

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 great pleasure to welcome you all to this 37th Annual General Meeting of the Company. On behalf of the Board of Directors, I am happy and thank you for joining us in this meeting. Your presence is indeed a proof of your interest, involvement and support for the steady growth of the Company.

We have always believed that our invaluable asset is “our Customers”. The current business environment is extremely challenging. However, our strategy will always be to quickly evolve ourselves to respond to changing dynamics in the marketplace and our execution will be aimed at elevating the performance efficiency to a still higher level. We remain committed and also confident that, with the active support of the customers, to drive the business towards delivering consistent, competitive, profitable and responsible growth.

We will also continue to build our capabilities, people services and operations of the Company to serve our Shareholders and enhance the value we deliver to them.

The 37th Annual Report along with Directors' Report and the Audited Financial Statements for the year ended 31st March, 2019 have been in your hands for some time already and with your permission, I shall take them as read.

PERFORMANCE DURING FINANCIAL YEAR ENDED 31ST

MARCH 2019:

During the year under review, your Company achieved sales (net of duty) Rs.43.90 Crores as against Rs 42.60 Crores in the last year. As compared with last year, by value, domestic sales were more by Rs. 0.66 Crores and Export sales value by Rs.0.64 Crores.

During the year, the Company faced severe external challenges by way of steep increase in the prices of raw materials, fuel as well as petroleum based raw materials. However the company was able to reduce the impact of this increase by various cost reduction measures like increased in-

house power generation, reduction in energy and fuel consumption and overall improvement in yield and productivity. Thus the Net profit before tax for the year was only marginally lower at Rs.17.52 Crores as against Rs.17.53 Crores in the last year. The earnings per share for the year stood at Rs.25.62 as compared with Rs.25.63 in the previous financial year.

AWARDS AND RECOGNITIONS:

The Company continues to enjoy the Export House status since your Company obtained “One Star Export House” Certificate in recognition of good export performance from Government of India, Ministry of Commerce, Directorate General of Foreign Trade (DGFT).

Your Company has also received “Authorized Economic operator (AEO) – TI” Certificate issued by Central Board of Indirect taxes and Customs, Ministry of Finance, Government of India on 16th May, 2018 in recognition of our organization’s compliance of procedures for our Export and import activities. This would result in reduction of cost and time on our Exim operations.

Ladies and Gentlemen, as you are aware your company accords special importance to its Corporate Social and social outreach responsibilities. The Company has so far has undertaken and also completed 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 with an objective to create awareness and to boost the PCIN brand image on a global basis. Your Company has received the award “Panasonic Green Factory certification” from the Collaborators, Panasonic Corporation, Japan on 8th April, 2019 and also received the “Commemorative Medal” for our excellent performance in promoting environment improvement activities.

ECO Relay event

as "Environment Month". In this year, the company had organized on 28th June 2018, the "ECO" relay event emphasizing on Water conservation on 28th June, 2018 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, re-use, re-cycle and energy saving tips to sustain the environment and environmental protection by creation and usage of green energy. The Company had distributed T-Shirts and Caps with the slogan inscribed on ECO Activities to participants especially students from TADA School.

Solar panel Installation

Your Company has also made substantial Investment in Solar panel installation and generated in 2017-18 is 17,20,020 units and in 2018-19 is 17,60,816 units. This generation meets about 80% of factory's power requirements.

DIVIDEND:

The Board of Directors have recommended Dividend of Rs.10/- per share (100%). The shareholders may appreciate that this is the fourth year in succession that the Company is declaring 100% dividend. The Dividend, on your approval, will be paid on 17th August, 2019.

FUTURE OUTLOOK:

During the three months period ended June 2019, your Company had achieved sales of Rs. 1076.95 Lakhs as against Rs. 1190.67 Lakhs in the corresponding period of last year. Your Company is hopeful of improvement in the Battery Sales in the coming months thereby resulting in our achieving the Carbon Rod Sales target. Your Company will continue its efforts to achieve the target by maintaining quality and timely supply and also expanding our Export markets by sales to third party customers.

Despite the unstable economic conditions, your Company is optimistic about the business prospects and about its capabilities to leverage them for the benefit of your Company.

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, I take this opportunity to thank, on behalf of the Board of Directors, the Collaborators for their continuous technical support, co-operation, assistance and supervision. I also thank the valuable customers, 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 profusely thank the esteemed Shareholders for the confidence reposed in the Company by extending their continuous support and guidance to the Company. I am sure you will all appreciate the efforts of one and all connected with the management of the company's operations.

I also acknowledge with thanks my colleagues on the Board for their co-operation and assistance and the employees of the Company for their dedicated and sincere hard work towards the growth of the Company.

CHAIRMAN