report of even date

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) 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.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. Physical verification of inventory has been conducted by the Management at reasonable intervals. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been adequately dealt with in the books of account.
3. In our opinion and according to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iiia), (iiib) and (iiic) of paragraph 3 of the Order are not applicable to the company for the year.
4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable.
5. The company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provision of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under, apply.
6. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that prima facie the prescribed cost records have been maintained.

PANASONIC CARBON INDIA CO. LIMITED

7. a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess and other statutory dues with the appropriate authorities during the year. There are no undisputed amounts payable in respect of statutory dues, which are outstanding as at 31st March, 2017 for a period of more than six months from the date they become payable.
- b) Based on our audit procedures and on the information and explanations given to us, there are no dues outstanding in respect of sales tax, service-tax, duty of customs, duty of excise, value added tax on account of any dispute. Income tax demands under the Income Tax Act, 1961 for the assessment years 1999-2000 to 2007-08 aggregating to Rs.1,87,46,659/- have not been deposited since the Company's appeals are pending disposal before the Income Tax Appellate Authorities.
8. During the year under report, the company did not avail any loan or borrowings from banks or financial institutions and also did not have any debentures outstanding during the year under report. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the company has not availed any term loans during the year and accordingly, the provisions of clause 3(ix) of the Order are not applicable.
10. To the best of our knowledge and belief and according to the information and explanations given to us, there have been no cases of fraud by the company or on

the company by its officers or employees has been noticed or reported during the year under report.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place : Chennai
Date : 10th May, 2017

R.Nagendra Prasad
Partner
Membership No: 203377

ANNEXURE - "B" TO AUDITORS' REPORT

Referred to in paragraph 9 (f) of our report of even date

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

1. We have audited the internal financial controls over financial reporting of Panasonic Carbon India Co. Limited ("the Company") as of 31 March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for

establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of

reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Chennai
Date : 10th May, 2017

R.Nagendra Prasad
Partner
Membership No: 203377

PANASONIC CARBON INDIA CO. LIMITED

Balance Sheet as at 31st March, 2017

Particulars	Note	Amount in ₹	
		As at March 31,2017	As at March 31,2016
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
Share Capital	2	4,80,00,000	4,80,00,000
Reserves and Surplus	3	84,88,10,448	69,09,14,400
2. Non-Current Liabilities			
Deferred tax liabilities (Net)	9	99,42,716	-
3. Current Liabilities			
Trade payables	4		
- Total outstanding dues to micro enterprises and small enterprises		-	-
- Total outstanding dues to creditors other than micro enterprises and small enterprises		3,77,82,114	3,09,54,817
Other current liabilities	5	2,13,42,146	2,36,94,032
Short-term provisions	6	44,92,792	6,57,88,982
Total		97,03,70,216	85,93,52,231
II. Assets			
1. Non-current assets			
Property, Plant and equipment	7		
Intangible assets	7	9,84,54,099	2,58,64,719
Capital work-in-progress	7	-	-
Non-current investments	8	10,900	10,900
Deferred tax assets (net)	9	-	3,36,689
Long term loans and advances	10	80,38,854	74,94,342
2. Current assets			
Inventories	11	2,14,97,727	2,54,20,984
Trade receivables	12	3,70,58,488	3,23,13,131
Cash and cash equivalents	13	76,54,29,091	73,53,92,405
Short-term loans and advances	14	2,60,30,562	1,62,80,626
Other current assets	15	1,38,50,495	1,62,38,435
Total		97,03,70,216	85,93,52,231

