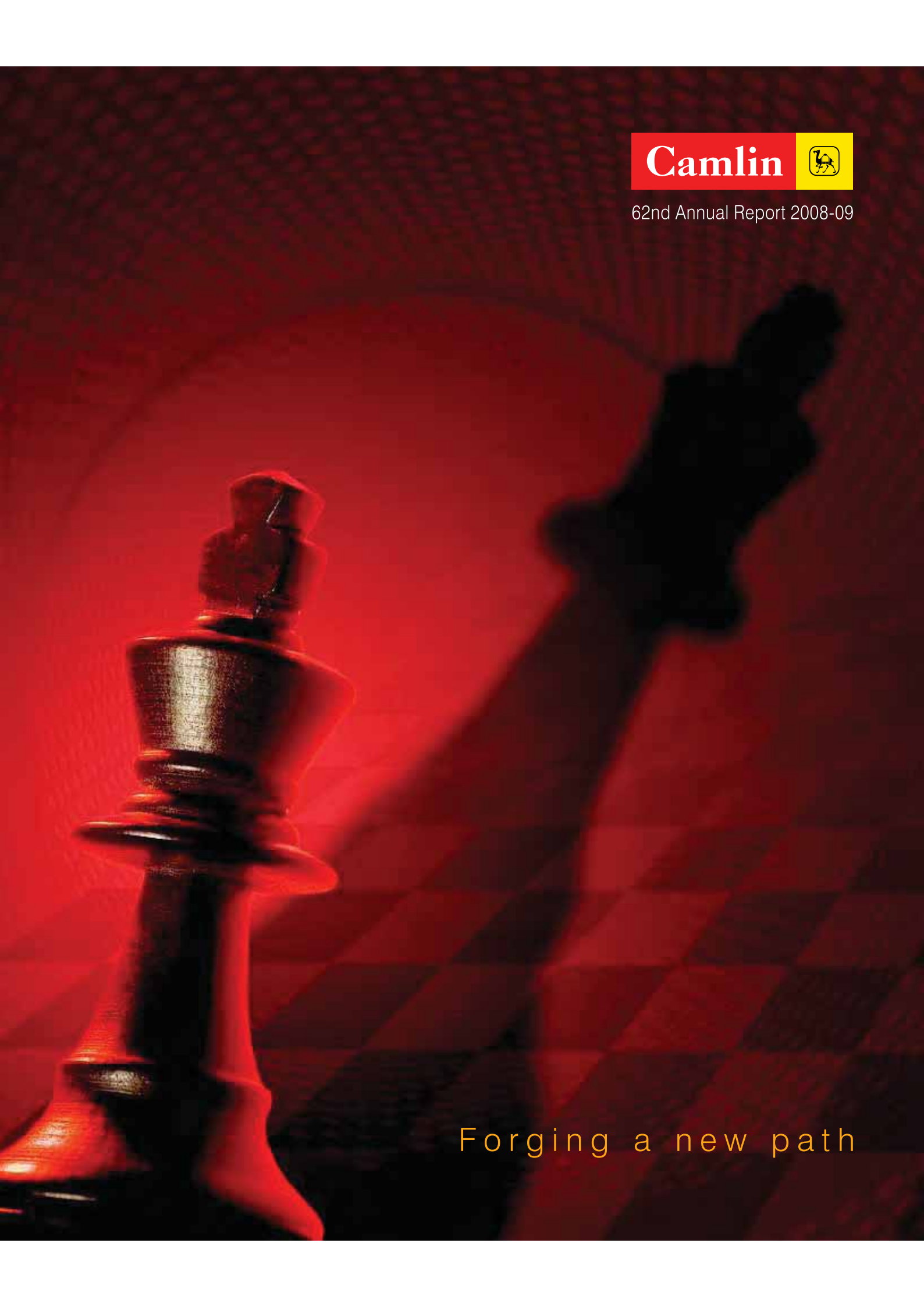


**Camlin**



62nd Annual Report 2008-09



Forging a new path



POSTER COLOURS (FOR STUDENTS)



OIL PASTELS



CRYLIN ULTRA SOFT ACRYLIC COLOURS



KING WATER COLOUR PENCILS



ARTISTS' WATER COLOURS



ARFINA CANVAS BOARD

BACK TO SCHOOL, HOBBY AND ARTISTS RANGE





EXAM WRITING PRODUCTS



MARKER PENS AND INK



EXAM INSTRUMENT BOX



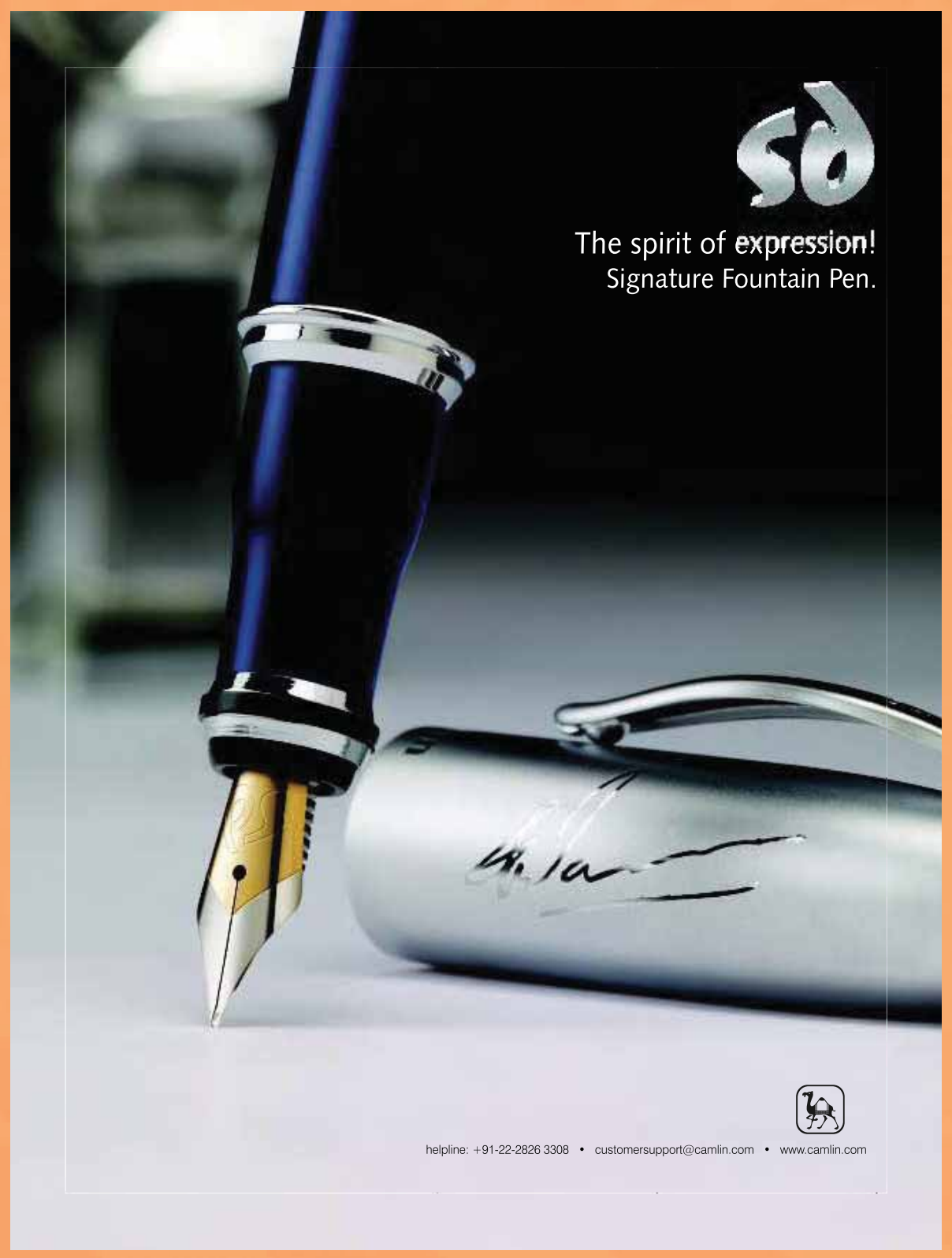
0.5mm FINE PENCILS AND HI PAR LEADS



KRAFTY GLUE



PERMANENT MARKERS AND HIGHLIGHTERS



sd

The spirit of **expression!**  
Signature Fountain Pen.



helpline: +91-22-2826 3308 • [customersupport@camlin.com](mailto:customersupport@camlin.com) • [www.camlin.com](http://www.camlin.com)

WRITING INSTRUMENTS



## CHAIRMAN'S MESSAGE



Dear Shareholders,

Warm Greetings to you from me and my team!

Having pioneered, Camlin has represented the Colour & Stationery industry for more than 75 years. Our leadership and brand equity have grown year after year and has been part of each Indian family for several generations. In 2008-09, despite the slowdown being experienced, the loyalty of our customer got further strengthened and Camlin witnessed an unprecedented revenue growth of more than 30%. The net profits have also grown 59% over previous year. This impressive performance has helped our Balance Sheet grow stronger and the Board has recommended a higher dividend of 30% for the year gone by.

Camlin has always emphasized on delivering technologically advanced & qualitatively superior products to its customer. Moving further in this direction, in 2008-09, we have set up a new state of the art production facility at Jammu. This plant is ISO 9001:2008 compliant and has increased the installed capacity, of our colours, significantly. We have also invested sizably in developing new office products and writing instruments for the domestic market. A fully integrated manufacturing set up of such products has become functional at Vasai near Mumbai. Substantial funds were also invested in creating additional manufacturing capacities for our fast moving - high margin products such as high polymer leads, mechanical pencils & markers. In our premium customer segment, the Company launched 'sd'; a fountain pen which has transcended all the earlier benchmarks of performance, quality & style.

Apart from building infrastructure, Camlin further strengthened its distribution network across the length &

breadth of the country. Going forward, the Company has taken a number of strategic decisions to fuel growth with added impetus on rural markets where we are experiencing rising demand. Also, the Company shall increase its focus on Tier II and Tier III towns & plans to reach out to all these fast growing towns within a short span of 18-24 months. The distribution network of the Company is being revamped accordingly. To reinforce the relationship with our most prestigious customer, the school kid, the Company has future plans to get into pre-school activity. We wish these school kids assimilate into our Camlin family at an early age. The Company through its 100% subsidiary is in the process of setting up a pilot pre-school shortly, in Mumbai.

The Company's performance and success is to a large extent owed to its employees who we consider are our strongest assets. I wish to thank them whole heartedly for their unstinted commitment. With a view to partnering employees in the growth, the Board has offered stock options to each one of them; right from the factory worker to employees in senior management.

We are confident of continuing such performance in future and hope to deliver on your expectations. I thank every shareholder for their support and conviction in the Company and assure you of the best always.

Yours Sincerely,

Dilip Dandekar

Chairman & Managing Director



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# 15 THINGS YOU MUST KNOW ABOUT CAMLIN

1

Camlin Limited is the pioneer in Art Material & Stationery in India and a leader in this field since inception. We are one of the largest FMCG companies in India.



We began our journey in the year 1931 when inspired by the Swadeshi movement; Mr. D. P. Dandekar plunged into manufacturing stationery products as an alternative to foreign goods.

3

We got listed on the Bombay Stock Exchange in 1988 and on the National Stock Exchange in 2008.



While our journey through the years has taken us along many paths including the manufacture of Fine Chemicals and Bulk Drugs, besides marketing of Pharmaceutical Formulations, at present we are a single segment company, in the business of manufacturing a wide range of Stationery and Colour Products.

5

We have a talented team of 770 employees, as of 31st March, 2009.

Aishwarya Rai Bachchan's first ad campaign was for Camlin pencils when she was in the 9th grade.



Our reach extends across the length and breadth of India.

- Direct coverage - 1,200 distributors
- Total coverage - 150,000 retail outlets
- Market reach -

50 million households



This is our range of stationery products:

- Technical Products - meant for School, Science & Engineering College students
  - o Mathematical & Engineering Instruments Boxes
- Writing Instruments - meant for School & College students, Office users
  - o Wooden Pencils, Erasers, Scales & Sharpeners
  - o Fountain Pens, Gel Pens, Ball Pens & Inks
  - o Mechanical Pencils & High Polymer Leads
- Office Products - meant for Offices, Factories, Commercial establishments, Educational institutions
  - o Markers, Highlighters, Stamp Pads & Carbon Papers
- Adhesives - meant for Offices, Factories, Commercial establishments, Educational institutions
  - o Gum, Pastes, Glue & Glue Stick



This is our range of colour products

- Fine Art - meant for Professional and Amateur artists, Fine Art School students
  - o Oil, Acrylic & Water Colours
  - o Canvas Rolls, Brushes
  - o Painting Media ,Tools and Accessories
- Hobby Art - meant for Hobby artists of all age group
  - o Fabric, Glass & Ceramic Colours
  - o Fabric Glues
- Scholastic Art - meant for School students
  - o Crayons, Pastels, Colour Pencils, Sketch Pens, Wax and Plastic Crayons
  - o Poster, Water & Glass Colours
  - o Water Colour Cakes



We have factories in Tarapur, Taloja and Vasai in Maharashtra and Jammu in Jammu & Kashmir. 50% of the Company's products (in terms of turnover) are manufactured here.

Camlin features in the Limca Book of World Records for the maximum number of entries (30 lakh) in any school drawing contest. Cricketer S. Sreesanth was the winner in one such contest.



It is said that every student in India, at some point or the other, has used a Camlin product.



Remaining products are procured from various SSI units who exclusively cater to our requirements under strict supervision and quality control.



**Our Mission:** "We will focus our efforts on building a learning organisation that encourages participation at all levels. Each function will be organised into a cohesive and well co-ordinated activity, resulting in an improved quality of products, processes, services and people. New challenges await us in the global market. While we continue to maintain our leadership in artists' materials and writing instruments in India, we will grow and develop our market share in the international arena. Opening the doors to fast track growth."

We have contributed substantially to the growth of art, artists, art appreciation and art education in India through the Camlin Art Foundation (CAF). Launched in 1998, the objective of this non-profit organization is to provide a platform for young amateur and professional artists to display their talent. CAF holds four regional exhibitions each year, playing host to more than 12,000 professionals and art students.



We are moving into the pre-school education arena. Our first pre-school Alphakids will begin in July 2009 in Andheri, Mumbai with 100 students. This is a pilot project which we plan to roll out nationally in the next 1-2 years.



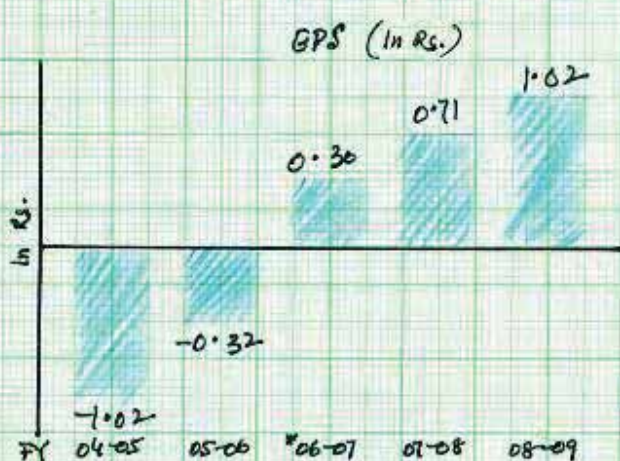
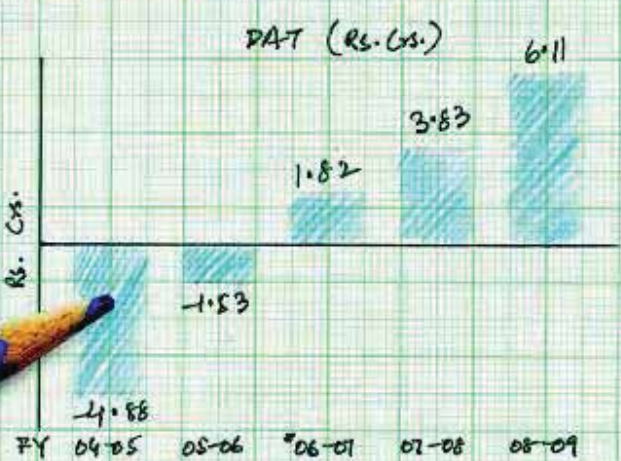
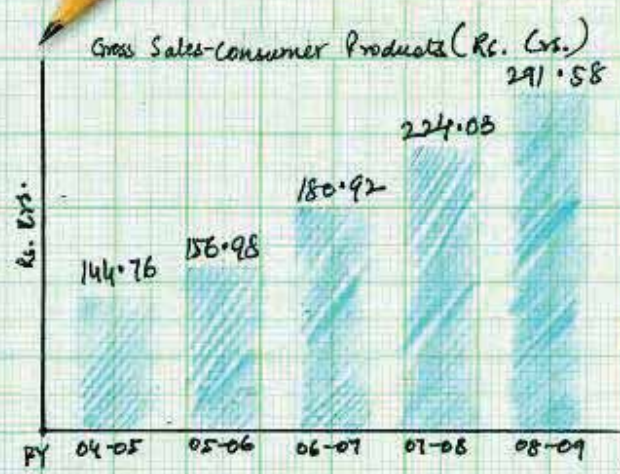
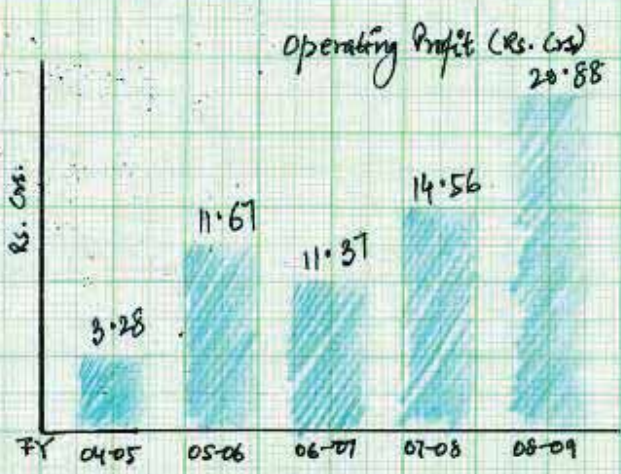
Our product "Krafty Glue" liquid adhesive has been voted 'Product of the Year' by A. C. Neilson's National Consumer Survey for 2009 under the Adhesive Category.



Our newly set up factory in Jammu has been awarded ISO 9001:2008 Quality Certificate accredited by NABCB.

