

PANASONIC CARBON INDIA CO. LIMITED

(CIN: L29142TN1982PLC009560)

Registered Office: Pottipati Plaza, 3rd Floor, 77 Nungambakkam High Road. Chennai 600034

CHAIRMAN'S SPEECH

Ladies and Gentlemen,

It gives me immense pleasure to welcome all of you to our 34th Annual General Meeting.

Our gathering today is a particularly happy occasion, in as much as it marks several accomplishments for the company during the year, such record production, record sales and record profits never seen in the past.

Our historic success would not have been possible without the unstinted support and co-operation of all stakeholders and on behalf of the Board and on my own behalf I would like to place on record my deep sense of gratitude to each and every one of them.

I take this opportunity to make a special mention of the immense contribution made by our MD. Mr. R. Senthil Kumar to the growth of your company and the stellar role played by him not only in the area of Accounts and Finance but also in the entire Operations and Administration of the company. I congratulate him and his team for producing outstanding results this year.

As you are aware, the Indian economy is on the cusp of a new era of exponential growth and rapid development under the leadership of our visionary Prime Minister, Shri Narendra Modi. This will undoubtedly open up new and unprecedented business opportunities in the country, and we are confident of being one of its beneficiaries.

Ladies and Gentlemen, turning to your Company's performance, the 34th Annual Report along with Directors' Report and the Audited Financial Statements for the year ended 31st March, 2016 have been in your hands for some time already and with your permission, I shall take them as read.

PERFORMANCE DURING 2015-16:

During the year, your Company achieved sales excluding excise duty of Rs. 48.37 Crores as against Rs. 40.59 Crores of last year. During the year there was an increase in export sales value by Rs. 7.66 crores and increase in domestic sales value by Rs.11.45 Lakhs when compared to last year. The increase in export sales was mainly on account of increase in orders from Panasonic group Battery companies.

As you would have noted, during the year under review, despite severe external challenges, the Company recorded the Net profit of Rs.2084.96 Lakhs as against Rs. 1400.75 Lakhs in the previous year. The earnings per share stood at Rs. 28.05 as compared to Rs.19.04 in the financial year 2014-15.

The increase in profitability of current year was mainly due to increase in export sales, sales price increase, favourable exchange rate, reduction of material cost, power and fuel cost, various cost reduction activities, value engineering and cost buster activities under taken by your Company. In the midst of all this we have maintained the quality of our product.

Your Company will continue to adopt and implement cost reduction, cost control, cost saving and value Engineering methods to show better results in the current year.

AWARDS AND RECOGNITIONS:

You will be happy to note that your Company has applied to Government of India, Ministry of Commerce, Directorate General of Foreign Trade (DGFT) in recognition of

good export performance for Star Status Holder Certificate (One Star Export House) as per the new Foreign Trade Policy 2015-20.

Ladies and Gentlemen, as you are aware your company accords special importance to its CSR and social outreach responsibilities. The Company has undertaken projects in the areas of Education, Health Care, Drinking Water, Rural Development and Sanitation.

ENVIRONMENT:

Your Company has consistently emphasized and worked towards sustainable use of natural resources, and to promote Environment Awareness for everybody and everywhere and to boost the PCIN brand image on a global basis.

Your Company had observed the June month as "Environment Month" and organized the "ECO" relay event on 25th June, 2016 at the TADA Village where your factory is located. The Company actively makes effort to increase awareness among the students about the global warming, waste reduction, reuse, recycle and energy saving tips to sustain the environment and environmental protection. The Company constantly evaluates the new initiatives that could reduce waste and emissions within the factory.

DIVIDEND:

The Board of Directors have recommended an increased dividend at Rs.10/- per share (100%). You will be happy to note that as a gesture of goodwill to the Shareholders, the Dividend, on your approval will be paid on 5th August, 2016.

FUTURE OUTLOOK:

Despite the somewhat unstable economic conditions, your Company is optimistic about the business prospects and about its capabilities to leverage them for the benefit of your Company. During the three months period ended June, 2016, your Company has achieved sales excluding excise duty of Rs.1368.02 Lakhs as against Rs. 1245.77 Lakhs for the corresponding period of last year. The domestic Sales show increase by 3% due to increase in orders from domestic companies. The export sales increased by 13% on higher orders received from overseas Panasonic Group Battery Companies.

Your Company is also hopeful of achieving the sales target by maintaining quality, timely supply and expanding our Export markets by sales to third party customers like M/s. Snetor, France, M/s. Iskra, Slovenia for special size carbon rods.

FUND MANAGEMENT:

Your Company continues to be debt-free Company and there are no interest costs. 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. The financial status of the Company continues to be good.

ACKNOWLEDGEMENT:

Before I close my address today, I take this opportunity to thank the Collaborators for their continuous technical support, Co-operation, assistance and supervision, the valuable customers and the suppliers, the Bankers and the State and Central Governments for their invaluable support.

On my behalf as well as on behalf of all other Directors on the Board, I thank the shareholders for the confidence reposed in the Company by extending their continuous support and guidance to the Company.

I thank all of my colleagues on the Board for their co-operation and assistance and the Employees of your Company for their dedicated service, sincere hard work towards the growth of the Company.

CHAIRMAN