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 : 10th May, 2017

For and on behalf of the Board

R.Senthil Kumar
Managing Director

V.R.Gupte
Director

Vinayagam Sume
Chief Financial Officer

P. Maheswari
Company Secretary

PANASONIC CARBON INDIA CO. LIMITED

Statement of Profit and Loss for the year ended 31st March, 2017

Amount in ₹

Particulars	Note	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from operations	16	50,84,03,686	51,25,70,311
Less: Excise Duty		1,97,55,601	2,24,00,965
		<u>48,86,48,085</u>	<u>49,01,69,346</u>
Other Income	17	6,08,24,429	5,90,23,856
		<u>54,94,72,514</u>	<u>54,91,93,202</u>
Expenses:			
Cost of Raw materials consumed	18	12,44,47,395	15,10,94,002
Changes in inventories of finished goods and work-in-progress	19	36,04,782	(27,71,042)
Power and Fuel		3,79,30,542	4,03,71,719
Employee benefits expense	20	7,57,33,501	6,76,73,585
Depreciation and amortization	7	49,64,363	45,10,953
Other expenses	21	7,57,85,808	7,98,18,177
		<u>32,24,66,391</u>	<u>34,06,97,394</u>
Profit before exceptional item and tax		22,70,06,123	20,84,95,808
Add: Exceptional Item - Profit on sale of land		1,36,69,330	-
Profit before tax		<u>24,06,75,453</u>	<u>20,84,95,808</u>
Tax expense:			
Current tax		7,25,00,000	7,35,00,000
Deferred tax		1,02,79,405	3,55,464
		<u>15,78,96,048</u>	<u>13,46,40,344</u>
Profit after tax for the year		<u>15,78,96,048</u>	<u>13,46,40,344</u>
Earning per equity share: (Refer Note No. 33)			
Basic		₹ 32.90	₹ 28.05
Diluted		₹ 32.90	₹ 28.05

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 : 10th May, 2017

For and on behalf of the Board

R.Senthil Kumar
Managing Director

V.R.Gupte
Director

Vinayagam Sume
Chief Financial Officer

P. Maheswari
Company Secretary

PANASONIC CARBON INDIA CO. LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

Particulars	01.04.2016 to 31.03.2017		01.04.2015 to 31.03.2016	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary activities		24,06,75,453		20,84,95,808
Add : Depreciation & Assets written off	49,64,363		45,10,953	
Adjustment for foreign currency fluctuations (Net)	3,47,544	53,11,907	-	
		-		45,10,953
		24,59,87,360		21,30,06,761
Less: Interest received	5,83,13,439		5,79,22,975	
Profit on sale of fixed assets	1,36,69,330		1,74,999	
Adjustment for foreign currency fluctuations (Net)	-		-	
Provisions written back	20,83,730		-	
		7,40,66,499		5,80,97,974
		17,19,20,861		15,49,08,787
Operating Profit before working capital changes				
Adjustments for working capital changes				
Less/Add:(Increase)/Decrease in trade and other receivables	(1,48,03,908)		5,77,125	
(Increase) / Decrease in inventories	39,23,258		(13,16,116)	
		(1,08,80,650)		(7,38,991)
		16,10,40,211		15,41,69,796
Add :(Decrease) / Increase in trade payables		64,39,008		(4,40,857)
Cash generated from operations		16,74,79,219		15,37,28,939
Less : Taxes paid		7,66,07,961		6,92,47,152
Cash flow before extra-ordinary items		9,08,71,258		8,44,81,787
Less : Extraordinary items		-		-
Net Cash generated from operating Activities - Total (A)		9,08,71,258		8,44,81,787
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
Sale of fixed assets	1,42,00,000		1,75,000	
Interest received	6,07,01,380		5,51,32,435	
		7,49,01,380		5,53,07,435
Less: Purchase of fixed assets	7,80,84,413		27,30,312	
		7,80,84,413		27,30,312
Net Cash generated from Investment Activities - Total (B)		(31,83,033)		5,25,77,123
C. CASH FLOW FINANCING ACTIVITIES				
Dividends Paid inclusive of dividend tax		5,77,71,671		4,62,17,336
Net Cash used in financing activities - Total (C)		5,77,71,671		4,62,17,336
Net increase/ (Decrease) in cash and cash equivalents Total (A+B-C)		2,99,16,554		9,08,41,574
Opening cash and cash equivalents	73,23,39,596		64,14,98,022	
Closing cash and cash equivalents	76,22,56,150		73,23,39,596	
Net (Decrease)/increase in cash and cash equivalents		2,99,16,554		9,08,41,574

Note : For the purpose of this statement, Bank balances of ₹ 31,72,942 (Previous year ₹ 30,52,809) in unclaimed dividend account are not included in cash and cash equivalents as they are adjusted against unclaimed dividends payable since the obligations of the company are met from unclaimed dividends deposited into separate bank account in accordance with Sec.124 of the Companies Act, 2013

As per our report attached

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

R.Nagendra Prasad

Partner
Membership No: 203377

Place : Chennai
Date : 10th May, 2017

For and on behalf of the Board

R.Senthil Kumar
Managing Director

V.R.Gupte
Director

Vinayagam Sume
Chief Financial Officer

P. Maheswari
Company Secretary

Notes forming part of the Financial Statements as on 31st March, 2017

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 and comply with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

1.2 The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts. Estimates include allowance for uncollectible accounts receivables, useful life of fixed assets, accounting for employee cost pending execution of agreements with workmen unions etc. The actual amounts may differ from these estimates.