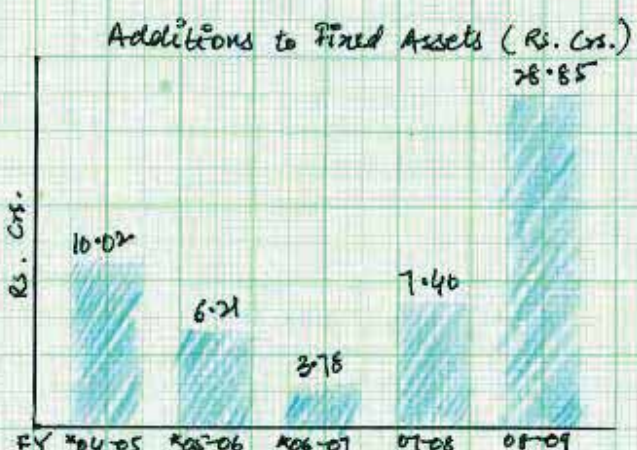
# TOPIC: FINANCIAL SNAPSHOT

Date: \_\_\_\_\_



\* - sale of land Excluded

\* - sale of land Excluded



\* Includes Assets of Demerged Entity

## Shareholding Pattern

- Bodies Corporate - 6.48%
- Public - 54.09%
- Promoters - 38.85%
- Non Resident - 0.05%
- Foreign Institutional Investors - 20.52%
- Financial Institutions / Banks - 0.01%



**Chairman Emeritus**

Mr. Subhash Dandekar

**BOARD OF DIRECTORS**

**Chairman & Managing Director**

Mr. Dilip Dandekar

**Joint Managing Director**

Mr. Rajiv Dandekar

**Executive Directors**

Mr. Shriram Dandekar

Mr. Deepak Dandekar

**Non-Executive/Independent Directors**

Mr. Ashish Dandekar

Mr. Shishir Shirgaokar

Mr. Dhananjay Mungale

Mr. Anil Singhvi

Mr. Deepak Ghaisas

Mr. Vijay Paranjpe

Mr. Shishir Desai

Mr. Ramanathan Sriram

**CORPORATE INFORMATION**

**Registered Office**

9-B, Nanddeep Industrial Estate,  
Kondivita Lane, J. B. Nagar, Andheri (East),  
Mumbai 400 059.

**Corporate Office**

Hilton House, 48/2, Central Road, M.I.D.C.,  
Andheri (East),  
Mumbai 400 093.

**Works**

Tarapur : M.I.D.C., Boisar, Tarapur, Dist. - Thane 401 506.

Taloja : M.I.D.C., Taloja, Navi Mumbai 410 208.

Jammu : Industrial Growth Center, Samba Phase I, Jammu, J&K State.  
101, Gangyal Industrial Area, Phase II, Jammu 180 004.

Vasai : Rajprabha Udyog Nagar, Walive, Vasai (East), Dist. - Thane 401 308.

**Chief Financial Officer**

Mr. Chetan Badal

**General Manager**

**(Corporate) & Company Secretary**

Mr. Ravindra Damle

**Auditors**

M/s. B. K. Khare & Co.

Chartered Accountants

Mumbai.

**Bankers**

Bank of Maharashtra

IDBI Bank Ltd.

**Registrars & Transfer Agents**

M/s. Sharepro Services (India) Pvt. Ltd.

Unit: Camlin Limited,

13 AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor,

Near Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka,  
Andheri (E), Mumbai 400 072.



**NOTICE** is hereby given that the 62<sup>nd</sup> Annual General Meeting of the Members of Camlin Limited, will be held on Friday the 26<sup>th</sup> June, 2009 at 3.00 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009 and the Balance Sheet as at that date and the report of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Deepak M. Dandekar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shishir S. Shirgaokar, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Anil C. Singhvi, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint B. K. KHARE and CO., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Deepak K. Ghaisas, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 28<sup>th</sup> July, 2008 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose appointment shall be liable to retirement by rotation."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Vijay N. Paranjpe, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 28<sup>th</sup> July, 2008 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose appointment shall be liable to retirement by rotation."
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Shishir B. Desai, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 28<sup>th</sup> July, 2008 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose appointment shall be liable to retirement by rotation."
10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Ramanathan Sriram, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 28<sup>th</sup> July, 2008 and who holds office upto the date of this Annual

General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose appointment shall be liable to retirement by rotation."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"**RESOLVED THAT** pursuant to Article 126 of the Articles of Association of the Company and subject to the provisions of sections 198, 309(4), 310 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force), and such other consents and statutory approvals as may be necessary, consent of the Company be and is hereby accorded to the payment of remuneration by way of Commission to all the Non-Executive Directors of the Company of an amount not exceeding 1% (One Percent) of the Net Profits of the Company per annum, in addition to the sitting fees for attending the meetings of Board or Committee thereof for a period of 5(five) years commencing from the financial year 2009-2010 subject to such ceiling, if any per annum as the Board may from time to time fix in that behalf.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and is hereby authorised to decide as they may deem fit, the quantum of the Commission payable to each of the Non-Executive Directors in any financial year"

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"**RESOLVED THAT** consent of the Company be and is hereby accorded under the provisions of Section 314(1) and other applicable provisions, if any, of the Companies Act 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) to the appointment of Mr. Subhash D. Dandekar, who is a relative of the Directors of the Company, as "Sr. Corporate Advisor" with effect from 1<sup>st</sup> August, 2009 for a period of two years, on a monthly consultancy fees of Rs. 15,000/- plus service tax and that he also be provided with car and driver to be used for the purpose of this assignment and also be reimbursed with telephone and other communication facilities, expenses and all other incidental expenses as may be incurred in the course of him carrying out the assignment for the Company".

**Regd. Office:**

9-B, Nanddeep Industrial Estate,  
Kondivita Lane, J. B. Nagar,  
Andheri (East),  
Mumbai-400 059.

By Order of the Board

**RAVINDRA DAMLE**  
General Manager (Corporate) &  
Company Secretary

Dated : 8<sup>th</sup> May, 2009.

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of the business referred to under Item Nos. 7 to 12 (both numbers inclusive) is annexed hereto.
3. The Register of Members and Share Transfer Books will remain closed from 22<sup>nd</sup> June, 2009 to 26<sup>th</sup> June, 2009 (both days inclusive).



4. The Dividend, if approved, will be paid on or before 25<sup>th</sup> July, 2009 to those eligible Shareholders, whose names stand in the Register of Members as on 26<sup>th</sup> June, 2009.
5. Members holding Shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for the payment of dividend. The Company or its Registrars cannot act on any request received directly from the members holding Shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be communicated only to the Depository Participant of the members.  
  
Members holding Shares in physical form are requested to communicate any change in address, immediately to the Company's Registrars and Share Transfer (R&T) Agents, M/s. Sharepro Services (India) Private Limited.
6. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 all dividends which remained unpaid or unclaimed upto the financial year ended 31<sup>st</sup> March, 1994, have been transferred to the General Revenue Account of the Central Government. Concerned members are requested to claim the amount from the Office of the Registrar of Companies, Maharashtra, C.G.O. Complex, 2<sup>nd</sup> Floor, A Wing, CBD – Belapur, Navi Mumbai-400 614.
7. In compliance with Section 205C of the Companies Act, 1956, unclaimed dividend for the year ended 31<sup>st</sup> March, 2001, has been transferred to the "Investor Education and Protection Fund" established by the Central Government. Members shall not be able to register their claims in respect of their un-encashed dividend with regard to the above dividend.
8. Members who have not encashed their dividend warrants for the financial year ended 31<sup>st</sup> March 2002 and thereafter, may immediately approach the R&T Agent and submit their claim for the said dividend. The amount of dividend remaining unclaimed for a period of 7 years shall be transferred to the "Investors Education and Protection Fund" as per provisions of Section 205C of the Companies Act, 1956. It may also be noted that once the unclaimed dividend is transferred to the Fund, as above, no claim shall lie in respect thereof.
9. Any Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company atleast seven working days prior to the meeting, so that the required information can be made available at the meeting.
10. Members, who hold Shares in dematerialised form, are requested to bring their Client ID and DP. ID. Nos. for easy identification of attendance at the meeting.

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**ANNEXURE FORMING PART OF THE NOTICE  
EXPLANATORY STATEMENT  
(Pursuant to Section 173(2) of the Companies Act, 1956)**

**SPECIAL BUSINESS:**

**ITEM NOS: 7 TO 10:**

Mr. Deepak K. Ghaisas, Mr. Vijay N. Paranjpe, Mr. Shishir B. Desai and Mr. Ramanathan Sriram were appointed as Additional Directors of the Company on 28<sup>th</sup> July, 2008. As per the provisions of Section 260 of the Companies Act, 1956, ("Act"), all the above Directors hold Office only upto the date of forthcoming Annual General Meeting of the Company and are eligible for appointment. The Company has received notices under Section 257 of the Act, in respect of each of the candidates, proposing their appointment as Directors of the Company, alongwith the requisite deposit.

Details regarding the persons proposed to be appointed as Directors and their brief resume have been given in the Corporate Governance Report for the information of Members. Keeping in view the experience and expertise of these persons, their appointment as Directors of the Company is recommended.

None of the Directors except the appointees are concerned or interested in these Resolutions.

The Directors recommend the Ordinary Resolutions for your approval.

**ITEM NO: 11**

The Committee of Corporate Governance constituted by the Securities and Exchange Board of India (SEBI) had recommended that compensation payable to the Non-Executive Directors of the Company should be adequate so as to encourage their active participation in the deliberations at the meetings of the board and the committees and should be such as to attract independent professionals on the Board of the Company.

Your Company's Non-Executive Directors as members of the various committees, spend a considerable amount of their time and attention towards the affairs of the Company. Further to comply with various requirements of the Corporate Governance, they are required to shoulder greater responsibilities in discharge of their duties.

Keeping in view, the increased responsibilities of Non-Executive Directors and the Corporate Governance regulations, it is appropriate that they are compensated reasonably, commensurate with their responsibilities and the contributions made by them.

It is therefore proposed to pass a special resolution enabling the Company to make payment of remuneration in the form of commission to the Non-Executive Directors up to an aggregate amount not exceeding 1% (One Percent) of the net profits in any financial year for a period of 5 (five) years commencing from the financial year 2009-2010 subject to such ceiling, if any, per annum as the Board may from time to time fix in that behalf.

The quantum of Commission payable to each of the Non-Executive Directors will be decided by the Board of Directors each year.

All Non-Executive Directors of the Company are interested in the resolution.

The Directors recommend the Special Resolution for your approval.

**ITEM NO: 12**

Section 314 (1) of the Companies Act, 1956, inter alia, provides that appointment of a relative of a Director for holding an Office or a place of profit in a Company carrying a total monthly remuneration exceeding Rs. 10,000/- but not more than Rs. 50,000/-, shall require approval of the Members by Special Resolution.

Considering the expertise, knowledge and vast experience possessed by Mr. Subhash D. Dandekar and his contribution to the business, your Directors strongly feel that Company should have his continued advice and pay the consultancy fees of Rs. 15,000/- per month plus service tax, car and driver, reimbursement of telephone and other communication facilities and all other incidental expenses as may be incurred by Mr. Subhash D. Dandekar in carrying out the said assignment for the Company.

No Directors other than Mr. Ashish S. Dandekar and Mr. Dilip D. Dandekar, are concerned or interested in the Resolution.

The Directors recommend the Special Resolution for your approval.

**Regd. Office:**

9-B, Nanddeep Industrial Estate,  
Kondivita Lane, J. B. Nagar,  
Andheri (East),  
Mumbai-400 059.

Dated : 8<sup>th</sup> May, 2009.

By Order of the Board

**RAVINDRA DAMLE**  
General Manager (Corporate) &  
Company Secretary

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting herewith the 62<sup>nd</sup> Annual Report and Audited Statements of Account for the Financial Year ended 31<sup>st</sup> March, 2009.

### HIGHLIGHTS OF 2008-09:

- Net Sales grew at a substantial pace and reached to Rs. 28311.46 Lacs as compared to Rs. 21377.48 Lacs, registering a healthy growth of 32.44% over the previous year.
- Profit before tax was at Rs. 955.37 Lacs as compared to Rs. 650.33 Lacs registering an impressive growth of 46.91%.
- Profit after tax was at Rs. 611.47 Lacs as compared to Rs. 383.30 Lacs registering an impressive growth of 59.53 %.
- Directors have recommended a dividend @ 30% i.e. Re. 0.30 per share on face value of Re. 1/- each.
- Earnings per share climbed to Rs. 1.02 as compared to Re. 0.71 in the previous year.

### FINANCIAL RESULTS:

	(Rs. in Lacs)	
	<b>2008-09</b>	2007-08
Profit Before Extra-ordinary Item & Tax	<b>1123.35</b>	818.31
Less: Extra Ordinary items		
Amortisation of VRS cost	<b>167.98</b>	167.98
	<b>955.37</b>	650.33
Less: Provision for Tax		
– Current/FBT	<b>253.00</b>	280.00
– Deferred	<b>85.21</b>	(2.97)
– Prior Year (Net)	<b>5.69</b>	(10.00)
Profit After Tax	<b>611.47</b>	383.30
Balance bought forward from last year	<b>657.18</b>	489.37
Balance Carried forward	<b>1268.65</b>	872.67
Transferred to:		
Proposed Dividend	<b>180.00</b>	150.00
Corporate Dividend Tax	<b>30.59</b>	25.49
General Reserve	<b>75.00</b>	40.00
Balance Carried Forward	<b>983.06</b>	657.18
	<b>1268.65</b>	872.67

### OPERATING PERFORMANCE:

The financial year 2008-09 was marked by tremendous uncertainties. Due to global meltdown the financial market faced a considerable volatility within Indian industry, which also was characterised by high commodity prices and increased costs. The Government announced host of stimulus measures for the industry to counter recession. However its impact on various economic indicators would take time. Although the effect of the economic slowdown was felt for the consumer goods the need based Fast Moving Consumer Goods (FMCG) was insulated to a greater extent.

Despite the slowing down of the economy, the performance of your Company during the year under report registered marked improvement over the previous year. The Net Sales at Rs. 28311.46 Lacs and Profit Before Tax at Rs. 955.37 Lacs during the year ended 31<sup>st</sup> March, 2009 represents an increase of 32.44 % and 46.91% respectively, over the previous year. Despite inflationary pressure on input cost and interest due to increased borrowing for capacity augmentation, your Company was able to post a healthy growth in gross and operating margins. This was mainly due to determined efforts in cost control and value engineering combined with selective price increase.



**RATING:**

The Credit Rating Information Services of India Limited (CRISIL) has affirmed A stable and P1 rating for its various borrowings availed from the Bankers.

**CAPITAL EXPENDITURE:**

During the year under review, the Company incurred Rs. 2885.14 Lacs towards capital expenditure for capacity expansion and upgradation at the Company's unit located at Tarapur, Taloja and Vasai and for setting up new manufacturing unit at Samba, Jammu.

**SUB-DIVISION OF SHARES:**

Pursuant to the Members' approval in the 61<sup>st</sup> Annual General Meeting held on 3<sup>rd</sup> July, 2008, the Equity Shares of the Company were sub-divided from a face value of Rs. 10/- each to a face value of Re. 1/- each, with effect from 29<sup>th</sup> August, 2008.

**LISTING OF SHARES:**

Your Directors are happy to inform you that National Stock Exchange of India Limited (NSE) has granted approval for listing of the Company's shares and the same have been admitted for trading with effect from 28<sup>th</sup> July, 2008.

**EMPLOYEE STOCK OPTION SCHEME:**

Members' approval was obtained at the 61<sup>st</sup> Annual General Meeting held on 3<sup>rd</sup> July, 2008 for introduction of the Employee Stock Option Scheme-2008 and it has been implemented by the Company. The options were granted to the employees in accordance with the Securities and Exchange Board of India (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines 1999 ('the SEBI Guidelines'). The Remuneration and Compensation Committee, constituted in accordance with the SEBI Guidelines, administers and monitors the scheme.

The Company has received a Certificate from the Auditors of the Company that the Scheme has been implemented in accordance with SEBI Guidelines and the resolution passed at the 61<sup>st</sup> Annual General Meeting held on 3<sup>rd</sup> July, 2008. The Certificate will be placed at the Annual General Meeting and will be available for inspection to the Members.

The applicable disclosures as stipulated under the SEBI Guidelines as at 31<sup>st</sup> March, 2009 is given in annexure A to this report.

As the exercise price is same as the market price prevailing as on the date of grant of options and as the Company will be recovering applicable taxes as may be levied on it, the issuance of equity shares pursuant to exercise of option will not affect the Profit & Loss Account of the Company.

**DIVIDEND:**

Your Directors are pleased to recommend dividend at the rate of 30% i.e. Re.0.30 per share on 600,00,000 Equity Shares of Re 1/- each, for the year ended 31<sup>st</sup> March, 2009. The total dividend outgo amounts to Rs. 180.00 Lacs exclusive of Tax of Rs. 30.59 Lacs to be paid by the Company.

**MANAGEMENT DISCUSSION AND ANALYSIS:****INDUSTRY STRUCTURE & DEVELOPMENT:**

Your Company offers a wide range of products such as Artist Materials, Hobby Colours, Scholastic Colours, Scholastic Stationery Products, Office Products and Writing Instruments under the Camel and Camlin brands and caters to a vast consumer segment for their Fine Art, Scholastic and Office Stationery needs.

Indian Art Material market is divided into sub-segments like Paints, Mediums and Accessories. Similarly it can be categorised as per the user profile where on the top of the pyramid there is serious and high quality artist material patronised by professionals. The hobby material comes in the middle of the pyramid, which includes a very wide range of products and is used by a wide spectrum of people of all ages, regardless of the gender or education. The base is built up of the scholastic art material, including products like crayons, pastels and other economically priced products patronised by a huge population of schools and students. The market for art material in India is growing at a very



healthy rate. The phenomenal rise in the recognition and appreciation of Indian art at home and abroad, has also given impetus to the fine art material market. The artists are now in position and mood to use better and more expensive inputs to create the work of global standards.

The Indian stationery market, can be divided into school stationery, office stationery, paper products, and computer stationery. The growth of this market is driven by increased spend on educational sector by government, improvement in educational standards as well as opening up of new categories of education for specialisation and concentration on overall development of students. The office supplies segment is also growing rapidly. Opening of new commercial offices having multi locational presence has helped the organised players with scalability to serve across locations and offer diverse range of products. All this has not only increased demand, but has shifted sales from unorganised to organised sector with premium quality products.