1.3 Property, Plant and Equipment

Property, Plant and Equipment 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 Property, Plant and Equipment except Land and solar power plant & equipment under the written down value method at rates specified in Part C of Schedule II of the Companies Act, 2013. Assets costing less than Rs.5,000/- individually are fully depreciated. Useful life of solar power plant & equipment estimated to be 20 years and depreciation is provided on straight line method over its useful life.

1.5 Intangible Assets :

Intangible assets are stated at cost of acquisition or construction less accumulated amortisation and impairment losses if any. Intangible assets are amortised over their respective individual estimated useful, lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

1.6 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.

1.7 Inventories

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

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

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

1.8 Transactions in Foreign Currencies

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

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

1.9 Employee benefits

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

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.

1.10 Investments

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

1.11 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

PANASONIC CARBON INDIA CO. LIMITED

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".

1.12 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 / Duty Credit Scrip under Manufacturing Exporters Incentive Scheme (MEIS) is accounted on receipt of script.

1.13 Government Grants and Subsidies:

i. Grants from the Government are recognized when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

ii. Government grants in the nature of promoters' contribution are credited to capital reserve and treated as a part of Shareholders' funds. Government Grants related to specific Plant and Equipment has been credited to the gross value of the respective Plant and Equipment.

1.14 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2 Share Capital

Particulars	Amount in ₹			
	As at March 31, 2017		As at March 31, 2016	
2.1 Equity Share Capital				
a) Authorised Share Capital:				
1,00,00,000 Equity shares of ₹10 each		10,00,00,000		10,00,00,000
b) Issued, Subscribed and Fully Paid Up:				
48,00,000 Equity shares of ₹ 10 each		4,80,00,000		4,80,00,000
2.2 Reconciliation of number of shares outstanding				
Number of equity shares outstanding at the beginning of the year		48,00,000		48,00,000
Number of equity shares outstanding at the end of the year		48,00,000		48,00,000
Change in the number of Equity Shares Outstanding		-		-
2.3 Number of Shares held by Holding company				
Panasonic Corporation, Japan		30,36,820		30,36,820
2.4 Number of shares held by each shareholder holding more than 5% shares				
<i>Name of Shareholder</i>	<i>Number of Shares</i>	<i>% of holding</i>	<i>Number of Shares</i>	<i>% of holding</i>
Panasonic Corporation, Japan	30,36,820	63.2670%	30,36,820	63.2670%

2.5 The company has only one class of equity shares i.e, equity shares having at par value of ₹ 10 per share. Each shareholder is eligible for one vote per one share held. The Board of Directors in their meeting held on 10th May, 2017 proposed a final dividend of ₹ 10 per equity share subject to approval of shareholders at the Annual General Meeting to be held on 8th August, 2017. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts in proportionate to shareholding.

PANASONIC CARBON INDIA CO. LIMITED

Amount in ₹

3 Reserves and Surplus

Particulars	As at March 31, 2017	As at March 31, 2016
Reserves		
Capital Reserve		
As per last Balance Sheet	10,03,250	10,03,250
Security Premium Account		
As per last Balance Sheet	2,70,00,000	2,70,00,000
General Reserve		
As per last Balance Sheet	66,00,00,000	58,50,00,000
Add: Transfer from profit & loss account	10,00,00,000	7,50,00,000
Closing balance	76,00,00,000	66,00,00,000
Surplus		
As per last Balance Sheet	29,11,150	10,42,477
Add: Net profit after tax for the year transferred from Profit and Loss Statement	15,78,96,048	13,46,40,344
Less: Transfer to General Reserve	(10,00,00,000)	(7,50,00,000)
Less: Proposed dividend	-	(4,80,00,000)
Less: Tax on Dividend	-	(97,71,671)
Closing balance	6,08,07,198	29,11,150
	84,88,10,448	69,09,14,400
4 Trade payables		
Trade payables		
- Total outstanding dues to micro enterprises and small enterprises	-	-
- Total outstanding dues to creditors other than micro enterprises and small enterprises	-	-
- Related parties	1,31,21,776	1,31,68,971
- Others	2,46,60,338	1,77,85,846
	3,77,82,114	3,09,54,817
5 Other Current Liabilities		
Unpaid dividends	31,72,942	30,52,809
Other payables		
Statutory Dues	33,13,348	29,45,122
Employee related dues	1,20,07,410	1,50,16,337
Advances received from customers	1,17,807	1,18,184
Others (refer Note 5.1)	27,30,639	25,61,580
	2,13,42,146	2,36,94,032
5.1 Includes amounts due to directors	23,57,746	21,61,982
6 Short Term Provisions		
Provision For Taxation	7,25,00,000	7,35,00,000
Lee: Advance Tax and Tax deducted at Source	6,80,07,208	6,54,82,689
Provision for dividend	-	4,80,00,000
Provision for dividend tax	-	97,71,671
	44,92,792	6,57,88,982

PANASONIC CARBON INDIA CO. LIMITED

7 Property, Plant and Equipment, Intangible Assets and Capital Work-in-Process

Amount in ₹

Particulars	Gross Block				Depreciation					Net Block	
	As at April 1, 2016	Additions	Deletions	As at March 31, 2017	As at April 1, 2016	Adjustment	Additions	Deletions March 31, 2017	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Property, Plant and Equipment											
Land	19,32,544	-	5,30,670	14,01,874	-	-	-	-	-	14,01,874	19,32,544
Building	7,66,16,064	10,15,084	-	7,76,31,148	5,83,23,002	-	15,87,751	-	5,99,10,753	1,77,20,395	1,82,93,062
Plant , Machinery & Equipments*	26,45,71,751	39,05,432	-	26,84,77,183	26,14,57,575	-	15,01,803	-	26,29,59,378	55,17,805	31,14,176
Solar Power Plant & Equipments	-	7,25,00,119	-	7,25,00,119	-	-	8,40,448	-	8,40,448	7,16,59,671	-
Furniture & Fixtures	40,65,956	5,35,408	-	46,01,364	39,22,849	-	30,974	-	39,53,823	6,47,541	1,43,107
Vehicles	61,28,253	-	-	61,28,253	43,06,460	-	5,96,196	-	49,02,656	12,25,597	18,21,793
Office Equipments	1,27,44,501	1,28,371	-	1,28,72,872	1,21,84,464	-	4,07,191	-	1,25,91,655	2,81,217	5,60,037
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Capital Work- in - Progress	-	-	-	-	-	-	-	-	-	-	-
Total	36,60,59,069	7,80,84,414	5,30,670	44,36,12,813	34,01,94,350	-	49,64,363	-	34,51,58,713	9,84,54,100	2,58,64,719
Figures for the previous year	36,39,26,924	27,30,312	5,98,167	36,60,59,069	33,62,81,563	-	45,10,953	598,166	34,01,94,350	2,58,64,719	2,76,45,361

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

PANASONIC CARBON INDIA CO. LIMITED

		Amount in ₹	
8	Non- Current Investments	As at March 31, 2017	As at March 31, 2016
	Particulars		
	(i) Trade Investments	-	-
	(ii) Other Investments - QUOTED		
	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
		<u>10,900</u>	<u>10,900</u>
	1 Aggregate value of Quoted investments	10,900	10,900
	2 Market value of the Quoted investments	42,845	49,955
	3 Aggregate value of Unquoted investments	-	-
	4 Aggregate provision for diminution in value of investments	-	-
	9 Deferred Tax Liability / (Asset) (Net)		
	Deferred Tax Liabilities		
	Related to Fixed Assets	99,42,716	26,695
	Deferred Tax Assets		
	Bonus and Provisions	-	3,63,384
		-	3,63,384
	Deferred Tax Liability / (Asset) (Net)	<u>99,42,716</u>	<u>(3,36,689)</u>
	10 Long Term Loans and Advances		
	Unsecured, considered good, unless otherwise stated		
	Capital Advance	-	-
	Security deposits	42,86,616	43,25,546
	Other loans and advances		
	Advance Tax and Tax deducted at source	37,52,238	31,68,796
	(Net of Provision for Income Tax) (Refer Note 10.1)	<u>80,38,854</u>	<u>74,94,342</u>
	10.1 Advance Tax and Tax deducted at source		
	Advance Income Tax	15,85,48,530	11,99,28,671
	Tax deducted at Source	3,06,47,212	3,00,59,351
		<u>18,91,95,742</u>	<u>14,99,88,022</u>
	Less: Provision for income tax	18,54,43,504	14,68,19,226
		<u>37,52,238</u>	<u>31,68,796</u>