The large portfolio of products, well-known brands, and wide distribution network have helped your Company to retain its market leadership position in many product groups, in spite of competition not only from Indian Companies but also from cheap imports from China and South East Asian countries. It has been possible to maintain this position by our continuous efforts for product development and upgradation by the in-house R & D team and continuous brand building activities, which has made the Company's brands household names.

The Company has taken certain initiatives to improve its value creation potential. Some of these initiatives are:

- Develop new products which are fast moving and non seasonal in nature.
- Strengthen focus on Non Scholastic Products.
- Maximise on capacities generated with favorable manufacturing – trading mix.
- Increased focus on Office Products by creating separate business avenue with separate team to cater corporate needs.
- Special School Campaign like IQ test, handwriting/krafty competition for promoting our brand.
- Continuous product development on existing SKUs.
- Increased market activity using different media to strengthen the visibility of our products and create a positive pull.
- Launch of 0.9mm Mechanical Pencils, Exam Gelpen and premium segment Designer Pens in writing instrument category.

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

While the global economic recession will undoubtedly have its repercussions in India, our industry does not foresee any significant impact on its growth prospects. Growth will be driven by the growing and young population, rising middle class incomes, changing lifestyles and aspirations. Increased Budgetary allocations for education in the Government Budget and increase in spending on education by public at large are also the major growth drivers which will result in strong demand for your products.

Your Company is consistently innovating and enhancing its capabilities and operations to strengthen its competitive position. Series of strategic initiatives will henceforth help your Company in mitigating the risks of squeeze on margins and paucity of funds for business development. With the strength of our brand, diversified product range, distinctly superior quality of our products, strong distribution network and wide customer base we are confident of growing our financial performance for the coming year.

Macro economic factors like economic and political developments, natural calamities may affect the Company and industry at large.

Nevertheless increasing competitive pressures, dumping of imported products at extremely low prices, continue to be a cause of concern for the Company. Rise in prices of raw materials, packing materials have continued to make an adverse impact on the margins of some of the products, but the Company expects to increase selling prices of these products over a period of time thereby maintaining the margins.

Every business faces risks either from internal operations or from external environment. The most important challenges for an organisation is to define the optimal risk level for its business to ensure that its activities produce risk adjusted returns. Company has appointed Risk Advisory Consultant to assist in formally identifying, prioritising and mitigating

Strategic, Operational, and Financial & Compliance risks and to evolve a risk organisational structure with risk policies and procedures. Company has put in place a Risk Management Document which has the objective to create awareness about various risks associated with the business of the Company and which defines the risk policies, lays out the risk strategies and methodology to decide on the risk taking ability of the Company. The framework so designed will ensure adherence to the rules, regulations and internal policies of the Company.

#### **INFORMATION TECHNOLOGY:**

The Contribution of Information Technology to your Company's operations cannot be understated. This function has contributed strongly to improved operational efficiencies, inventory minimisation and cost optimisation.

Implementation of SAP during the previous year has been successful and the Company is able to achieve its objective of enhancing operational efficiencies through various functional integration.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has adequate internal control procedures commensurate with its size and nature of business. The Company has established well-defined written policies and processes across the organisation pertaining to all major activities including authority for approvals. In all cases where a monetary decision is involved various limits and authorities are in place. Management Information System together with an exhaustive budgetary control system covering all major operations forms part of the overall control mechanism that ensures the requisite information related to operations is available. Internal Auditors independently evaluate adequacy of internal control systems. Based on the observations and recommendations, follow up and remedial measures are being taken including increased area of coverage, if necessary. Observations and Recommendations of the Internal Auditors are discussed by the Audit Committee to ensure effective corrective action.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

The Company constantly facilitates and encourages its employees at all levels to enhance their knowledge and skills and continuously seeks to inculcate within its employees, a strong sense of business ethics and social responsibility.

The total number of Employees as on 31<sup>st</sup> March, 2009 was 770.

During the year, agreement effecting revision in wage and service condition in respect of Taloja establishment was executed. Negotiation with workman of Tarapur is in progress and it is hoped that an amicable settlement would emerge.

Relations with the employees at all levels remained cordial during the year.

Your Directors express their sincere appreciation for the dedicated efforts put in by all the employees and for their continued contribution for ensuring higher performance of the Company during the year.

#### **AWARDS/RECOGNITION:**

Company's Product "Krafty Glue" Liquid Adhesive has been voted 'Product of the Year' by A. C. Nielsen's National Consumer Survey for 2009 under Adhesive Category.

Company's newly setup factory located at Samba, Jammu has been awarded ISO 9001:2008 Quality Certificate accredited by NABCB.

#### **CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis Report describing the Company's projections, estimates and expectations may be interpreted as "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply, price conditions in the domestic and international markets in which the Company operates, changes in government regulations, tax laws and other statutes. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events.

**SUBSIDIARY COMPANIES:**

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, Copies of Balance Sheet and Profit & Loss Account, Report of the Directors and Auditor of the Subsidiaries have not been attached to the Annual Accounts of the Company. These documents will, however, be made available upon request by any member of the Company. As directed by the Central Government in its approval the financial data of the Subsidiaries have been annexed and forms part of this Annual Report.

During the year, the Company incorporated a 100% Subsidiary Company by the name of M/s. Camlin Kidstarts Limited with an object of setting up of preschools. The said Subsidiary plans to initially open one school in Mumbai and with a further plan of expanding to other Cities.

**DEPOSITS:**

The Company has not accepted any fixed deposits during the year. There are no overdue deposits except unclaimed deposits amounting to Rs. 4.14 Lacs as at 31<sup>st</sup> March, 2009.

**DIRECTORS:**

With effect from 28<sup>th</sup> July, 2008, Mr. Govind G. Desai, Mr. Shrikrishna E. Godbole, Mr. Madhukar P. Khedkar and Mr. Premanand A. Narvekar relinquished their office on account of pre-occupation. Your Directors feel privileged to have had a long association with Mr. Govind G. Desai, Mr. Shrikrishna E. Godbole, Mr. Madhukar P. Khedkar and Mr. Premanand A. Narvekar and express their appreciation for the valuable services rendered by them during their tenure.

During the year, Mr. Deepak K. Ghaisas, Mr. Vijay N. Paranjpe, Mr. Shishir B. Desai and Mr. Ramanathan Sriram have been appointed as Additional Directors w.e.f. 28<sup>th</sup> July, 2008 and all are Independent Directors. As per the provisions of Section 260 of the Companies Act, 1956, these Directors hold office only up to the date of the forthcoming Annual General Meeting of the Company. In the interest of the Company, the Directors recommend their appointments.

Mr. Deepak M. Dandekar, Mr. Shishir S. Shirgaokar and Mr. Anil C. Singhvi retire by rotation and being eligible offer themselves for re-appointment. You are requested to re-appoint them.

The profiles of the Directors seeking appointment/re-appointment forms part of the Corporate Governance Report.

None of the Directors are disqualified from being appointed as Directors, as specified in Section 274 (1) (g) of the Companies Act, 1956.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) that in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2009 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have 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 ended 31<sup>st</sup> March, 2009 and of the profit of the Company for the year under review;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records for the year ended 31<sup>st</sup> March, 2009 in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2009 on a 'going concern' basis.

**SECRETARIAL AUDIT:**

As directed by the Securities and Exchange Board of India (SEBI), Secretarial Audit has been carried out at specified periods, by a Practicing Company Secretary. The findings of the Secretarial Audit were entirely satisfactory.

### **CORPORATE GOVERNANCE:**

Your Company has always endeavored to adhere to high standards of Corporate Governance and ensured its compliance both in spirit and law. As per the requirements of the Listing Agreements entered into with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited a detailed Report on Corporate Governance forms a part of the Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Auditors' Certificate of the compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance. The Management Discussion and Analysis Report also form part of this report.

### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:**

The Company has transferred a sum of Rs. 1.52 Lacs during the financial year to the Investor Education and Protection Fund established by the Central Government. The said amount represents unclaimed dividend and interest on fixed deposits which remained unclaimed with the Company for a period of 7 years from their respective due dates of payment.

### **AUDITORS:**

The retiring Auditors, B.K.KHARE and CO., Chartered Accountants, Mumbai, being eligible have given their consent for re-appointment for the year 2009-2010. You are requested to appoint them.

### **INFORMATION PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956:**

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and Accounts are being sent to the members excluding the statement of particulars of employees under Section 217 (2A) of the Companies Act, 1956. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the corporate office of the Company.

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

As required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the relevant information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the annexure B to this report.

### **ACKNOWLEDGEMENT:**

Your Directors wish to express their gratitude to the Members, Depositors, Bankers, Financial Institutions and the Customers for their active support and patronage. We also wish to acknowledge the spirit of dedication, commitment and co-operation extended by employees at all levels.

For & On behalf of the Board

**DILIP DANDEKAR**  
Chairman & Managing Director

Place : Mumbai  
Dated : 8<sup>th</sup> May, 2009.

## ANNEXURE A TO DIRECTORS' REPORT

### DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (EMPLOYEE STOCK OPTION SCHEME & EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES, 1999.

a.	Options granted	2572500
b.	Exercise price	Rs. 16/- plus applicable taxes, as may be levied on the Company.
c.	Option vested	Nil
d.	Options exercised	Nil
e.	Total number of shares arising as a result of exercise of options	2572500
f.	Option lapsed	Nil
g.	Variation in terms of option	Nil
h.	Money realised by exercise of options	Nil
i.	Total number of options in force	2572500
j.	Employee-wise details of options granted to	
	1. Senior Management personnel/Director	<p>Mr. R. Y. Gotey – 72000 (V. P. Operations)</p> <p>Mr. P. V. Narayan – 72000 (V. P. Sales &amp; Marketing)</p> <p>Mr. S. T. Inchody – 72000 (V. P. Technical)</p> <p>Mr. N. V. Pitale – 45000 {President – Projects (New Business Development)}</p> <p>Mr. C. R. Badal – 45000 (Chief Financial Officer)</p>
	2. Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year.	Nil
	3. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
k.	Diluted earning per share (EPS) pursuant to the issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'earning per share'.	N.A.

For & On behalf of the Board

**DILIP DANDEKAR**  
Chairman & Managing Director

Place : Mumbai  
Dated : 8<sup>th</sup> May, 2009.

## ANNEXURE B TO DIRECTORS' REPORT

**PARTICULARS PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

### (A) CONSERVATION OF ENERGY:

#### (a) Energy conservation measures taken:

- Usage of Servo motors in Machines.
- Provision of energy efficient lights replacing conventional light fittings.
- Installation of energy savers on air conditioners.
- Preventive maintenance of various equipments to keep them in good condition.
- Replacements of V Belts on Compressors by flat belts.
- Reduction in power Consumption by installing Variable Frequency drives.
- Steam condensed recycled to boiler leading to saving in water and fuel consumption.

#### (b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:

Installation of energy savers in lighting systems, Introduction of power factor panel to reduce the transmission near the load point. Steps are also being taken to introduce improved operational methods, rationalisation aimed to save consumption of power and fuel.

#### (c) Impact of the above matters:

As a result of measures taken/to be taken, enumerated in (a) and (b) above there is a reduction in maintenance cost, machine downtime and thereby savings in unit consumption which has helped in reducing the cost of production.

### (B) TECHNOLOGY ABSORPTION

#### RESEARCH AND DEVELOPMENT (R & D):

1. Specific areas in which R & D carried out by the Company : New product development, process development.
2. Benefits derived as a result of the above R & D : Cost reduction, quality upgradation, development of new markets.
3. Future plan of action : Future plan of action envisages acceleration in the process of development already set in motion and undertaking more process development work for achieving cost reduction, and improvement in quality.

	2008-2009	(Rs. in Lacs) 2007-2008
4. Expenditure on R&D	<b>2008-2009</b>	2007-2008
(a) Capital	—	—
(b) Recurring	<b>32.84</b>	27.20
(c) Total	<b>32.84</b>	27.20
(d) Total R&D Expenditure as a Percentage of total turnover	<b>0.12</b>	0.13



**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts made towards Technology Absorption, Adaptation and Innovation. : The Company’s R&D Laboratory is recognised by the Department of Scientific and Industrial Research, Govt. of India, where continuous efforts are made to innovate new products and improve the quality of Art Material, Stationery and Industrial Adhesive products, manufactured/procured by the Company to make the manufacturing process safe, cost effective and environment friendly.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. : Technological innovations and improvements undertaken at the laboratory scale have been successfully absorbed at plant level. These efforts shall benefit the Company in increasing sales, reducing cost, improving quality and scale of the production and customer satisfaction.
3. Technology Import. : N.A.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

Major countries of export are U.S.A, Thailand, Bangladesh, Russia, and Nepal. The Company is aggressively focusing in OEM business in CIS countries like Kazakistan, Ukraine and branded business in Middle East Countries for Hobby and Fine Art products. The Company continued its participation in international exhibitions held in Europe.

- (b) Total Foreign Exchange used and earned:

	(Rs. in Lacs)	
	<b>2008-2009</b>	2007-2008
Foreign exchange used	<b>2728.26</b>	869.19
Foreign exchange earned	<b>500.15</b>	353.36

For & On behalf of the Board

**DILIP DANDEKAR**  
Chairman & Managing Director

Place : Mumbai  
Dated : 8<sup>th</sup> May, 2009.



## REPORT ON CORPORATE GOVERNANCE

Your Directors present the Company's Report on Corporate Governance as per clause 49 of the Listing Agreement for the year ended 31<sup>st</sup> March, 2009.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance today has emerged as an integral element in the business environment. It is not only a pre-requisite for attaining sustainable growth in emerging global market scenario but it is also an embodiment of the parameters of fairness, accountability, disclosures and transparency to maximise value for the shareholders of a Company.

The Company believes in a sound code of Corporate Governance, as a tool for achieving high standard of Management and Business integrity. Your Directors believe that Corporate Governance is a powerful medium of subserving the long-term interest of all the stakeholders viz. employees, shareholders, customers, vendors and the society at large. The Company seeks to achieve the goal by ensuring that timely and accurate disclosures are made to all in an easily understood manner on all matters regarding the Company relating to the financial situation, performance, ownership and governance of the Company.

### 2. BOARD OF DIRECTORS:

#### Composition:

The Company has an Executive Chairman and the number of Independent Directors is more than half of the total strength of the Board. The Company has complied with the requirements of Clause 49 of the Listing Agreement in respect of the Composition of the Board.

None of the Independent Directors have any material pecuniary relationships or transactions with the Company.

Composition, nature of directorship, number of meetings attended and the directorship in other Companies of the Board of Directors as on 31<sup>st</sup> March, 2009 are given below:

Name & Designation of Directors	Category	No. of Board Meetings Attended	No. of Directorships held in other Companies (*)	Attendance at last AGM	No. of Committee positions held in other Companies.	
					Chairman of Committee	Member of Committee
Mr. Dilip D. Dandekar Chairman & Managing Director	ED	7	8	Yes	Nil	1
Mr. Rajiv M. Dandekar Jt. Managing Director	ED	6	Nil	Yes	Nil	Nil
Mr. Shriram S. Dandekar Executive Director	ED	7	2	Yes	Nil	Nil
Mr. Deepak M. Dandekar Executive Director	ED	7	2	Yes	Nil	Nil
Mr. Ashish S. Dandekar	NED	7	4	Yes	Nil	1
Mr. Govind G. Desai (**)	NED (I)	2	8	Yes	4	5
Mr. Shrikrishna E. Godbole (**)	NED (I)	3	Nil	Yes	Nil	Nil
Mr. Madhukar P. Khedkar (**)	NED (I)	3	Nil	Yes	Nil	Nil
Mr. Premanand A. Narvekar (**)	NED (I)	3	3	Yes	Nil	1
Mr. Shishir S. Shirgaokar	NED (I)	6	4	No	Nil	Nil
Mr. Dhananjay N. Mungale	NED (I)	7	8	Yes	8	3
Mr. Anil C. Singhvi	NED (I)	6	2	No	Nil	1
Mr. Deepak K. Ghaisas (***)	NED (I)	4	2	N.A	2	2

Name & Designation of Directors	Category	No. of Board Meetings Attended	No. of Directorships held in other Companies (*)	Attendance at last AGM	No. of Committee positions held in other Companies.	
					Chairman of Committee	Member of Committee
Mr. Vijay N. Paranjpe (***)	NED (I)	3	Nil	N. A.	Nil	Nil
Mr. Shishir B. Desai (***)	NED (I)	4	1	–	Nil	Nil
Mr. Ramanathan Sriram (***)	NED (I)	4	Nil	N. A.	Nil	Nil

ED – Executive Director.

NED (I) – Non-Executive Director (Independent)

NED – Non-Executive Directors.

(\*) Excludes Directorship in Private Limited Companies, Foreign Companies, Companies under section 25 and Alternate Directorship.

(\*\*) Ceased to be a Director w.e.f. 28<sup>th</sup> July, 2008.

(\*\*\*) Appointed as an Additional Director w.e.f. 28<sup>th</sup> July, 2008.

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees as specified in Clause 49, across all the Companies in which he is a Director.

#### Number of Board Meetings:

During the year, Seven (7) Board Meeting were held and the details are given below:

Sr. No.	Date	Board Strength	No. of Directors Present
1.	27 <sup>th</sup> May, 2008	12	10
2.	3 <sup>rd</sup> July, 2008	12	10
3.	28 <sup>th</sup> July, 2008	12	12
4.	22 <sup>nd</sup> September, 2008	12	12
5.	21 <sup>st</sup> October, 2008	12	10
6.	21 <sup>st</sup> January, 2009	12	11
7.	27 <sup>th</sup> February, 2009	12	12

#### CODE OF CONDUCT:

The Board has laid down a Code of Conduct for all the Board members and Senior Managerial personnel of the Company. The Code of Conduct is available on the web site of the Company at [www.camlin.com](http://www.camlin.com).

All the Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct and a declaration to that effect signed by the Chairman and Managing Director has been obtained.

#### PROFILE OF MEMBERS OF THE BOARD OF DIRECTORS BEING RE-APPOINTED/APPOINTED:

##### (A) Mr. Deepak M. Dandekar:

Mr. Deepak M. Dandekar (B.Com.), Wholtime Director of the Company, since 1996, has wide experience of over 25 years in the field of Finance and Information Technology.