PANASONIC CARBON INDIA CO. LIMITED

		Amount in ₹	
11 Inventories (Refer Note 1.7 for method of valuation)		As at March 31, 2017	As at March 31, 2016
Particulars			
Raw materials		1,05,67,917	1,13,19,905
Work in progress		89,24,269	1,25,29,051
Finished goods		-	-
Stores and Spares		20,05,541	15,72,028
		<u>2,14,97,727</u>	<u>2,54,20,984</u>
12 Trade Receivables			
Trade receivables, Unsecured, Considered Good outstanding for more than 6 months		-	-
other receivables		3,70,58,488	3,23,13,131
		<u>3,70,58,488</u>	<u>3,23,13,131</u>
Amount due from related parties		2,98,81,786	2,58,81,321
13 Cash and Bank Balances			
Cash and Cash Equivalents			
Cash in hand		4,47,902	1,44,946
Balance with banks			
In current accounts		2,18,08,247	1,01,94,650
In deposit accounts		1,30,00,000	2,00,00,000
Other Bank Balances:			
In Deposit accounts		72,70,00,000	70,20,00,000
In earmarked accounts			
Unpaid dividend accounts		31,72,942	30,52,809
		<u>76,54,29,091</u>	<u>73,53,92,405</u>
14 Short-term Loans and Advances			
Unsecured, considered good, unless otherwise stated			
Others			
Advances for Supplies and Services		9,30,266	8,56,635
Advances to Staff		3,36,600	3,43,047
Prepaid expenses		7,06,481	5,35,621
Balance with Government Authorities			
Balance with Excise and Cenvat Credit		65,03,987	51,78,999
Other Receivables (Refer Note No. 14.1)		1,75,53,228	93,66,324
		<u>2,60,30,562</u>	<u>1,62,80,626</u>
14.1 Other Receivables			
Export Incentive Receivable		34,57,581	2,71,594
Cenvat Refund Receivable (Refer Note below)		1,40,95,647	90,94,730
		<u>1,75,53,228</u>	<u>93,66,324</u>
Note : The Company have applied for refund of cenvat on account of exports which was rejected by the excise authorities and the company had appealed to higher authorities and the appeal is pending disposal. The company has an option anytime to take credit as cenvat receivable of the pending refunds and adjustable against the excise liability of the Company in future years.			
15 Other Current Assets			
Particulars		As at March 31, 2017	As at March 31, 2016
Interest accrued on deposits		1,38,50,495	1,62,38,435
		<u>1,38,50,495</u>	<u>1,62,38,435</u>

PANASONIC CARBON INDIA CO. LIMITED

Amount in ₹

16 Revenue from Operations

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of Products	49,38,26,475	50,60,69,294
Less: Excise Duty paid	1,97,55,601	2,24,00,965
	<u>47,40,70,874</u>	<u>48,36,68,329</u>
Other operating revenues		
Sale of Scrap	4,74,371	6,55,474
Export Incentives Earned	1,41,02,840	58,45,543
	<u>48,86,48,085</u>	<u>49,01,69,346</u>
Sale of products comprise		
Manufactured Goods		
Midget Electrodes	<u>49,38,26,475</u>	<u>50,60,69,294</u>
17 Other Income		
Interest Income	5,83,13,440	5,79,22,975
Dividend Income	300	500
Foreign Exchange Fluctuations (net)	-	9,25,239
Miscellaneous Income	4,26,959	143
Excess Provisions written back	20,83,730	-
Profit on Sale of Fixed assets	-	1,74,999
	<u>6,08,24,429</u>	<u>5,90,23,856</u>
18 Cost of Materials Consumed		
Opening Stock of Raw Materials	1,13,19,905	1,18,61,214
Clearing, forwarding, Storage and transportation charges	1,01,53,535	1,08,47,795
Purchases	11,35,41,872	13,97,04,898
	<u>13,50,15,312</u>	<u>16,24,13,907</u>
Less: Closing stock of Raw Material	1,05,67,917	1,13,19,905
	<u>12,44,47,395</u>	<u>15,10,94,002</u>
18.1 Particulars of Raw material consumed		
Low Ash Content Coal Coke	50,85,372	68,21,729
ParaffinWax	1,82,42,726	2,63,87,129
Coal Tar Pitch	2,66,80,857	3,56,51,907
Amorphous Graphite	29,83,058	39,24,307
Artificial Graphite	2,98,36,513	3,17,25,809
Natural Graphine	1,04,71,897	1,25,90,873
Others	3,11,46,972	3,39,89,248
	<u>12,44,47,395</u>	<u>15,10,94,002</u>
19 Changes in Inventories of Finished Goods and Work-in-Progress		
Opening Stock		
- Finished Goods	-	-
- Work-in-Progress	1,25,29,051	97,58,009
	<u>1,25,29,051</u>	<u>97,58,009</u>
Less: Adjustment relating to Excise duty on finished goods	-	-
	<u>1,25,29,051</u>	<u>97,58,009</u>
Closing Stock		
- Finished Goods	-	-
- Work-in-Progress	89,24,269	1,25,29,051
	<u>89,24,269</u>	<u>1,25,29,051</u>
Changes in Inventories of finished goods and work-in-Progress	<u>36,04,782</u>	<u>(27,71,042)</u>

PANASONIC CARBON INDIA CO. LIMITED

		Amount in ₹	
20	Employee benefit expenses	Year ended 31st March, 2017	Year ended 31st March, 2016
	Particulars		
	Salaries, Wages and Bonus	5,76,74,768	5,35,40,315
	Gratuity	58,47,187	15,31,759
	Contribution to Provident fund, Employee State Insurance & Super annuation fund	51,89,532	49,96,188
	Staff Welfare	70,22,014	76,05,323
		<u>7,57,33,501</u>	<u>6,76,73,585</u>
21	Other Expenses		
	Stores Consumed	1,30,01,117	1,74,94,646
	Rent	29,60,130	26,47,092
	Rates and taxes, excluding, taxes on income	15,64,442	12,22,363
	Royalty	1,64,02,220	1,64,26,629
	Insurance	6,26,888	4,11,988
	Electricity	2,51,364	2,15,892
	Machinery Maintenance	1,12,20,085	1,41,84,619
	Repairs to buildings	63,47,312	48,33,849
	Repairs others	66,26,124	64,24,631
	Communication expenses	14,41,921	15,97,968
	Printing & Stationery	3,74,720	4,17,143
	Advertisement	72,892	1,78,299
	Sitting fees	2,95,000	3,40,000
	Professional and Consultancy charges	7,02,327	9,85,521
	Travelling & conveyance expenses	16,93,280	17,60,688
	Foreign Exchange Fluctuations (net)	8,59,274	-
	Freight outwards	41,04,050	40,14,737
	Audit fee	7,56,607	6,85,818
	Commission to Non-Whole time Directors	23,57,746	21,61,982
	Bank charges	4,60,500	5,30,423
	Corporate Social Responsibility (CSR) Expenses	31,73,995	26,01,292
	Miscellaneous Expenses	4,93,814	6,82,597
		<u>7,57,85,808</u>	<u>7,98,18,177</u>
21.1	Audit fees		
	a) Statutory Audit	3,00,000	2,25,000
	b) Tax Audit Matters	2,25,000	1,90,000
	c) Other services *	2,31,607	2,70,818
		<u>7,56,607</u>	<u>6,85,818</u>

* Include fee for quarterly limited review and corporate governance reports

PANASONIC CARBON INDIA CO. LIMITED

		Amount in ₹			
22	Contingent liabilities & Commitments (to the extend not provided for)				
	Particulars		31st March, 2017		31st March, 2016
	(i) Contingent liabilities				
	Income Tax demands in dispute for which the company has preferred appeals to higher authorities and has been legally advised that demands are unsustainable.		1,49,32,076		1,49,32,076
	(ii) Commitments				
	a) Estimated amount of contracts remaining to be executed on capital account and not provided for		-		-
	b) other commitments		-		-
23	Value of CIF imports made during the year				
	1 Raw Materials		7,28,04,626		7,72,75,392
	2 Components & Spare parts		19,25,523		17,05,459
	3 Capital goods		-		-
	4 Others		-		-
24	Expenses incurred in foreign currency				
	1 Royalty		1,47,61,998		1,47,83,966
	2 Travelling and Training fees		4,40,147		5,87,624
	3 Other matters		55,168		1,38,870
25	(a) Raw materials consumed	Value	%	Value	%
	Imported	7,78,83,044	68.14%	6,28,41,094	44.81%
	Indigenous	3,64,10,816	31.86%	7,74,05,113	55.19%
	Total	11,42,93,860	100.00%	14,02,46,207	100.00%
	(b) Spare Parts Consumed				
	Imported	9,02,690	13.98%	3,76,842	4.96%
	Indigenous	55,53,748	86.02%	72,16,799	95.04%
	Total	64,56,438	100.00%	75,93,641	100.00%
	(c) Details of finished goods and work-in-progress				
	Particulars		Closing inventory		Opening inventory
	(i) Details of Finished Goods				
	Manufactured Goods				
	Midget Electrodes		-		-
	(ii) Details of Work-in-progress				
	Midget Electrodes		89,24,269		1,25,29,051
26	Amount remitted in Foreign exchange				
	Particulars		31st March, 2017		31st March, 2016
	On account of dividend		3,03,68,200		2,42,94,560
	Total number of non - resident share holders		1		1
	Number of shares held persons maintained in (2)		30,36,820		30,36,820
	Year of dividend declared		2015-16		2014-15

PANASONIC CARBON INDIA CO. LIMITED

Amount in ₹

27 Earnings in Foreign Exchange

Particulars	31st March, 2017	31st March, 2016
Export of goods calculated on FOB Basis	<u>31,60,25,821</u>	<u>31,79,42,967</u>

28 Cost of Research and Development revenue expenditure aggregated to ₹ 21,79,287 (Previous Year ₹ 21,29,123) 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.