##### Other Directorships –

Name of the Company	Position
Camellia Infotech Ltd.	Director
Camlin International Ltd.	Director
Camlink Consultants Pvt. Ltd.	Director
Camellia Management Services Pvt. Ltd.	Director

**(B) Mr. Shishir S. Shirgaokar:**

Mr. Shishir S. Shirgaokar, B.Sc., Director of the Company, since 1988, has long and wide experience in Sugar Industry and General Management.

**Other Directorships –**

Name of the Company	Position
Tara Tiles Pvt. Ltd.	Director
Shantaram Reshellers Pvt. Ltd.	Director
Sangli Fabricators Pvt. Ltd.	Director
Shishir Shirgaokar Investments Pvt. Ltd.	Director
Indo Schottle Auto Parts Pvt. Ltd.	Director
Prabhakar Shirgaokar Investments Pvt. Ltd.	Director
Mohan Shirgaokar Investments Pvt. Ltd.	Director
Forest Industries Pvt. Ltd.	Director
SLK Software Services Pvt. Ltd.	Director
Ugar Quality Packing Pvt. Ltd.	Director
The Ugar Sugar Works Ltd.	Director
Ugar Consultancy Ltd.	Director
Kulkarni Power Tools Ltd.	Director
Sadashiv Sugar Ltd.	Director

**(C) Mr. Anil C. Singhvi:**

Mr. Anil C. Singhvi, B.Com., F.C.A, Director of the Company, since 2007, has long and varied experience in the field of Finance and Treasury.

**Other Directorships –**

Name of the Company	Position
Ican Investments Advisors Pvt. Ltd.	Director
Pathfinder Advisors Pvt. Ltd.	Director
Anagha Investments Pvt. Ltd.	Director
Reliance Cementation Pvt. Ltd.	Director
Reliance Natural Resources Ltd.	Director
Hindustan Constructions Company Ltd.	Director

**(D) Mr. Deepak K. Ghaisas:**

Mr. Deepak K. Ghaisas, B.Com, A.C.A., A.I.C.W.A. and F.C.S., has long and varied experience in the field of Business Management, Management Accounting, Information Technology, Risk Management, and Contract Negotiation.

**Other Directorships –**

Name of the Company	Position
Gencoval Strategic Services Pvt. Ltd.	Director
GCV Life Pvt. Ltd.	Director
USV Ltd.	Director
Shopper's Stop Ltd.	Director


**(E) Mr. Vijay N. Paranjpe:**

Mr. Vijay N. Paranjpe, B.Com, L.L.B and A.C.A., has long and varied experience in the field of International Finance & Operations, US GAPP, cross border Mergers and Acquisitions.

**Other Directorships –**

Name of the Company	Position
Biwalkar Investments Pvt. Ltd.	Director
Shilling Holdings Pvt. Ltd.	Director
Cougar Investment Pvt. Ltd.	Director

**(F) Mr. Shishir B. Desai:**

Mr. Shishir B. Desai, B.Com., LL.B., A.C.S., Solicitor-Supreme Court of England, Non-Practising, has long and varied experience in the field of Corporate Laws, Exchange Control Regulations, Foreign Collaborations and Joint Ventures, Mergers and Acquisitions.

**Other Directorships –**

Name of the Company	Position
Paramount Cosmetics India Ltd.	Director
Agadi Sunrise Hospital Pvt. Ltd.	Director
Bijur Delimom India Pvt. Ltd.	Alternate Director

**(G) Mr. Ramanathan Sriram:**

Mr. Ramanathan Sriram is a Book Evangelist and has long and varied experience in the field of Marketing and advices and mentors individuals, firms and particularly involved in Customer based innovation business strategy, incubation and entrepreneurship.

**Other Directorships –**

Name of the Company	Position
Gini & Jony Pvt. Ltd.	Director
Next Practice Retail Pvt. Ltd.	Director

**COMMITTEES OF THE BOARD:**

The Board of Directors has constituted three Committees : Audit Committee, Shareholders/Investors Grievance Committee, Remuneration and Compensation Committee. The roles and responsibilities assigned to these Committees are covered under the terms of reference approved by the Board and are subject to review by the Board from time to time. The minutes of the meetings of Audit Committee, Shareholders'/Investors' Grievance Committee, Remuneration and Compensation Committee are placed before the Board for its information and noting. The details as to the composition, terms of reference, number of meetings and related attendance etc. of these Committees are given below:

**3. AUDIT COMMITTEE:**
**Composition, meetings and attendance during the year:**

The Audit Committee was constituted on 29<sup>th</sup> August, 2002. The Company has complied with all the requirements of Clause No.49 (II) (A) of the Listing Agreement relating to composition of the Audit Committee.

During the financial year, Four (4) meetings of the Audit Committee were held on 26<sup>th</sup> May, 2008, 28<sup>th</sup> July, 2008, 21<sup>st</sup> October, 2008 and 21<sup>st</sup> January, 2009.

The details of composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings attended
Mr. Dhananjay N. Mungale	Chairman	NED (I)	4
Mr. Madhukar P. Khedkar (*)	Member	NED (I)	2
Mr. Premanand A. Narvekar (*)	Member	NED (I)	2
Mr. Anil C. Singhvi	Member	NED (I)	4
Mr. Deepak K. Ghaisas (**)	Member	NED (I)	2
Mr. Vijay N. Paranjpe (**)	Member	NED (I)	1

(\*) Ceased to be a Member w.e.f. 28<sup>th</sup> July, 2008.

(\*\*) Appointed as a Member w.e.f. 28<sup>th</sup> July, 2008.

The Audit Committee meetings were attended by the Chairman & Managing Director and Executive Directors. The representatives of the Internal Auditors, Statutory Auditors and Operational heads were also invited to the meetings. The Company Secretary acted as the Secretary to the Committee.

#### Terms of reference:

The Terms of reference of this committee, interalia covers all the matters specified under clause 49 of the Listing Agreements with the stock exchanges as well as in Section 292(A) of the Companies Act 1956. Besides, other terms as may be referred by the Board of Directors, from time to time. The Audit Committee has also powers interalia to investigate any activity within its terms of reference and to seek information from any employee of the company and seek legal and professional advice.

#### 4. REMUNERATION COMMITTEE:

##### Composition, Meetings and the Attendance during the year.

The Remuneration Committee was constituted on 3<sup>rd</sup> July, 2002.

During the financial year 2008-09, no meeting of the Committee was held, since the occasion for it did not arise.

The details of composition of the Committee are given below:

Name	Designation	Category
Mr. Shishir S. Shirgaokar	Chairman	NED (I)
Mr. Govind G. Desai (*)	Member	NED (I)
Mr. Premanand A. Narvekar (*)	Member	NED (I)
Mr. Ramanathan Sriram (**)	Member	NED (I)
Mr. Shishir B. Desai (**)	Member	NED (I)

(\*) Ceased to be a Member w.e.f. 28<sup>th</sup> July, 2008.

(\*\*) Appointed as a Member w.e.f. 28<sup>th</sup> July, 2008.

#### Terms of reference:

The main term of reference of the Committee is to approve fixation/revision of remuneration of the Executive Directors of the Company and while approving:-

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

#### Remuneration Policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognise their contribution, retain talent in the organisation and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance etc.

**Remuneration to Directors:**

**(A) Executive Directors:**

Following is the Remuneration paid to the Executive Directors for the financial year ended 31<sup>st</sup> March, 2009:  
(Rs. in Lacs)

Name	Salary Including HRA	Perquisites#	Total
Mr. Dilip D. Dandekar	33.84	1.50	35.34
Mr. Rajiv M. Dandekar	32.40	1.50	33.90
Mr. Shriram S. Dandekar	32.40	1.50	33.90
Mr. Deepak M. Dandekar	32.40	1.26	33.66

# Perquisites inter alia, include reimbursement of expenses/allowances for utilities such as gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession, club fees, provision of car and driver, telephone/fax facilities, benefit of personal accident insurance scheme etc.

All Executive Directors are also entitled to Company's contribution to provident fund, superannuation, gratuity and encashment of leave at the end of their tenure as per the rules of the Company.

Agreement for the period of three (3) years w.e.f. 1<sup>st</sup> April, 2007 have been separately entered into with each of the Executive Directors.

**(B) NON-EXECUTIVE DIRECTORS:**

The Company does not pay any remuneration to Non-Executive Directors except sitting fees for attending the meetings of the Board/Committee of the Board and reimbursement of travelling and conveyance for attending such meetings. The details of payment of sitting fees to Non-Executive Directors during the year 2008-09 are given below:

Name	Sitting Fees (Rs.)				Total
	Board	Audit Committee	Shareholders/ Investors Grievance Committee	Remuneration and Compensation Committee	
Mr. Govind G. Desai (*)	20,000	—	5,000	—	25,000
Mr. Shrikrishna E. Godbole (*)	30,000	—	10,000	—	40,000
Mr. Madhukar P. Khedkar (*)	30,000	20,000	—	—	50,000
Mr. Premanand A. Narvekar (*)	30,000	20,000	—	—	50,000
Mr. Shishir S. Shirgaokar	60,000	—	20,000	10,000	90,000
Mr. Dhananjay N. Mungale	70,000	40,000	—	5,000	1,15,000
Mr. Anil C. Singhvi	60,000	40,000	—	10,000	1,10,000
Mr. Ashish S. Dandekar	70,000	—	—	—	70,000
Mr. Deepak K. Ghaisas (**)	40,000	20,000	—	—	60,000
Mr. Vijay N. Paranjpe (**)	30,000	10,000	—	—	40,000
Mr. Shishir B. Desai (**)	40,000	—	10,000	—	50,000
Mr. Ramanathan Sriram (**)	40,000	—	—	—	40,000
<b>GRAND TOTAL</b>	<b>5,20,000</b>	<b>1,50,000</b>	<b>45,000</b>	<b>25,000</b>	<b>7,40,000</b>

(\*) Ceased to be a Member w.e.f. 28<sup>th</sup> July, 2008.

(\*\*) Appointed as a Member w.e.f. 28<sup>th</sup> July, 2008.

The Company has paid Legal fees of Rs. 4.81 Lacs for the financial year 2008-09 to M/s. Desai & Chinoy, a firm of solicitors & Advocates in which Mr. Shishir B. Desai is a partner. The services provided by his firm are purely of professional nature. The aforesaid professional fees paid to M/s. Desai & Chinoy are not considered material enough to affect the independence of Mr. Shishir B. Desai.

Details of Shareholding of Non-Executive Directors/Independent Directors as on 31<sup>st</sup> March, 2009:

Name	Shares Held
Mr. Ashish S. Dandekar	8,57,000
Mr. Shishir S. Shirgaokar	2,000
Mr. Dhananjay N. Mungale	—
Mr. Anil C. Singhvi	—
Mr. Shishir B. Desai	—
Mr. Deepak K. Ghaisas	—
Mr. Vijay N. Paranjpe	—
Mr. Ramanathan Sriram	—

## 5. COMPENSATION COMMITTEE:

### Composition, meetings and the attendance during the year.

The Compensation Committee was constituted on 17<sup>th</sup> January, 2008.

During the financial year, two (2) meetings were held on 7<sup>th</sup> April, 2008 and 21<sup>st</sup> July, 2008.

Details of composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings attended
Mr. Dilip D. Dandekar	Chairman	ED	2
Mr. Shriram S. Dandekar	Member	ED	2
Mr. Govind G. Desai (*)	Member	NED (I)	—
Mr. Shishir S. Shirgaokar	Member	NED (I)	2
Mr. Dhananjay N. Mungale	Member	NED (I)	1
Mr. Anil C. Singhvi	Member	NED (I)	2

(\*) Ceased to be a Member w.e.f. 28<sup>th</sup> July, 2008.

### Terms of Reference

- To formulate Employees Stock Option Scheme (ESOP) and its implementation.
- To administer and supervise the compliance of the detailed terms & conditions in accordance with SEBI Guidelines.

## 6. REMUNERATION AND COMPENSATION COMMITTEE:

With effect from 21<sup>st</sup> January, 2009, two Committees namely Remuneration Committee and Compensation Committee were merged to form a new Committee namely, Remuneration and Compensation Committee.

During the financial year 2008-09, no meeting of the reconstituted Committee was held, since the occasion for it did not arise.

Details of composition of the reconstituted Committee is given below:

Name	Designation	Category
Mr. Shishir S. Shirgaokar	Chairman	NED (I)
Mr. Ramanathan Sriram	Member	NED (I)
Mr. Shishir B. Desai	Member	NED (I)
Mr. Dilip D. Dandekar	Member	ED

### Terms of Reference

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To formulate Employees Stock Option Scheme (ESOP) and its implementation.
- To administer and supervise the compliance of the detailed terms & conditions in accordance with SEBI Guidelines.

## 7. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

### Composition, meetings and the attendance during the year.

The Shareholders/Investors Grievance Committee was constituted on 23<sup>rd</sup> January, 2003 to look into the redressing of Shareholders and Investors complaints concerning transfer of shares, non-receipt of Annual Report, non-receipt of Dividend etc.

During the financial year, four (4) meetings were held on 27<sup>th</sup> May, 2008, 28<sup>th</sup> July, 2008, 21<sup>st</sup> October, 2008 and 21<sup>st</sup> January, 2009.

Details of composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings attended
Mr. Govind. G. Desai (*)	Chairman	NED (I)	1
Mr. Shishir. S. Shirgaokar	Member	NED (I)	4
Mr. Shrikrishna E. Godbole (*)	Member	NED (I)	2
Mr. Rajiv M. Dandekar	Member	ED	3
Mr. Shishir B. Desai (**)	Member	NED(I)	2

(\*) Ceased to be a Member w.e.f. 28<sup>th</sup> July, 2008.

(\*\*) Appointed as a Member w.e.f. 28<sup>th</sup> July, 2008.

The Board has designated Mr. Ravindra V. Damle, Company Secretary as the Compliance Officer.

### Complaints received and redressed by the Company during the financial year:

During the year, seven Complaints about non receipt of Dividend and non receipt of Annual Reports were received from shareholders, which were attended to promptly and resolved to the satisfaction of the concerned Shareholders. There were no pending complaints at the close of the Financial year.

## 8. GENERAL BODY MEETINGS:

Details of location, date and time of Annual General Meetings held during the last three years:

Financial Year	Venue	Date & Time
2007-2008	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020.	3 <sup>rd</sup> July, 2008 at 3.00 p.m.
2006-2007	Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry and Agriculture, Oricon House, 12-k Dubhash Marg, Fort, Mumbai-400 001.	30 <sup>th</sup> July, 2007 at 3.00 p.m.
2005-2006	Walchand Hirachand Hall, Indian Merchant Chambers Marg, Churchgate, Mumbai- 400 020.	25 <sup>th</sup> August, 2006 at 3.00 p.m.

One Special Resolution was passed at the 59<sup>th</sup> Annual General Meeting, six Special Resolutions were passed at the 60<sup>th</sup> Annual General Meeting and two Special Resolutions were passed at the 61<sup>st</sup> Annual General Meeting.

During the last year, no Resolution was passed through Postal Ballot. None of the Resolutions proposed for the ensuing Annual General Meetings need to be passed by the Postal Ballot.



**9. DISCLOSURES:****Related Party Transactions**

The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large. The register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with the related parties are disclosed under Schedule No 23(l) (vi) c. to the financial statements in the Annual Report.

**Compliance with Regulations**

The Company has complied with all the requirements of the Listing Agreements with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited as well as the regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchanges or any other statutory authorities in any matter relating to capital markets during the last 3 years.

**Accounting Standards**

The Company has followed accounting treatment as prescribed in Accounting Standards applicable to the Company.

**Risk Management**

The Company has defined and drafted a Risk Management Policy and has also set up a core group, which assesses the risks and lay down the procedure for minimisation of the risks. The above will facilitate not only risk assessment and timely rectification but also help in minimisation of risk associated with any strategic, operational, financial and compliance risk across all business operations.

**CEO/CFO Certification**

The Chairman and Managing Director and Chief Financial Officer of the Company have furnished the requisite Certificate to the Board of Directors under Clause 49 (V) of the Listing Agreement.

**10. MEANS OF COMMUNICATION:**

The quarterly and half-yearly results are published in widely circulating national and local newspapers such as Financial Express (English) and Loksatta (Vernacular Language).

As per requirements of clause 51 of the Listing Agreement, all data relating to the quarterly financial results, shareholding pattern etc is provided on the special SEBI web-site [www.sebidifar.nic.in](http://www.sebidifar.nic.in) and the Company's web-site [www.camlin.com](http://www.camlin.com) within the timeframe prescribed in this regard.

**11. GENERAL SHAREHOLDER INFORMATION:**

- (i) As indicated in the Notice to our Shareholders, the 62<sup>nd</sup> Annual General Meeting of the Company will be held on Friday, the 26<sup>th</sup> June, 2009 at 3.00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020.
- (ii) Financial Calendar : Financial Reporting by:
- |  |                         |
|--|-------------------------|
| Unaudited Results for the quarter<br>Ending 30 <sup>th</sup> June, 2009      | : end of July, 2009.    |
| Unaudited Results for the quarter<br>Ending 30 <sup>th</sup> September, 2009 | : end of October, 2009. |
| Unaudited Results for the quarter<br>ending 31 <sup>st</sup> December, 2009  | : end of January, 2010. |
| Audited Results for the year<br>ending 31 <sup>st</sup> March, 2010          | : end of June, 2010.    |
- (iii) Date of Book Closure : From 22<sup>nd</sup> June, 2009 to 26<sup>th</sup> June, 2009 (both days inclusive).
- (iv) Date of Dividend Payment : on or before 25<sup>th</sup> July, 2009.