29 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 31st March, 2017. The identification of Micro and Small Enterprises and the information as required to be disclosed under the Micro, Small and Medium Enterprises development Act, 2006 has been determined on the basis of Vendor information available with the Company.

Particulars	31st March, 2017	31st March, 2016
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	-	-

30 Defined Benefit Plan

Defined benefit plan as per actuarial valuation as on 31st March, 2017 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 2016-17 (₹)	Gratuity 2015-16 (₹)
Interest cost	19,15,611	17,77,478
Current service cost	11,64,123	9,12,185
Expected rate return on plan assets	(17,95,938)	(17,82,300)
Acturial Loss / (gain)	45,63,390	6,24,396
Expenses to be recognised in profit and loss account	<u>58,47,186</u>	<u>15,31,759</u>
II. Net Asset / (Liability) recognised in Balance Sheet as on 31st March, 2016	2016-17 (₹)	2015-16 (₹)
Present value of defined benefit obligation	3,14,61,856	2,42,79,963
Less : Fair Value of Plan Assets	2,58,03,710	2,27,48,204
(Liability) / Asset recognised in the balance sheet	<u>(56,58,146)</u>	<u>(15,31,759)</u>

PANASONIC CARBON INDIA CO. LIMITED

III. Changes in defined benefit obligation	2016-17 (₹)	2015-16 (₹)
a. Present Value of defined benefit obligation at the beginning of the year	2,42,44,117	2,22,18,472
b. Interest cost	19,15,611	17,77,478
c. Current service cost	11,64,124	9,12,185
d. Benefits paid	(5,97,962)	(12,52,568)
e. Actuarial (gains)/losses on obligation	47,35,966	6,24,396
Present value of defined benefit obligation at the end of the year	<u>3,14,61,856</u>	<u>2,42,79,963</u>
IV. Changes in fair value of plan assets	2016-17 (₹)	2015-16 (₹)
Fair Value of Plan assets at the beginning of year	2,27,48,204	2,13,24,889
Return on plan assets	17,95,938	17,82,300
Contribution	16,84,954	8,93,583
Benefits paid	(5,97,962)	(12,52,568)
Actuarial (gain) / Loss on plan assets	1,72,576	-
Fair Value of Plan assets as at 31st Mar 2016	<u>2,58,03,710</u>	<u>2,27,48,204</u>
V. Principle actuarial assumptions at the balance sheet date.		
Discount rate	8%	8%
Salary growth rate	8%	8%
Expected rate of return on plan assets	8%	8%
Attrition rate	1-3%	1-3%

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

32 Related Parties

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

PANASONIC CARBON INDIA CO. LIMITED

Amount in ₹

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Key Management Personnel	Total
Sale of Goods (Excluding Excise Duty & Sales tax)	-	37,13,25,825 (37,65,64,237)	-	-	37,13,25,825 (37,65,64,237)
Purchase of Goods	-	36,00,149	-	-	36,00,149
Training Fees paid	-	-	-	-	-
Royalty payable	1,64,02,220 (1,64,26,629)	-	-	-	1,64,02,220 (1,64,26,629)
Reimbursement of expenses	61,299 (1,54,098)	15,46,660 (10,06,968)	-	-	16,07,959 (11,61,066)
Remuneration	-	-	-	61,24,290 (51,71,878)	61,24,290 (51,71,878)
Due from as on 31 st March, 2017	-	2,98,81,786 (2,58,81,321)	-	-	2,98,81,786 (2,58,81,321)
Due to as on 31 st March, 2017	1,47,61,998 (1,48,15,092)	-	-	-	1,47,61,998 (1,48,15,092)

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

32.2 Material Transactions of sales (i) PECIN ₹ **6,43,16,053** (₹ 7,88,16,048) (ii) PECTZ ₹ **2,46,26,327** (₹ 2,55,19,737) (iii) PECGI ₹ **2,93,85,576** (₹ 3,60,41,115) (iv) PANAPERU ₹ **3,31,48,649** (₹ 3,49,14,351) (v) PECPL ₹ **11,86,64,525** (₹ 12,33,64,544) (vi) PANABRAS ₹ **5,42,93,513** (₹ 3,28,22,309) (vii) PMT ₹ **2,96,98,361** (₹ 2,42,06,085) (viii) PECSH ₹ **1,03,81,592** (₹ 1,36,95,560) (ix) PCA ₹ **68,11,229** (₹ 71,84,488) (x) Others ₹ **Nil** (₹ Nil)