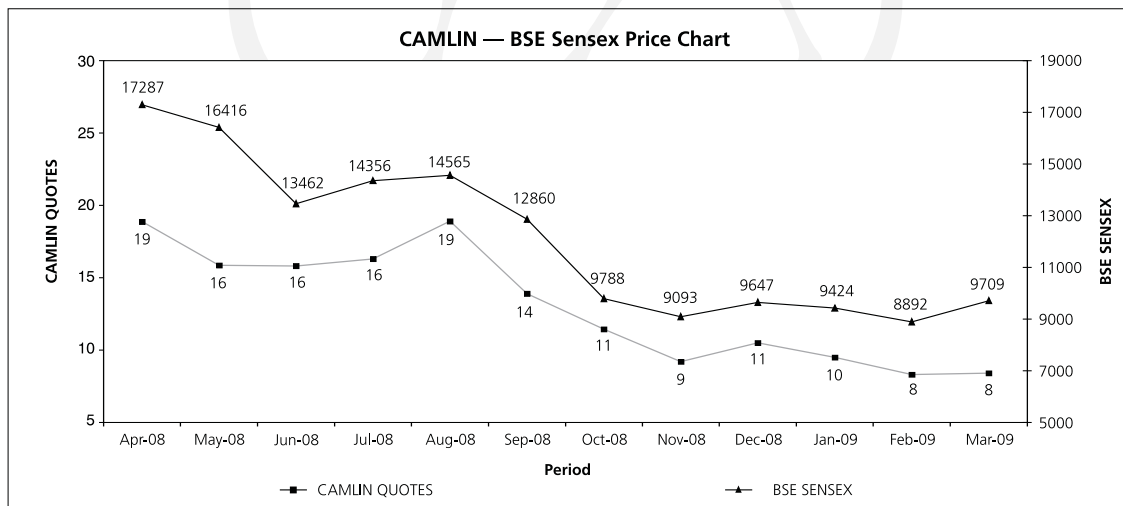
- (v) Listing of Equity Shares on Stock exchange: Bombay Stock Exchange Limited. (Stock Code 523207). National Stock Exchange of India Limited (Stock Code CAMLIN). The Company has paid Listing Fees till March, 2010.
- (vi) Demat ISIN in CDSL/NSDL : INE 760A01029  
Corporate identity Number (CIN) : L24223MH1946PLC005434
- (vii) Share Prices (High/Low) for the year at BSE and NSE:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2008	215.25	165.00	—	—
May, 2008	189.80	156.00	—	—
June, 2008	203.10	144.05	—	—
July, 2008	179.00	148.00	176.50	152.60
August, 2008*	208.00	18.25	21.00	16.11
September, 2008	20.00	12.30	20.80	13.15
October, 2008	15.68	9.40	15.30	10.10
November, 2008	12.00	9.00	11.80	9.05
December, 2008	11.50	8.90	12.45	8.25
January, 2009	11.20	8.06	11.00	8.25
February, 2009	9.96	7.80	9.90	8.05
March, 2009	9.24	7.60	8.85	7.30

- The Company has sub-divided its Equity Share from face value of Rs. 10/- per Share to Re. 1/- per share with effect from 29<sup>th</sup> August, 2008.
- Equity Share price up to 21<sup>st</sup> August, 2008 is based on face value Rs. 10/- per share.

(viii) Stock performance:

The performance of the Company in comparison to BSE sensex is given in the Chart below:



Note: The Share price has been adjusted for the graphical representation to face value of Re. 1/- each for the period from 1<sup>st</sup> April, 2008 to 21<sup>st</sup> August, 2008.

(ix) Sub Division of Shares:

The Members may note that Company has sub divided its shares from a face value of Rs. 10/- each to a face value of Re. 1/- each w.e.f. 29<sup>th</sup> August, 2008.

## (x) Registrars and Share Transfer Agents for Shares:

M/s. Sharepro Services India Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Near Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072.

## (xi) Share Transfer System:

Presently, the Share Transfers which are received in physical form are processed by the Registrars and Share Transfer Agents and approved by the Committee of Directors in their meeting which normally meets twice in a month and the share certificates are returned within a period of 20 to 25 days from the date of lodgement, subject to the transfer instrument being valid and complete in all respects.

(xii) Distribution of Shareholding as on 31<sup>st</sup> March, 2009:

No. of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
Up to 500	2423	35.61	524508	0.87
501-1000	1807	26.56	1768383	2.95
1001-2000	1813	26.65	3536070	5.89
2001-3000	178	2.61	494825	0.82
3001-4000	157	2.31	610366	1.02
4001-5000	69	1.01	335800	0.56
5001-10000	130	1.91	1029288	1.72
10001 and above	227	3.34	51700760	86.17
<b>Total</b>	<b>6804</b>	<b>100.00</b>	<b>60000000</b>	<b>100.00</b>

(xiii) Shareholding Pattern as on 31<sup>st</sup> March, 2009.

Category Code	Category of Shareholder	No. of Share holders	Total No. of Shares	Total shareholding as a percentage of total no. of shares
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian			
a	Individuals/Hindu Undivided Family	53	15589720	25.98
b	Central Government/State Government(s)	—	—	—
c	Bodies Corporate	7	6362460	10.60
d	Financial Institutions/Banks	—	—	—
e	Any Other (specify)	—	—	—
	<b>Sub – Total (A)(1)</b>	<b>60</b>	<b>21952180</b>	<b>36.58</b>
(2)	Foreign			
a	Individuals (Non-Resident Individuals/Foreign Individuals)	3	1355000	2.26
b	Bodies Corporate	—	—	—
c	Institutions	—	—	—
d	Any Other (Specify)	—	—	—
	<b>Sub – Total (A)(2)</b>	<b>3</b>	<b>1355000</b>	<b>2.26</b>
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + A(2)	63	*23307180	*38.84
(B)	Public Shareholding			
(1)	Institutions			
a	Mutual Funds/UTI	—	—	—
b	Financial Institutions/Banks	3	4300	0.01
c	Central Government/State Government(s)	—	—	—
d	Venture Capital Funds	—	—	—
e	Insurance Companies	—	—	—
f	Foreign Institutional Investors	3	12312310	20.52
g	Foreign Venture Capital Investors	—	—	—
h	Any other (specify)	—	—	—
	<b>Sub – Total (B)(1)</b>	<b>6</b>	<b>12316610</b>	<b>20.53</b>

Category Code	Category of Shareholder	No. of Share holders	Total No. of Shares	Total shareholding as a percentage of total no. of shares
(2)	Non-Institutional			
a	Bodies Corporate	210	3889305	6.48
b	Individuals Individual shareholders holding nominal share capital upto Rs. 1 lakh	6477	12421780	20.71
	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	19	8032785	13.39
c	Non – Resident (Non-Rep.)	9	14350	0.02
	Non – Resident (Rep.)	20	17990	0.03
	<b>Sub – Total (B) (2)</b>	<b>6735</b>	<b>24376210</b>	<b>40.63</b>
	Total Public Shareholding (B)(1) + (B)(2)	6741	36692820	61.16
	Total (B) = (A) + (B)	6804	60000000	100
(C)	Shares held by Custodians and against which Depository Receipts have been issued	—	—	—
	<b>Grand Total</b>	<b>6804</b>	<b>60000000</b>	<b>100</b>

\* 600000 Equity Shares representing 2.57% of the promoters holding are pledged.

(xiv) Dematerialisation of Shares:

The Company's Equity Shares are held in dematerialised form by National Securities Depository Ltd. (NSDL) and Central Depository Services India Ltd. (CDSL) under ISIN No. INE 760A01029. As on 31<sup>st</sup> March, 2009, 94.29% of the total shares of the Company have been dematerialised.

(xv) Outstanding GDR/ADR/Warrants/Options:

As of date, the Company has not issued GDRs/ADRs/Warrants or any other convertible instruments. The Company has granted 2572500 stock options to the eligible employees of the Company on 21<sup>st</sup> July, 2008. Each option entitles the holder thereof to apply for and be allotted one Equity share of Re. 1/- each upon payment of the exercise price during the exercise period. The vesting period commences after one year from date of grant of option and expires at the end of five years from the date of such grant.

(xvi) Subsidiary Company:

The Company does not have any materially unlisted Indian Subsidiary and hence is not required to have an Independent Director of the Company on the Board of such Subsidiary.

(xvii) Plant Locations:

Tarapur : M.I.D.C., Boisar, Tarapur, Dist. - Thane - 401 506.

Taloja : M.I.D.C., Taloja, Navi Mumbai - 410 208.

Jammu : Industrial Growth Center, Samba Phase I, Jammu, J & K State.  
101, Gangyal Industrial Area, Phase II, Jammu - 180 004.

Vasai : Rajprabha Udyog Nagar, Walive, Vasai (East), Dist. - Thane - 401 308.

(xviii) Address for correspondence:

Registered Office : 9-B, Nanddeep Industrial Estate, J. B. Nagar, Andheri (East), Mumbai-400 059.

Corporate Office : Hilton House, 48/2, Central Road, MIDC, Andheri (East), Mumbai-400 093.

Tel. No. : 022-2836 0302

Fax No. : 022-2836 6579

E.mail : investorrelations@camlin.com.

(xix) Secretarial Department:

The Company's Secretarial Department, headed by the General Manager (Corporate) & Company Secretary, is situated at the Corporate office mentioned above. Shareholders/Investors may contact the Company Secretary for any assistance they may need.

## 12. NON-MANDATORY REQUIREMENTS:

### Non-Executive Chairman's Office:

The Chairman of the Company is the Executive Chairman and hence, this provision is not applicable.

### Remuneration Committee:

The Company has a Remuneration Committee, the details of which are provided in this report under the Section Remuneration Committee.

### Shareholders Rights:

The Quarterly, Half Yearly and Annual Financial Results of the Company are published in the Newspaper and are also posted on Company's Corporate website. The complete Annual Report is sent to each and every Shareholder of the Company.

### Audit Qualifications:

There are no Audit qualifications in the Company's financial statement for the year under reference.

For & On behalf of the Board

**DILIP DANDEKAR**

*Chairman & Managing Director*

Place : Mumbai  
Dated : 8<sup>th</sup> May, 2009.

## CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Members of Camlin Limited.

We have examined the compliance of conditions of Corporate Governance by Camlin Limited for the year ended on 31<sup>st</sup> March, 2009 as stipulated in clause 49 of the Listing Agreements of the said Company with Stock Exchanges.

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

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Registrars & Transfer Agents and reviewed by the shareholders Investors' Grievance Committee.

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 **B. K. KHARE & COMPANY**  
*Chartered Accountants*

**DILIP BAPAT**  
*Partner*  
M. No. 30388

Place : Mumbai  
Date : 8<sup>th</sup> May, 2009.



## AUDITORS' REPORT

TO

### THE MEMBERS OF CAMLIN LIMITED

1. We have audited the attached Balance Sheet of **CAMLIN LIMITED** as at 31<sup>st</sup> March, 2009 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed with reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of these books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the said Balance Sheet, Profit Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - (e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
    - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For **B. K. KHARE & COMPANY**  
*Chartered Accountants*

**DILIP BAPAT**  
*Partner*

M. NO. 30388

Place : Mumbai

Dated : 8<sup>th</sup> May, 2009

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## ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

**(i) Fixed Assets:**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) In our opinion, the fixed assets have been physically verified by the management at reasonable intervals, having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and physical inventory are noticed.
- (c) The Company has not disposed off substantial part of its fixed assets during the year.

**(ii) Inventories:**

- (a) Physical verification of inventory was conducted by the Management at reasonable intervals during the year. In respect of materials sent for job work and finished goods with third parties, certificates of closing stock have been obtained from third parties in respect of substantial portion of the stocks held.
- (b) In our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. Having regard to the size of the operations of the Company and the nature of stocks held, the discrepancies noticed on verification between physical stocks and book records were not material and have been properly dealt with in the books of accounts.

**(iii) Loans and Advances granted/taken from certain entities:**

Loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties are covered in the Register maintained under section 301 of the Companies Act, 1956

- (a) During the year Company has not granted any loans secured or unsecured to such entities.
- (b) During the year, the Company has not accepted any loans secured or unsecured from such entities.

**(iv) Internal Control system**

In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items are of a special nature and their prices cannot be compared with alternate quotations, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed asset and with regard to the sale of goods and services. During the course of our audit, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control system.

**(v) Contracts or arrangement referred to in this Section 301 of the Companies Act, 1956:**

- (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, and having regard to the fact that some of the items purchased are of special nature, and suitable alternative sources do not exist for obtaining comparative quotations, the transactions for purchase/sale of goods and materials, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices as available with the Company for such goods and materials, or the prices at which such transactions for similar goods and materials were made with other parties.

**(vi) Public Deposits:**

Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975, with regard to the deposits accepted from the public. We are further informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal intimating the contravention of said provisions.

**(vii) Internal Audit System:**

In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

**(viii) Cost records:**

We are informed that the Central Government has not prescribed maintenance of Cost records u/s. 209(1)(d) of the Companies Act, 1956.

**(ix) Statutory Dues:**

- (a) Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, VAT, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.
- (b) No undisputed amounts payable in respect of Income Tax, VAT, Wealth Tax, Service Tax, Customs duty, Excise duty and Cess are in arrears, as on 31<sup>st</sup> March, 2009 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income Tax, Wealth Tax, Services Tax, Sales Tax, Custom duty, Excise duty and Cess which have not been deposited on account of dispute except in respect of (i) Excise duty of Rs. 66.17 lacs under the Central Excise Act, 1956 out of which Rs. 30.20 lacs is pending before Bombay High Court, and Rs. 35.97 lacs with Dy. Commissioner (Appeal), (ii) Services Tax of Rs. 1.89 lacs under the Service Tax, 1994 which is pending before the Assistant Commissioner (iii) Income Tax of Rs. 151.53 lacs under the Income Tax Act, 1961 in respect of which Rs. 38.92 lacs is pending before the tribunal and Rs. 112.61 lacs is pending before the commissioner of Income Tax (Appeals) and (iv) Sales Tax of Rs. 62.08 lacs which is pending before the Dy. Commissioner (Appeals).

**(x) Accumulated Losses:**

The Company does not have accumulated losses as at the end of the year. Company has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

**(xi) Dues to Financial Institutions, Banks and Debenture holders:**

Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to Financial Institutions and Banks.

**(xii) Security for Loans & Advances Granted:**

Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

**(xiii) Special Statute:**

The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/society are not applicable to the Company.

**(xiv) Dealings/Trading in Shares, Securities, Debentures and other investments:**

In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.



**(xv) Guarantees given:**

According to the information and explanation given to us, the Company has jointly with its JV partner M/s. ColArt Fine Arts and Graphics Ltd. U.K. given a corporate guarantee to a bank against a loan of Rs. 150 lacs availed by their JV M/s. ColArt Camlin Canvas Pvt. Ltd., wherein both the JV partners are jointly and severally liable in the case of a default by the JV Company and prima facie, in our opinion, this corporate guarantee is not prejudicial to the interest of the Company.

**(xvi) Term Loans:**

Term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.

**(xvii) Utilisation of Funds:**

According to the information and explanations given to us and on an overall examination of the Balance Sheet and the Cash Flow of the Company, we report that funds raised on short-term basis have not been used for long-term investment.

**(xviii) Preferential Allotment of Shares:**

During the year, Company has not made any preferential allotment of shares to parties and companies covered in Register maintained under Section 301 of Companies Act, 1956.

**(xix) Security for Debentures Issued:**

Company has not issued any Debentures.

**(xx) Public Issue of Equity Shares:**

During the year, Company has not raised any money by public issue of Equity Shares.

**(xxi) Frauds Noticed:**

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

FOR B. K. KHARE & COMPANY  
*Chartered Accountants*

**DILIP BAPAT**  
*Partner*  
M. NO. 30388

Place : Mumbai

Dated : 8<sup>th</sup> May, 2009


**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009.**

	Schedules	As at 31.03.2009 (Rs. in Lacs)	As at 31.03.2008 (Rs. in Lacs)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	<b>600.00</b>	600.00
Reserves and Surplus	2	<b>4,746.08</b>	4,268.28
		<b>5,346.08</b>	4,868.28
<b>Loan Funds</b>			
Secured Loans	3	<b>3,937.38</b>	2,025.01
Unsecured Loans	4	<b>—</b>	18.90
		<b>3,937.38</b>	2,043.91
Deferred Tax Liability (Net)		<b>119.61</b>	34.40
<b>TOTAL</b>		<b>9,403.07</b>	6,946.59
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	<b>7,833.94</b>	5,015.32
Less: Depreciation		<b>3,234.98</b>	2,864.37
Net Block		<b>4,598.96</b>	2,150.95
Capital Work In Progress including Advances		<b>224.78</b>	474.05
		<b>4,823.74</b>	2,625.00
<b>Investments</b>	6	<b>77.35</b>	98.91
<b>Current Assets, Loans and Advances</b>			
Inventories	7	<b>4,394.12</b>	3,928.65
Sundry Debtors	8	<b>3,475.39</b>	2,641.82
Cash and Bank Balances	9	<b>236.13</b>	360.10
Other Current Assets	10	<b>—</b>	7.29
Loans and Advances	11	<b>1,156.06</b>	746.95
		<b>9,261.70</b>	7,684.81
<b>Less: Current Liabilities &amp; Provisions</b>			
Liabilities	12	<b>4,539.32</b>	3,434.97
Provisions	13	<b>387.48</b>	362.22
		<b>4,926.80</b>	3,797.19
<b>Net Current Assets</b>		<b>4,334.90</b>	3,887.62
Miscellaneous Expenditure (to the extent not written off or adjusted)	14	<b>167.08</b>	335.06
<b>TOTAL</b>		<b>9,403.07</b>	6,946.59

Schedule 1 to 25 forming part of Accounts

As per our report of even date annexed  
For B.K. Khare & Co.  
Chartered Accountants

Dilip Bapat  
Partner  
(M.No. 30388)

Mumbai  
Dated: 8<sup>th</sup> May, 2009

Chetan Badal  
Chief Financial Officer

Ravindra Damle  
G.M. (Corporate) &  
Co. Secretary

Dilip Dandekar  
Shriram Dandekar  
Deepak Dandekar  
Ashish Dandekar  
Shishir Shirgaokar  
Dhananjay Mungale  
Anil Singhvi  
Deepak Ghaisas  
Vijay Paranjpe  
Shishir Desai  
Ramanathan Sriram

Chairman & Mg. Director  
Executive Director  
Executive Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009.**

	Schedules	Year ended 31.03.2009 (Rs. in Lacs)	Year ended 31.03.2008 (Rs. in Lacs)
<b>INCOME</b>			
Net Sales – Income from Operations	15	<b>28,311.46</b>	21,377.48
Other Income	16	<b>55.40</b>	57.74
<b>TOTAL INCOME</b>		<b>28,366.86</b>	<b>21,435.22</b>
<b>EXPENDITURE</b>			
Consumption of Materials & Goods traded-in	17	<b>18,990.90</b>	14,607.64
(Increase)/Decrease in Stocks	18	<b>(203.61)</b>	(550.28)
Employee Cost	19	<b>2,249.87</b>	1,867.76
Manufacturing & Other Expenses	20	<b>5,241.95</b>	4,053.90
Finance Cost	21	<b>529.20</b>	261.33
Depreciation		<b>435.20</b>	376.56
Amortisation of VRS Cost		<b>167.98</b>	167.98
<b>TOTAL EXPENDITURE</b>		<b>27,411.49</b>	<b>20,784.89</b>
<b>Net Profit before Tax</b>		<b>955.37</b>	650.33
Less : Current Tax		<b>215.00</b>	240.00
: Prior Years (Net)		<b>5.69</b>	(10.00)
: Fringe Benefit Tax		<b>38.00</b>	40.00
: Deferred		<b>85.21</b>	(2.97)
<b>Profit after Tax</b>		<b>611.47</b>	383.30
Balance brought forward from last year		<b>657.18</b>	489.37
		<b>1,268.65</b>	<b>872.67</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		<b>180.00</b>	150.00
Corporate Dividend Tax		<b>30.59</b>	25.49
General Reserve		<b>75.00</b>	40.00
Balance Carried to Balance Sheet		<b>983.06</b>	657.18
		<b>1,268.65</b>	<b>872.67</b>
<b>Earning Per Share - Basic &amp; Diluted (in Rs.)</b>		<b>1.02</b>	0.71

Schedule 1 to 25 forming part of Accounts

As per our report of even date annexed  
For B.K. Khare & Co.  
Chartered Accountants

Dilip Bapat  
Partner  
(M.No. 30388)

Mumbai  
Dated: 8<sup>th</sup> May, 2009

Chetan Badal  
Chief Financial Officer

Ravindra Damle  
G.M. (Corporate) &  
Co. Secretary

Dilip Dandekar  
Shriram Dandekar  
Deepak Dandekar  
Ashish Dandekar  
Shishir Shirgaokar  
Dhananjay Mungale  
Anil Singhvi  
Deepak Ghaisas  
Vijay Paranjpe  
Shishir Desai  
Ramanathan Sriram

Chairman & Mg. Director  
Executive Director  
Executive Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director



## SCHEDULES TO BALANCE SHEET

	31.03.2009 (Rs. in Lacs)	31.03.2008 (Rs. in Lacs)
<b>1. SHARE CAPITAL</b>		
<b>Authorised</b>		
10,00,00,000 Equity Shares of Re. 1/- each (2007-08 1,00,00,000 Equity Shares of Rs. 10/- each)	<u>1,000.00</u>	<u>1,000.00</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
6,00,00,000 Equity Shares of Re. 1/- each (2007-08 60,00,000 Equity Shares of Rs. 10/- each)	<u>600.00</u>	<u>600.00</u>
Out of these shares:		
(i) 60,000 Equity Shares allotted to vendors as fully paid up shares pursuant to contract without payment thereof being received in cash.		
(ii) 3,63,45,000 Equity Shares allotted as fully paid up by way of Bonus Shares by capitalisation of General Reserve & Share Premium.		
(iii) 50,00,000 Equity Shares Issued by way of Conversion of Debentures.		
(iv) 1,20,00,000 Equity Shares issued by way of Preferential Allotment.		
(v) The Equity Shares of Rs. 10/- each of the Company have been sub divided into Equity Shares of Re. 1/- each with effect from 29 <sup>th</sup> August 2008		
(vi) The Company has granted 25,72,500 stock option to the employees under "Camlin Employees Stock Option Scheme 2008". Each option shall entitle the employee to one Equity Share of Re.1/- each at an exercise price of Rs.16/- per share. The exercise of options is scheduled on or after 20 <sup>th</sup> July, 2009		
<b>2. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	<b>25.20</b>	25.20
<b>Share Premium Account</b>		
As per last Balance Sheet	<b>1,980.00</b>	—
Addition during the year	<u>—</u>	<u>1,980.00</u>
	<b>1,980.00</b>	1,980.00
<b>General Reserve</b>		
As per last Balance Sheet	<b>1,605.90</b>	1,593.84
Additions during the year	<b>75.00</b>	40.00
Add/(Less): Transitional adjustments in respect of Employees' benefits (corresponding Deferred Tax Rs. Nil) [Refer note no. 23 I (iv)]	<u>76.92</u>	<u>(27.94)</u>
	<b>1,757.82</b>	1,605.90
Profit & Loss Account	<u>983.06</u>	<u>657.18</u>
	<b>4,746.08</b>	4,268.28

**SCHEDULES TO BALANCE SHEET (Contd.)**

	<b>31.03.2009</b> <b>(Rs. in Lacs)</b>	31.03.2008 (Rs. in Lacs)
<b>3. SECURED LOANS</b>		
(i) Term Loans from Banks & Financial Institutions	<b>1,278.61</b>	1,073.07
Interest accrued thereon	<b>13.77</b> <b>1,292.38</b>	12.34    1,085.41
(ii) Bank Overdrafts/Working Capital Demand Loan	<b>2,645.00</b>	939.60
	<b>3,937.38</b>	2,025.01

Term Loans include Rs. 407.16 Lacs repayable within one year (2007-08 Rs. 550.08 Lacs)

**4. UNSECURED LOANS**

Fixed Deposits	—	18.90
	—	18.90

**5. FIXED ASSETS**

(Rs. in Lacs)

PARTICULARS	COST				DEPRECIATION				BALANCE	
	Gross Block	Additions during the year	Disposals/ Adjustments	As at 31.03.2009	Upto 31.03.2008	For the year	Disposals/ Adjustments	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Freehold Land	2.73	—	—	<b>2.73</b>	—	—	—	—	<b>2.73</b>	2.73
Leasehold Land	25.37	161.92	—	<b>187.29</b>	5.43	1.37	—	6.80	<b>180.49</b>	19.94
Site Development	11.15	5.92	—	<b>17.07</b>	1.60	0.19	—	1.79	<b>15.28</b>	9.55
Building & Shed	305.39	476.12	—	<b>781.51</b>	107.74	19.25	—	126.99	<b>654.52</b>	197.65
Plant, Machinery & Equipment	3,783.11	2,151.94	63.03	<b>5,872.02</b>	2,333.33	316.76	61.62	2,588.47	<b>3,283.55</b>	1,449.78
ERP Hardware/Software Cost	298.19	16.65	—	<b>314.84</b>	118.30	38.86	—	157.16	<b>157.68</b>	179.89
Furniture & Fittings	232.31	72.59	3.49	<b>301.41</b>	100.03	38.37	2.97	135.43	<b>165.98</b>	132.28
Vehicles	217.08	—	—	<b>217.08</b>	57.95	20.40	—	78.35	<b>138.73</b>	159.13
Intellectual Property Rights (IPRs)	139.99	—	—	<b>139.99</b>	139.99	—	—	139.99	—	—
Total	5,015.32	2,885.14	66.52	<b>7,833.94</b>	2,864.37	435.20	64.59	3,234.98	<b>4,598.96</b>	2,150.95
Previous Year	4,314.79	740.38	39.85	<b>5,015.32</b>	2,509.82	376.56	22.01	2,864.37	<b>2,150.95</b>	1,804.97

Note: Subsidy in respect of Jammu plant assets will be accounted when the claim is processed and admitted.


**SCHEDULES TO BALANCE SHEET (Contd.)**

	<b>31.03.2009</b> <b>(Rs. in Lacs)</b>	31.03.2008 (Rs. in Lacs)
<b>6. INVESTMENTS – LONG TERM</b>		
<b>I. Quoted (Trade)</b>		
50,000 Equity Shares of Rs. 10/- each in Camlin Fine Chemicals Ltd.	<b>5.00</b>	5.00
[Market Value Rs. 15.90 Lacs (2007-08 Rs. 27.40 Lacs)]		
<b>II. Unquoted</b>		
<b>A. Non Trade</b>		
(i) Unit Trust of India		
21,564 Bonds – 6.75% Tax Free of Rs. 100/- each	—	21.56
(ii) Subsidiary Companies		
(a) 5,000 Equity Shares of Rs. 100/- each in Camlin International Ltd.	<b>5.00</b>	5.00
(b) 20,000 Equity Shares of US\$ 1 each in Camlin North America Inc. USA	<b>9.26</b>	9.26
Less: Provision for diminution in value	<b>9.26</b>	9.26
	—	—
<b>B. Trade Shares</b>		
(a) 4,000 Equity Shares of Rs. 100/- each in Triveni Pencils Ltd.	<b>4.00</b>	4.00
(b) 2,150 Equity Shares of Rs. 100/- each in Excella Pencils Ltd.	<b>2.15</b>	2.15
(c) 10,000 Equity Shares of Rs. 10/- each in Sicom Ltd.	<b>8.00</b>	8.00
(d) 10,000 Shares of Rs. 10/- each in North Kanara GSB Co-Op Bank Ltd.	<b>1.00</b>	1.00
(e) 5,22,000 Equity Shares of Rs. 10/- each in ColArt Camlin Canvas Pvt. Ltd.	<b>52.20</b>	52.20
	<b>77.35</b>	98.91
	<b>77.35</b>	98.91
<b>7. INVENTORIES</b>		
Raw Materials	<b>375.92</b>	302.58
Packing Materials	<b>1,007.91</b>	819.39
Work-in-Process	<b>486.07</b>	299.86
Goods-in-Transit	<b>19.98</b>	248.50
Finished Goods	<b>2,504.24</b>	2,258.32
	<b>4,394.12</b>	3,928.65
	<b>4,394.12</b>	3,928.65

**SCHEDULES TO BALANCE SHEET (Contd.)**

	<b>31.03.2009</b> <b>(Rs. in Lacs)</b>	31.03.2008 (Rs. in Lacs)
<b>8. SUNDRY DEBTORS (UNSECURED)</b>		
(i) From subsidiary company – Camlin North America Inc. U.S.A.		
Outstanding over six months	<b>25.69</b>	25.04
Outstanding less than six months (Fully provided)	<b>0.36</b>	3.36
(ii) Other Debts – Outstanding over six months		
(a) Considered Good	<b>255.52</b>	202.33
(b) Considered Doubtful	<b>81.06</b>	58.43
(iii) Other Debts – Considered Good	<b>3,219.87</b>	2,439.49
	<b>3,582.50</b>	2,728.65
Less: Provision for doubtful debts	<b>107.11</b>	86.83
	<b>3,475.39</b>	2,641.82
<b>9. CASH AND BANK BALANCES</b>		
(i) Cash on Hand	<b>7.65</b>	3.54
(ii) With Scheduled Banks		
(a) In Fixed Deposit Accounts	<b>17.72</b>	70.95
(b) In Current Accounts	<b>191.37</b>	265.33
(c) Staff Security Deposit Account	<b>7.07</b>	6.83
(d) In Current Account for the payment of Dividend and F.D. Interest	<b>11.85</b>	12.77
(iii) With Others		
In Current Account with Municipal Co-operative Bank Ltd. [Maximum balance during 2008-09 Rs. 0.68 Lacs (2007-08 Rs. 0.75 Lacs)]	<b>0.47</b>	0.68
	<b>236.13</b>	360.10
<b>10. OTHER CURRENT ASSETS</b>		
Interest accrued on Investments/Deposits	—	7.29
<b>11. LOANS AND ADVANCES</b>		
(a) Loan to subsidiary Company – Camlin North America Inc. U.S.A. [Fully provided]	<b>19.99</b>	19.99
(b) UNSECURED (Considered Good)		
(i) Advances recoverable in cash or in kind or for the value to be received		
(a) Considered Good	<b>733.40</b>	520.67
(b) Considered Doubtful	—	—
(ii) Staff Advances	<b>6.21</b>	5.16
(iii) Deposits	<b>331.69</b>	190.91
(iv) Taxes paid net of Provision	<b>84.76</b>	30.21
	<b>1,176.05</b>	766.94
Less: Provision for doubtful advances	<b>19.99</b>	19.99
	<b>1,156.06</b>	746.95


**SCHEDULES TO BALANCE SHEET (Contd.)**

	<b>31.03.2009</b> <b>(Rs. in Lacs)</b>	31.03.2008 (Rs. in Lacs)
<b>12. LIABILITIES</b>		
(i) Sundry Creditors [Refer note no. 23 I (vii)]	<b>3,223.97</b>	2,337.30
(ii) Interest Accrued but not due on loans	—	0.07
(iii) Security Deposits	<b>613.54</b>	551.62
(iv) Unclaimed Dividend	<b>9.58</b>	8.19
(v) Other Liabilities	<b>692.23</b>	537.79
	<b>4,539.32</b>	3,434.97
<b>13. PROVISIONS</b>		
(i) Provision for Employees' Benefits	<b>152.08</b>	137.85
(ii) Excise Duty on bonded warehouse stocks	<b>24.81</b>	48.88
(iii) Proposed Dividend	<b>180.00</b>	150.00
(iv) Corporate Dividend Tax	<b>30.59</b>	25.49
	<b>387.48</b>	362.22
<b>14. MISCELLANEOUS EXPENDITURE</b>		
(to the extent not written off or adjusted)		
Voluntary Retirement Scheme (VRS)		
As per last Balance Sheet	<b>335.06</b>	503.04
Less: Written off during the year	<b>167.98</b>	167.98
	<b>167.08</b>	335.06



## SCHEDULES TO PROFIT &amp; LOSS ACCOUNT

	31.03.2009 (Rs. in Lacs)	31.03.2008 (Rs. in Lacs)
<b>15. SALES/INCOME FROM OPERATIONS</b>		
Gross Sales	29,157.61	22,402.88
Add : Insurance Claim	89.53	—
Less: Trade Discount	75.35	70.47
Less: Excise Duty	860.34	954.93
Net Sales	<u>28,311.46</u>	<u>21,377.48</u>
<b>16. OTHER INCOME</b>		
Interest [Tax deducted at source Rs. 0.50 Lacs (2007-08 – Rs. 0.98 Lacs)]	14.76	9.20
Dividend – On Trade Investments	1.34	12.79
Other Operating Income	39.22	34.86
Miscellaneous Receipts	0.08	0.89
	<u>55.40</u>	<u>57.74</u>
<b>17. CONSUMPTION OF MATERIALS AND GOODS TRADED-IN</b>		
(i) Raw Materials		
Stock of Raw Materials as per last Balance Sheet	302.58	424.71
Add: Purchases	2,876.46	1,801.68
	<u>3,179.04</u>	2,226.39
Less: Stock of Raw Materials as at year end	375.92	302.58
	<u>2,803.12</u>	1,923.81
(ii) Packing Materials and Components	5,701.79	3,848.58
(iii) Purchase of Finished Goods for resale	10,485.99	8,835.25
	<u>18,990.90</u>	<u>14,607.64</u>
<b>18. (INCREASE)/DECREASE IN STOCK OF WORK IN PROCESS &amp; FINISHED GOODS</b> (Produced & Purchased for Resale)		
Stocks as per last Balance Sheet		
Work in Process	299.86	279.93
Goods in Transit	248.50	259.48
Finished Goods	2,258.32	1,716.99
	<u>2,806.68</u>	2,256.40
Less: Closing Stock as at year end		
Work in process	486.07	299.86
Goods in Transit	19.98	248.50
Finished Goods	2,504.24	2,258.32
	<u>3,010.29</u>	2,806.68
	<u>(203.61)</u>	<u>(550.28)</u>

**SCHEDULES TO PROFIT & LOSS ACCOUNT (Contd.)**

	31.03.2009 (Rs. in Lacs)	31.03.2008 (Rs. in Lacs)
<b>19. EMPLOYEE COST</b>		
Salaries, Wages and Bonus	1,944.09	1,634.98
Contribution to Provident & other funds	211.46	166.35
Staff and Labour Welfare	94.32	66.43
	<u>2,249.87</u>	<u>1,867.76</u>
<b>20. MANUFACTURING &amp; OTHER EXPENSES</b>		
Power and Fuel	237.31	186.31
Job work charges	418.73	306.45
Repairs		
— Building	5.97	7.19
— Machinery	32.98	29.00
— Others	74.42	75.65
Rent	430.94	332.67
Rates and Taxes	17.16	21.09
Excise duty provided on finished goods (net)	(24.08)	(4.46)
Insurance	32.64	42.75
Advertisement and Sale Promotion	1,064.96	670.75
Transport & Forwarding Charges	1,078.53	820.61
Commission/Discount/Service Charges on Sales	333.55	224.18
Travelling & Conveyance	446.91	411.68
Audit Fees & Other Services	12.89	13.42
Provision for Doubtful Debts/Advances	39.64	28.26
Bad Debts Written Off	19.36	48.50
Less: Provision write back	<u>19.36</u>	<u>48.50</u>
	—	—
Directors' Meeting Fees	7.40	5.90
Miscellaneous Expenses	1,030.18	874.82
Loss on Sale of Assets	1.82	7.63
	<u>5,241.95</u>	<u>4,053.90</u>
<b>21. FINANCE COST</b>		
On Term Loans	173.77	83.95
On Fixed Deposits	2.02	10.64
On Other	353.41	166.74
	<u>529.20</u>	<u>261.33</u>

## SCHEDULES TO ACCOUNTS

### 22. STATEMENT OF ACCOUNTING POLICIES AND PRACTICES

#### A. Basis of Preparation of Financial Statements:

The Financial Statements are prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles and the provisions of Companies Act, 1956. All Income and Expenditure having a material bearing in the Financial Statements, are recognised on accrual basis.

#### B. Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

#### C. Fixed Assets:

- i. Fixed Assets, including Intellectual Property Rights, are recorded at cost of acquisition or construction and they are stated at historical cost (net of Cenvat and VAT) Interest on project loans and all direct expenses attributable to acquisition of Fixed Assets are capitalised, upto the date of installation. Capitalised hardware/software costs of Enterprise Resource Planning (ERP) System includes cost of designing software, which provides significant future economic benefits over an extended period. The cost comprises of licence fee, cost of system integration and initial customisation. The costs are capitalised in the year in which the relevant system is ready for the intended use. The upgradation/enhancements are also capitalised and assimilated with the initial capitalisation cost.
- ii. In compliance with Accounting Standard (AS) 28 – “Impairment of Assets” issued by the Institute of Chartered Accountants of India (ICAI), the carrying amount of Cash Generating Units/Assets are reviewed at Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated at the higher of net selling price and value in use. Impairment loss is recognised wherever carrying amount exceeds the recoverable amount.
- iii. Depreciation on all assets of the Company except leasehold land, is provided on Straight Line basis as applicable under the Companies Act, 1956. Leasehold land is amortised over respective period of lease. Cost of Intellectual Property Rights is amortised on Straight Line Method over the useful life of 36 months as estimated by the Management. Capitalised Hardware/Software costs of ERP are amortised over the estimated useful economic life not exceeding five years.

#### D. Investments:

Long term investments are stated at cost. Provision, if any, is made for permanent diminution in the value of investments. Current investments are stated at cost or fair value whichever is lower.