32.3 Receivables as on 31.03.2017 (i) PECIN ₹ **35,12,406** (₹ 18,73,822) (ii) PECTZ ₹ **10,96,120** (₹ Nil) (iii) PECGI ₹ **21,66,900** (₹ 22,01,801) (iv) PANAPERU ₹ **46,96,480** (₹ 26,94,409) (v) PECPL ₹ **103,56,405** (₹ 1,39,89,249) (vi) PANABRAS ₹ **58,42,418** (₹ 51,22,040) (vii) PCA ₹ **22,11,057** (₹ Nil) (viii) Others ₹ **Nil** (₹ Nil)

33 Particulars of earnings per share

	Current year ₹	Previous year ₹
Net profit (loss) after tax	15,78,96,048	13,46,40,344
Number of equity shares – Basic	48,00,000	48,00,000
Number of equity shares – Diluted	48,00,000	48,00,000
Nominal value of the shares	₹10	₹10
Earnings per share – Basic	32.90	28.05
- Diluted	32.90	28.05

34 Total Outstanding Derivative Instruments as on 31st March, 2017

- (i) Derivative instruments that are outstanding as on 31st March, 2017 is ₹ Nil. (Previous year ₹ Nil)
- (ii) The Foreign Currency Exposures not hedged by a Derivative Instrument or otherwise as on 31st March, 2017 is Receivables of **US\$ 4,06,809/-** ₹ **2,63,69,379/-** (Previous Year US\$ 3,64,501/- ₹ 2,40,07,499/-)

35 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.

PANASONIC CARBON INDIA CO. LIMITED

- 36 Disclosure Requirement for holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 as per MCA Notification G.S.R. 308(E) dated 30th March, 2017.

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	108,000	31,061	1,39,061
(+) Permitted receipts		8,97,149	8,97,149
(-) Permitted Payments		7,19,013	7,19,013
(-) Amount deposited in banks	108,000	0	1,08,000
Closing Cash in Hand as on 30.12.2016	0	2,09,197	2,09,197

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

As per our Report attached
For Brahmayya & Co.,
Chartered Accountants
Firm Registration No: 000511S

For and on behalf of the Board
R.Senthil Kumar
Managing Director

V.R.Gupte
Director

R.Nagendra Prasad
Partner
Membership No: 203377
Place : Chennai
Date : 10th May, 2017

Vinayagam Sume
Chief Financial Officer

P. Maheswari
Company Secretary

PROXY FORM

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

PANASONIC CARBON INDIA CO. LIMITED

(CIN: L29142TN1982PLC009560)

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

Website: www.panasoniccarbon.co.in

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

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

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company to be held on Tuesday, 8th August, 2017 at 3.00 p.m. at Hotel Benz Park, No. 62, Thirumalai Pillai Road, T. Nagar, Chennai-600017 and at any adjournment thereof in respect of such resolutions as are indicated below.

Ordinary Business

- Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors thereon for the year ended 31st March, 2017
- Declaration of Dividend
- Appointment of M/s. BSR & Co., LLP Chartered Accountants as Auditors of the Company and fixing their remuneration.

Special Business

- Appointment of Mr. Kazuo Tadanobu as Director
- Appointment of Mr. R. Senthil Kumar as Managing Director
- Approval of remuneration payable to Mr. R. Senthil Kumar, Managing Director of the Company

Signed this..... day of..... 2017

Signature of Shareholder.....

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



Note:

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

ATTENDANCE SLIP

(To be presented at the entrance duly signed)

PANASONIC CARBON INDIA CO. LIMITED

(CIN: L29142TN1982PLC009560)

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

Website: www.panasoniccarbon.co.in

35th ANNUAL GENERAL MEETING

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

- I/We hereby record my/our presence at the 35th Annual General Meeting of the Company being held on Tuesday, 8th August, 2017 at 3.00 p.m. at Hotel Benz Park, No. 62, Thirumalai Pillai Road, T. Nagar, Chennai-600017
- Signature of the shareholder/Proxy present
- Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

ELECTRONIC VOTING PARTICULARS

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

Note : Please refer to the instructions printed under Notes to the Notice of 35th Annual General Meeting. The Voting period starts from 10.00 a.m. (IST) on 5th August, 2017 and ends at 5.00 p.m. (IST) on 7th August, 2017. The voting module shall be disabled by CDSL for voting thereafter.