#### E. Valuation of Inventories:

a.	Raw Materials, Packing Materials, Consumables & Stores	At moving weighted average cost
b.	Work in process	At lower of moving weighted average cost or net realisable value.
c.	Finished Goods	At lower of moving weighted average cost or net realisable value.

#### F. Excise Duty:

Excise duty on finished goods manufactured is accounted on clearance of goods from the factory premises and also in respect of year end stocks in bonded warehouse. CENVAT credit is accounted by adjustment against cost immediately upon receipt of the relevant inputs.

#### G. Foreign Currency Transactions:

- i. Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.
- ii. In respect of forward exchange contracts the difference between the forward rate and the exchange rate at the inception of contract is recognised as income or expense over the period of the contract.
- iii. Gains or losses on cancellation/settlement of forward exchange contracts are recognised as income or expense.



## SCHEDULES TO ACCOUNTS (Contd.)

### H. Research And Development:

Revenue expenditure incurred on Research and Development is charged to Profit & Loss Account of the year. Capital expenditure on Research & Development is accounted as Fixed Assets.

### I. Employee Benefits:

- i. Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- ii. Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered service. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

### J. Revenue/Expense Recognition:

- Revenue from sale of goods is accounted for on the basis of despatch of goods. Sales are inclusive of excise duty and net of sales return.
- Revenue in respect of overdue interest, insurance claim, etc. is recognised to the extent the company is reasonably certain of its ultimate realisation.
- Remission of Excise Duty in respect of Jammu operations pertaining to incremental value additions will be recognised on the processing and admission of claim.
- Expenses are accounted for on accrual basis.
- Provisions are recognised when a present legal or constructive obligation exists and the payment is probable and can be reliably estimated.
- Lease Rentals in respect of assets taken on "operation of lease" are charged to Profit & Loss Account on straight line basis over the lease term.

### K. Borrowing Cost:

Borrowing cost attributable to acquisition/construction of qualifying fixed assets which takes substantial period of time to get ready for its intended use is capitalised as part of the cost of such fixed asset. All other borrowing costs are charged to revenue.

### L. Contingent Liabilities:

Liabilities are disclosed by way of Notes appended to the Balance Sheet in case there is an obligation that probably may not require cash outflow.

### M. Accounting for Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

### N. Earning per Share:

The Company reports basic and diluted earning per equity share in accordance with Accounting Standard (AS) 20, Earning per Share issued by the Institute of Chartered Accountants of India (ICAI). Basic earning per equity share is computed by dividing net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share is computed by dividing net income by the weighted average number of equity shares outstanding including shares pending allotment.

### O. Segment Reporting – Basis of Information:

As the entire operations of the Company relate to products categorised under 'Consumer Products' as the single primary reportable segment, no separate segment reporting is required under Accounting Standard (AS)17 issued by the Institute of Chartered Accountants of India.

### P. Voluntary Retirement Scheme:

Expenditure on Voluntary Retirement Scheme is amortised over a period of 60 months.

**SCHEDULES TO ACCOUNTS (Contd.)****23. NOTES TO ACCOUNTS****A. Contingent Liabilities:**

- i. In respect of Guarantees issued on behalf of the Company by its Bankers to the extent of Rs. 1.60 Lacs (2007-08 – Rs. 1.70 lacs).
- ii. Corporate Guarantees given to ColArt Camlin Canvas Pvt. Ltd. Rs.150.00 Lacs (2007-08 Rs. 150.00 Lacs).
- iii. Demands against the Company, either disputed or not acknowledged as debts and not provided for:

(Rs. in Lacs)

		<b>2008-09</b>	2007-08
a.	Income Tax	<b>151.53</b>	97.88
b.	Sales Tax	<b>62.08</b>	43.12
c.	Excise Duty	<b>81.37</b>	210.12
d.	Provident Fund	<b>0.67</b>	0.67
e.	Service Tax	<b>1.89</b>	1.89
f.	Labour Matters	<b>8.13</b>	8.13
g.	Others	<b>0.63</b>	0.63

Contingency in respect of charter of demands of workers union, which are under negotiations, is not amenable to estimation at this stage.

**B. Unhedged Foreign Exchange Exposure:**

The unhedged exposure of foreign currency transactions is as follows:

(In Lacs)

On Account of	Currency	<b>2008-09</b>	2007-08
(i) Sundry Debtors	(USD)	<b>5.44</b>	2.34
(ii) Sundry Creditors	(USD)	<b>0.42</b>	3.34
	(GBP)	<b>0.10</b>	NIL
	(YEN)	<b>168.43</b>	2.70
	(EUR)	<b>0.15</b>	NIL
(iii) Advances Given	(USD)	<b>0.50</b>	0.50

**C. Commitments:**

Value of contracts (net of advance) remaining to be executed on capital account not provided for Rs. 396.30 Lacs (2007-08 Rs. 330.13 Lacs).

**D. Secured Loans:**

Term Loans from Banks are secured by mortgage/hypothecation of related immovable/movable assets of the Company, both present and future.

Working Capital Loans from Banks are secured by hypothecation of stocks and book debts ranking pari-passu between them as also mortgage/hypothecation of specified Immovable and Movable Fixed Assets of the Company ranking pari passu by way of Second Charge.

Vehicle Loans are secured by hypothecation of related vehicles.

**E. Loans and Advances:**

Staff Advances include Loans/Advances due from Officers Rs. Nil (2008-09 – Rs. Nil) Maximum balance Rs. Nil (2007-08 – Rs. Nil).



### SCHEDULES TO ACCOUNTS (Contd.)

- F. The Investor Education and Protection Fund shall be credited by the following amounts as per prescribed time frame.

		(Rs. in Lacs)	
		2008-09	2007-08
a.	Unclaimed dividends	9.58	8.19
b.	Unclaimed fixed deposits	4.14	12.29
c.	Unclaimed interest on fixed deposits	2.30	4.57

- G. Managerial Remuneration:

Salaries and Perquisites paid/provided to Managing/Wholtime Directors:

		(Rs. in Lacs)	
		2008-09	2007-08
a.	Salaries	109.20	109.20
b.	House Rent Allowance	21.84	21.84
c.	Contributions for PF, FPF, Superannuation and approved Gratuity Fund	38.58	38.58
d.	Perquisites	5.76	5.67
<b>Total</b>		<b>175.38</b>	<b>175.29</b>

- H. Audit fees and other services:

		(Rs. in Lacs)	
		2008-09	2007-08
a.	Audit Fees	6.00	5.15
b.	Tax Audit	2.00	2.00
c.	VAT Audit	2.00	2.00
d.	Certification	1.78	3.03
e.	Consultancy Services	1.00	1.00
f.	Out of pocket Expenses	0.11	0.24
<b>Total</b>		<b>12.89</b>	<b>13.42</b>

- I. Disclosures Pursuant to the Requirements of Accounting Standards:

- i. Total Lease Rentals on account of operating leases payable are as follows:

		(Rs. in Lacs)
a.	Payable not later than 1 year	262.38
b.	Payable later than 1 year and not later than 5 years	358.88
c.	Payable later than 5 years	NIL

- ii. Deferred Taxes:

Major items of Deferred Tax Liabilities and Deferred Tax Assets

(Rs. in Lacs)			
Particulars	Opening Balance as on 01.04.2008	Increase/ (Decrease) During the year	Closing Balance as on 31.03.2009
<b>Liabilities:</b>			
Depreciation	168.25	167.58	335.83
<b>Sub-total</b>	<b>168.25</b>	<b>167.58</b>	<b>335.83</b>
<b>Assets:</b>			
Provision for doubtful debts/Leave Encashment	68.27	23.01	91.28
Expenses Allowable	51.60	62.14	113.74
Others	13.99	(2.79)	11.20
<b>Sub-total</b>	<b>133.86</b>	<b>82.36</b>	<b>216.22</b>
<b>Net Deferred Tax Liability/(Asset)</b>	<b>34.40</b>	<b>85.21</b>	<b>119.61</b>

**SCHEDULES TO ACCOUNTS (Contd.)****iii. Earning Per Share (Basic & Diluted)**

	<b>2008-09</b>	2007-08
Net Profit after Tax – Rs. Lacs	<b>611.47</b>	383.30
Issued and Paid-up Equity Shares (Nos.)*	<b>60000000</b>	60000000
Weighted average of Number of Equity Shares used in computing basic earnings per shares*	<b>60000000</b>	54229510
Earnings per Share – Basic and Diluted (Rs.)*	<b>1.02</b>	0.71

\*Adjusted for sub-division of shares in the previous year figures.

**iv. Retirement benefits:****Defined contribution Plans**

Company's contributions paid/payable during the year to Provident Fund, Superannuation Fund are recognised in the Profit and Loss Account.

**Defined Benefit Plan**

Company's liabilities towards gratuity and leave encashment are determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measures each unit separately to build up the final obligation. Past services are recognised on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

**Retirement Benefits****Gratuity****Description of the Plan:**

The Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India. Under the plan, employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the plan asset.

**Principal actuarial assumptions:**

	<b>Current Year</b>
Discount rate	7.50%
Rate of Return on Plan Assets	8.00%

**Reconciliation of Benefit Obligation:**

(Rs. in Lacs)

Liability at the beginning of the year	425.58
Interest Cost	36.93
Current Service Cost	29.08
Benefit Paid	(40.25)
Actuarial (Gain)/Loss on Obligations	36.39
Liability at the end of the year	487.74
Value of Plan Assets at the end of the year	650.36



### SCHEDULES TO ACCOUNTS (Contd.)

Reconciliation of value of Plan Assets:	(Rs. in Lacs)
Value of Plan Assets at the beginning of the year (Revised)	563.56
Return on Plan Assets	49.54
Contributions	75.92
Benefit Paid	(40.25)
Actuarial (Gain)/Loss on Obligations	1.58
Value of Plan Assets at the end of the year	650.36

Expenses recognised in the Profit and Loss Account under the head Employee Expenses:	(Rs. in Lacs)
Current Service Cost	29.09
Interest Cost	36.94
Return on Plan Assets	(49.55)
Net Actuarial (Gain)/Loss recognized	34.81
Expenses recognised in Profit and Loss Account	51.28

The discount rate assumed in the current year is 7.5% as against 8.5 % in the previous year.

In the course of closing of accounts for the current year, the value of plan assets of the funded gratuity scheme has been re-evaluated which relates back, partly, to the previous financial years. The consequential accounting treatment has resulted in credit to general reserve of Rs. 76.92 Lacs as transitional re-adjustment.

**v. Consolidation**

Company has two subsidiary Companies namely Camlin North America INC, USA and Camlin International Limited. As per the unaudited Financial Statements of Camlin North America compiled by the Management, during the year it has posted turnover of Rs. 2.92 Lacs (2007-08 Rs. 14.38 Lacs) which amounts to only 0.01% of turnover of Camlin. Its aggregate assets are Rs. Nil (2007-08 Rs. 16.16 Lacs). Further, during the year Camlin International Limited has not carried on any business activity, as such. Its assets are Rs. 11.25 Lacs (2007-08 Rs. 11.40 Lacs). Keeping in view the insignificant quantum of business done by these subsidiaries as also the value of Net Assets, Management is of the view that, the affairs of the said subsidiaries do not have material impact on the operations of the Company. Hence, the Financial Statements and Cash Flows of these subsidiaries are not consolidated by the Company.

**vi. Related Parties Disclosures: (as certified by the management)**

**(a) Associate Companies/Subsidiary Companies**

Name of the Related Party	Nature of Relationship
1. Camlin North America, Inc USA	Subsidiary Company
2. Camlin International Ltd.	Subsidiary Company
3. ColArt Camlin Canvas Pvt. Ltd.	Associate Company
4. CAFCO Consultants Ltd.	Associate Company
5. Camart Industries Ltd.	Associate Company
6. Camellia Management Services Pvt. Ltd.	Associate Company
7. Camellia Infotech Ltd.	Associate Company
8. Camlidhan Investments Pvt. Ltd.	Associate Company
9. Camlink Agencies Ltd.	Associate Company
10. Camlink Consultants Pvt. Ltd.	Associate Company
11. Dandekar Developers Pvt. Ltd.	Associate Company
12. Dandekar Investments & Consultants Pvt. Ltd.	Associate Company
13. Dandekar Print Pack Pvt. Ltd.	Associate Company
14. DDI Consultants Pvt. Ltd.	Associate Company
15. Excella Pencils Ltd.	Associate Company
16. Camlin Fine Chemicals Ltd.	Associate Company
17. Nilmac Packaging Industries Ltd.	Associate Company
18. Camlidhan Enterprises Pvt. Ltd.	Associate Company
19. Triveni Pencils Ltd.	Associate Company
20. Mayur Colours Limited	Associate Company
21. Vibha Agencies Pvt. Ltd.	Associate Company



**SCHEDULES TO ACCOUNTS (Contd.)****(b) Key Management Personnel and their Relatives**

Name of the Person	Nature of Relationship
<b>Key Management Personnel</b>	
Mr. Dilip Dandekar	Chairman & Managing Director (C.M.D)
Mr. Rajiv Dandekar	Joint Managing Director
Mr. Shriram Dandekar	Executive Director
Mr. Deepak Dandekar	Executive Director
<b>Relatives</b>	
Mr. Subhash Dandekar	Chairman Emeritus and brother of C.M.D
Mrs. Aditi Dandekar	Brand Manager and daughter of C.M.D.

**(c) Transactions with Related Parties**

Particulars	Related Parties	Rs. in Lacs 2008-09
Purchase of goods	Excella Pencils Ltd.	1,515.63
	Triveni Pencils Ltd.	899.20
	Nilmac Packaging Industries Ltd.	305.30
	Others	174.97
	Total	2,895.10
		(2,211.88)
Sale of goods	Excella Pencils Ltd.	256.34
	Triveni Pencils Ltd.	36.96
	Others	14.86
	Total	308.16
		(80.01)
Purchase of Fixed Assets	Mayur Colours Ltd.	8.80
	Total	8.80
		(—)
Sale of Fixed Assets		—
	Total	—
		(—)
Receiving Services	Mayur Colours Ltd.	138.20
	Triveni Pencils Ltd.	38.98
	Camart Industries Ltd.	26.80
	Others	2.12
	Total	206.10
		(74.42)
Payments to Key Management Personnel and their Relatives		
a. Remuneration	Mr. Dilip Dandekar	45.30
	Mr. Rajiv Dandekar	43.44
	Mr. Shriram Dandekar	43.44
	Mr. Deepak Dandekar	43.20
	Others	9.40
b. Dividend		36.75
	Total	221.53
		(219.33)

**SCHEDULES TO ACCOUNTS (Contd.)**

Particulars	Related Parties	Rs. in Lacs
		2008-09
Rendering Services	Excella Pencils Ltd.	0.21
	Triveni Pencils Ltd.	0.21
	Mayur Colours Ltd.	0.21
	Camellia Infotech Ltd.	0.15
	Camart Industries Ltd.	0.15
	Others	0.45
	Total	1.38
		(1.47)
Net Amount Payable	Excella Pencils Ltd.	240.11
	Others	14.87
	Total	254.98
		(219.69)
Net Amount Receivable	Triveni Pencils Ltd.	31.52
	ColArt Camlin Canvas Pvt. Ltd.	11.05
	Others	3.77
	Total	46.34
		(53.34)
Loans Given	ColArt Camlin Canvas Pvt. Ltd.	36.80
	Total	36.80
		(39.81)
Interest Received	ColArt Camlin Canvas Pvt. Ltd.	7.73
	Mayur Colours Ltd.	1.74
	Total	9.47
		(—)
Dividend paid	Camart Industries Ltd.	8.31
	Cafco Consultants Ltd.	2.34
	Others	5.26
	Total	15.91
		(15.91)
Dividend Received	Excella Pencils Ltd.	0.65
	Camlin Fine Chemicals Ltd.	0.50
	Total	1.15
		(0.65)

**SCHEDULES TO ACCOUNTS (Contd.)**

Particulars	Subsidiary Company	Rs. in Lacs
		2008-09
Sale of goods	Camlin North America Inc., USA	0.40
	Total	0.40
Net Amount Receivable		(5.17)
	Camlin North America Inc., USA (Fully Provided for)	26.05
	Camlin International Ltd.	0.09
	Total	26.14
Receiving Services		(28.50)
	Camlin International Ltd.	0.09
	Total	0.09
Interest Free Loans Given		(0.09)
	Camlin North America Inc., USA (Fully Provided for)	19.99
	Total	19.99
		(19.99)

Figures in brackets are for the previous year.

**vii. Micro, Small and Medium Enterprises Development Act, 2006**

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31<sup>st</sup> March, 2009 as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is Nil.

- J. The disclosures in respect of Employees Stock Option Scheme which are outlined in this year's Annexure to the report of the Directors and report on Corporate Governance are treated as an annexure to these accounts.
- K. Previous year's figures are recast/regrouped wherever necessary.

## SCHEDULES TO ACCOUNTS (Contd.)

### 24. SUPPLEMENTARY INFORMATION FORMING AN INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT

Additional information pursuant to the provisions of paragraphs 3,4C & 4D of part II of Schedule VI to the Companies Act, 1956.  
Details of installed capacity, production and sales of the goods manufactured.

#### (i) Details of Goods Manufactured/Sales/Stocks

Class of Goods++	Unit of Measure	*Installed Capacity	OPENING STOCK		PRODUCTION/PURCHASE		SALES		(Rs./Units in Lacs) CLOSING STOCK	
			(QTY)	VALUE (Rs.)	(QTY)	VALUE (Rs.)	(QTY)	VALUE (Rs.)	(QTY)	VALUE (Rs.)
<b>(A) MANUFACTURED ITEMS</b>										
1. Chemical & Chemical Products***	Ltrs./Kgs.	63.95 (65.22)	3.75 (3.27)	629.15 (641.20)	26.41 (28.31)	28.07 (27.83)	6,358.84 (5,801.21)	1.91 (3.75)	479.80 (629.15)	
2. Stationery Items (A)	Ltrs.	44.98 (45.20)	0.84 (0.95)	40.75 (44.13)	7.39 (10.78)	7.92 (10.89)	1,398.35 (738.32)	0.32 (0.84)	38.53 (40.75)	
Stationery Items (B)	Nos./Pks.	5,957.56 (1,474.20)	657.66 (382.28)	593.74 (436.38)	1,162.94 > (2,444.00)	1,675.51 (2,168.62)	6,463.99 (4,667.82)	145.09 (657.66)	591.37 (593.74)	
<b>(B) TRADING ITEMS</b>										
1. Chemical & Chemical Products	Nos./Pks.	16.07 (20.27)	345.90 (259.64)	204.53 (163.97)	2,042.14 (1,922.67)	209.23 (168.17)	3,328.85 (2,554.09)	11.37 (16.07)	210.91 (345.90)	
2. Stationery Items	Nos./Pks.	288.10 (236.84)	897.28 (595.12)	2,259.46 (2,246.99)	8,443.85 (6,912.58)	2,328.31 (2,195.73)	11,420.67 (8,641.44)	219.24 (288.10)	1,203.61 (897.28)	
3. Others – being Sale of Exhibition Materials, Paintings etc.		— (—)	— (—)	— (—)	— (—)	— (—)	186.91 (—)	— (—)	— (—)	
			<b>2,506.82</b> (1,976.47)	<b>10,485.99</b> (8,835.25)			<b>29,157.61</b> (22,402.88)		<b>2,524.22</b> (2,506.82)	

\* As certified by the Management and relied upon by the Auditors, this being a technical matter.

\*\*\* Installed capacity worked out on the basis of existing product mix.

> Includes captive consumption – 65,370 Ltrs. & 16,830 kgs. (2007-08 – 71,631 Ltrs. & 21,600 Kgs).

++ Class of Goods is based on main classification given in the Industries (Development and Regulation) Act, 1951.

#### NOTES:

- Figures in brackets are for the previous year.
- The quantities mentioned in nos./packs comprise of heterogeneous packings.
- Quantity of Sales include promotional distribution and are adjusted for damaged goods and physical verification differences.

**SCHEDULES TO ACCOUNTS (Contd.)****24. SUPPLEMENTARY INFORMATION FORMING AN INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT (Contd.)****(ii) RAW MATERIALS CONSUMED**

(Rs./Units in Lacs)

	Unit of Measure	2008-2009		2007-2008	
		Quantity	Value* Rs.	Quantity	Value* Rs.
Colours/Pigments	Kgs/Ltrs	5.81	842.53	4.98	608.21
Chemicals	Kgs/Ltrs	22.06	893.06	10.70	724.35
Other Raw Materials			1,067.53		591.25
			<b>2,803.12</b>		<b>1,923.81</b>
* Includes Resale of Material and adjusted for damaged stocks and physical verification differences.					
<b>(iii) Earnings in Foreign Exchange</b>					
Exports at F.O.B. Value (Excluding Nepal)			500.15		353.36
			<b>500.15</b>		<b>353.36</b>
<b>(iv) Expenditure in Foreign Currency</b>					
Travelling			45.87		33.90
Others			60.12		21.84
			<b>105.99</b>		<b>55.74</b>
<b>(v) Value of Imports on C.I.F. Basis</b>					
(a) Raw Materials			164.40		129.45
(b) Components and Spare Parts			1,468.79		464.97
(c) Capital Goods			819.59		152.16
(d) Purchases of Traded Products			169.49		66.87
			<b>2,622.27</b>		<b>813.45</b>
<b>(vi) Value of consumption of Raw Materials and Stores</b>					
(a) Indigenous			959.29		977.18
(b) Imported (Landed Cost) – Raw Material, Components & Spare Parts			1,843.83		946.63
			<b>2,803.12</b>		<b>1,923.81</b>
<b>(vii) Percentage of Consumption of Raw Materials &amp; Stores</b>					
(a) Indigenous			34.22		50.79
(b) Imported (Landed Cost) – Raw Material, Components & Spare Parts			65.78		49.21
			<b>100.00</b>		<b>100.00</b>


**SCHEDULES TO ACCOUNTS (Contd.)**
**25. CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

	<b>Year ended 31.03.2009 (Rs. in Lacs)</b>	Year ended 31.03.2008 (Rs. in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before non-recurring items	<b>955.37</b>	650.33
<b>Adjustments for:</b>		
Depreciation	<b>435.20</b>	376.56
Provision for Doubtful Debts	<b>39.64</b>	28.26
Foreign Exchange (Unrealised)	<b>(8.13)</b>	(2.49)
(Profit)/Loss on Sale of Fixed Assets	<b>1.82</b>	7.63
Gen. Res. Adj. For Transitional provision of Gratuity	<b>76.92</b>	(27.94)
Interest Expenses	<b>529.20</b>	261.33
Interest/Dividend Received	<b>(16.10)</b>	(21.99)
Amortisation of Expenses	<b>167.98</b>	167.98
Reversal of Provision for Doubtful Debts/Advances	<b>(19.36)</b>	(48.50)
Provision for leave encashment	<b>14.23</b>	53.18
<b>Operating Profit before Working Capital changes</b>	<b>2,176.77</b>	1,444.35
<b>Adjustments for:</b>		
Trade and other Receivables	<b>(1,208.42)</b>	(736.15)
Inventories	<b>(465.47)</b>	(919.07)
Trade Payables	<b>886.67</b>	(596.84)
Other Payables	<b>192.29</b>	26.42
<b>Cash generated from Operations</b>	<b>1,581.85</b>	(781.29)
Direct taxes paid	<b>(338.73)</b>	(296.32)
<b>Net cash from operating activities</b>	<b>1,243.12</b>	(1,077.61)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	<b>(2,635.86)</b>	(1,066.68)
Sale of Fixed Assets	<b>0.11</b>	10.21
(Purchase)/Sale of Investments	<b>21.56</b>	—
Interest received	<b>22.05</b>	13.35
Dividend received	<b>1.34</b>	12.79
<b>Net cash used in Investing Activities</b>	<b>(2,590.80)</b>	(1,030.33)

**SCHEDULES TO ACCOUNTS (Contd.)****25. CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009 (Contd.)**

	<b>Year ended 31.03.2009 (Rs. in Lacs)</b>	Year ended 31.03.2008 (Rs. in Lacs)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowing (Net of repayments)	<b>1,893.47</b>	511.56
Increase in Share Capital/Premium	—	2,100.00
Interest Paid	<b>(529.27)</b>	(263.39)
Dividend Paid	<b>(148.61)</b>	(120.00)
<b>Net cash used in Financing Activities</b>	<b>1,215.59</b>	2,228.17
<b>D. UNREALISED FOREIGN EXCHANGE FLUCTUATION ON CASH EQUIVALENTS</b>	<b>8.13</b>	2.49
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(123.97)</b>	122.72
Cash and Cash Equivalents (Opening Balance)	<b>360.10</b>	237.38
Cash and Cash Equivalents (Closing Balance)	<b>236.13</b>	360.10

As per our report of even date annexed  
For B.K. Khare & Co.  
*Chartered Accountants*

Dilip Bapat  
*Partner*  
(M. No. 30388)

Mumbai  
Dated: 8<sup>th</sup> May, 2009.

Chetan Badal  
*Chief Financial Officer*

Ravindra Damle  
*G. M. (Corporate) &  
Co. Secretary*

Dilip Dandekar  
Shriram Dandekar  
Deepak Dandekar  
Ashish Dandekar  
Shishir Shirgaokar  
Dhananjay Mungale  
Anil Singhvi  
Deepak Ghaisas  
Vijay Paranjpe  
Shishir Desai  
Ramanathan Sriram

*Chairman & Mg. Director*  
*Executive Director*  
*Executive Director*  
*Director*  
*Director*  
*Director*  
*Director*  
*Director*  
*Director*  
*Director*  
*Director*



## BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

**I. Registration Details:**

Registration No.	: L24223MH1946PLC005434	State Code	: 11
Balance Sheet Date	: 31.03.2009		

**II. Capital Raised during the period:**

(Amount in Rs. Lacs)

Public Issue	: NIL	Rights Issue	: NIL
Bonus Issue	: NIL	Private Placement	: NIL

**III. Position of Mobilisation and**
**Deployment of Funds:**

(Amount in Rs. Lacs)

Total Liabilities	: 14,329.87	Total Assets	: 14,329.87
-------------------	-------------	--------------	-------------

**Sources of Funds:**

Paid-up-Capital	: 600.00	Reserves & Surplus	: 4,746.08
Secured Loans	: 3,937.38	Unsecured Loans	: —
		Deferred Tax Liability	: 119.61

**Application of Funds:**

Net Fixed Assets	: 4,823.74	Investments	: 77.35
Net Current Assets	: 4,334.90	Miscellaneous Expenditure	: 167.08
Accumulated Losses	: NIL		

**IV. Performance of the Company:**

(Amount in Rs. Lacs)

Turnover (including other Income)	: 28,366.86	Total Expenditure	: 27,411.49
Profit/(Loss) Before Tax	: 955.37	Profit/(Loss) After Tax	: 611.47
Earning Per Share in Rs.	: 1.02	Dividend Rate %	: 30.00

**V. Generic Name of Principal**
**Products of the Company:**

(As per monetary terms)

Item Code No.

(ITC Code)

32.13

96.09

96.08

Product Description

Artist Colours

Wooden Pencils

Writing instruments



**STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

(Rs. in Lacs)

1. Name of the Subsidiary	:	CAMLIN INTERNATIONAL LTD.	CAMLIN NORTH AMERICA, INC, USA
2. Financial year of the subsidiary company ends on	:	31 <sup>st</sup> March, 2009	31 <sup>st</sup> March, 2009
3. Holding company's interest:			
I. no. of shares held	:	50,000	20,000
II. percentage of shareholding	:	100%	100%
4. The net aggregate amount of the subsidiary's profit/(loss) so far as it concerns members of the holding company and is not dealt with in the holding company's a/cs:			
I. For the financial year of the subsidiary.	:	(0.16)	(7.41)
II. For the previous financial years of the subsidiary since it became the holding company's subsidiary.	:	(0.16)	(1.16)
5. The net aggregate amount of the subsidiary's profit/(loss) dealt with in the holding company's a/cs.:			
I. For the financial year of the subsidiary	:	Nil	Nil
II. For the previous financial years of the subsidiary since it became the holding company's subsidiary.	:	Nil	Nil

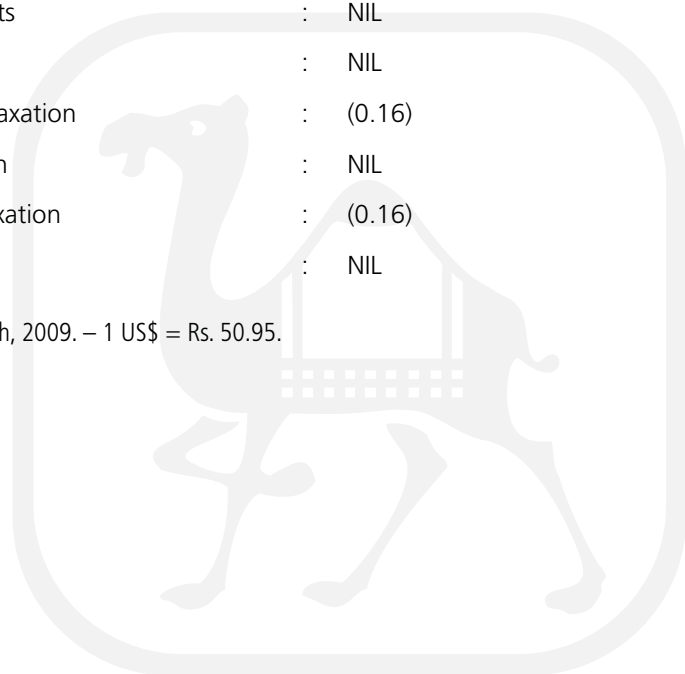
Chetan Badal  
Chief Financial OfficerRavindra Damle  
G. M. (Corporate) &  
Co. SecretaryDilip Dandekar  
Shriram Dandekar  
Deepak Dandekar  
Ashish Dandekar  
Shishir Shirgaokar  
Dhananjay Mungale  
Anil Singhvi  
Deepak Ghaisas  
Vijay Paranjpe  
Shishir Desai  
Ramanathan SriramChairman & Mg. Director  
Executive Director  
Executive Director  
Director  
Director  
Director  
Director  
Director  
Director  
DirectorMumbai  
Dated: 8<sup>th</sup> May, 2009.

**DETAILS OF SUBSIDIARY COMPANIES AS PROVIDED PURSUANT TO THE DIRECTIONS OF THE DEPARTMENT OF COMPANY AFFAIRS WHILE GRANTING PERMISSION TO THE COMPANY UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956**

(Rs. in Lacs)

Name of the Subsidiary	:	CAMLIN INTERNATIONAL LTD.	CAMLIN NORTH AMERICA, INC, USA*
1. Capital	:	5.00	9.26
2. Reserves	:	2.06	(55.30)
3. Total Assets	:	11.25	NIL
4. Total Liabilities	:	11.25	NIL
5. Details of Investments	:	NIL	NIL
6. Turnover	:	NIL	3.99
7. Profit/(Loss) Before Taxation	:	(0.16)	(7.41)
8. Provision for Taxation	:	NIL	NIL
9. Profit/(Loss) After Taxation	:	(0.16)	(7.41)
10. Proposed Dividend	:	NIL	NIL

\* Exchange Rate as on 31<sup>st</sup> March, 2009. – 1 US\$ = Rs. 50.95.



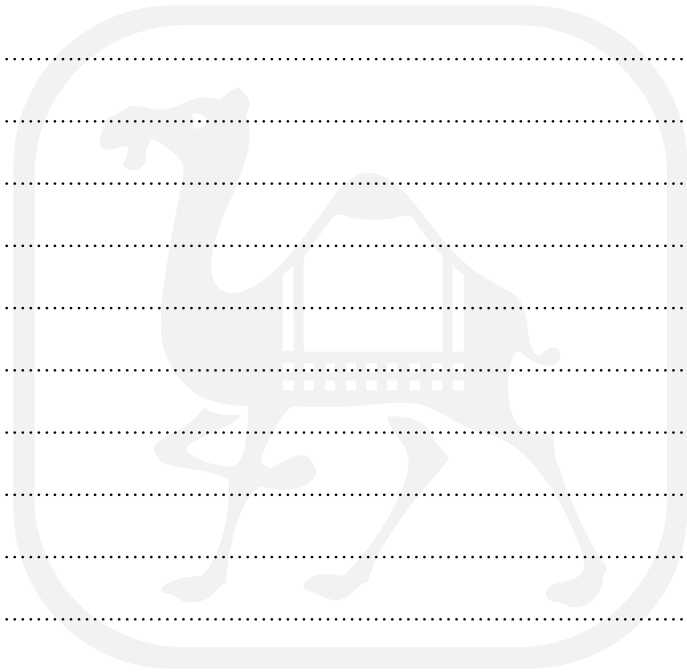
## FINANCIAL HIGHLIGHTS

	(Rs. in Lacs)						
Year Ending 31 <sup>st</sup> March	2009	2008	2007	2006	2005	2004	2003
<b>A. Assets Employed</b>							
1. Net Fixed Assets	<b>4,824</b>	2,625	1,953	4,904	4,169	3,563	3,607
2. Net Current Assets	<b>4,335</b>	3,888	1,603	2,009	1,865	3,301	2,245
3. Others	<b>244</b>	434	602	705	804	62	48
<b>Total</b>	<b>9,403</b>	<b>6,947</b>	<b>4,158</b>	<b>7,617</b>	<b>6,838</b>	<b>6,926</b>	<b>5,900</b>
<b>B. Financed By</b>							
1. Equity Share Capital	<b>600</b>	600	480	480	480	480	480
2. Reserves & Surplus	<b>4,746</b>	4,268	2,108	1,047	1,206	1,701	1,599
3. Shareholder's Funds	<b>5,346</b>	4,868	2,588	1,527	1,686	2,181	2,079
4. Loan Funds	<b>3,937</b>	2,044	1,532	5,977	4,970	4,303	3,411
5. Deferred Tax Liability (Net)	<b>120</b>	34	37	114	182	442	410
<b>Total</b>	<b>9,403</b>	<b>6,947</b>	<b>4,158</b>	<b>7,617</b>	<b>6,838</b>	<b>6,926</b>	<b>5,900</b>
<b>C. Net Sales (Net of Trade Discount &amp; Excise)</b>	<b>28,311</b>	21,377	18,765	19,213	19,764	18,269	17,517
<b>D. Profit and Appropriations</b>							
1. Operating Profit (PBDIT) (Before Extra Ordinary Item & Sale of Land)	<b>2,088</b>	1,456	1,137	1,167	328	1,119	1,629
2. Interest	<b>529</b>	261	372	670	584	372	321
3. Profit/(Loss) Before Dep., Tax & Extra Ordinary Item	<b>1,559</b>	1,195	766	497	(256)	746	1,308
4. Depreciation	<b>435</b>	377	385	519	456	437	372
5. Profit/(Loss) Before Tax & Extra Ordinary Item	<b>1,123</b>	818	381	(22)	(713)	309	936
6. Extra Ordinary Item & Sale of Land	<b>168</b>	168	(4,185)	152	19	—	321
7. Profit/(Loss) Before Tax	<b>955</b>	650	4,566	(175)	(732)	309	615
8. Tax – Current	<b>253</b>	280	799	47	—	72	275
– Deferred	<b>85</b>	(3)	122	(68)	(260)	33	(107)
9. Profit/(Loss) After Tax	<b>617</b>	373	3,645	(153)	(472)	205	447
10. Earlier Years' Adjustments	<b>6</b>	(10)	38	—	17	(15)	(2)
11. Profit/(Loss) After Tax	<b>611</b>	383	3,607	(153)	(489)	190	444
12. Dividend & Tax on Dividend	<b>211</b>	175	140	—	—	81	108
13. Retained Earnings	<b>401</b>	208	3,467	—	—	108	336
<b>E. Per Share Information*</b>							
1. Earning Per Share	<b>1.02</b>	0.71	@0.30	(0.32)	(1.02)	0.39	0.93
2. Book Value Per Share (Rs.)	<b>8.63</b>	7.56	@4.35	1.47	1.47	4.03	3.81
3. Dividend Per Share (Rs.) (Excluding Tax on Dividend)	<b>0.30</b>	2.50	2.50	—	—	1.50	2.00

@ Earning per share for FY 2007 is without considering exceptional item of sale of land. After considering sale of land, EPS is Rs. 7.14.

\* Per share information is adjusted for subdivision of share from face value of Rs. 10/- per share to face value of Re. 1/- per share w.e.f. 29<sup>th</sup> August, 2008.

## NOTES





# Camlin Limited

Registered Office: 9-B, Nanddeep Industrial Estate, Kondivita Lane, J. B. Nagar, Andheri (East), Mumbai-400 059.

## PROXY FORM

I/We, ..... of.....

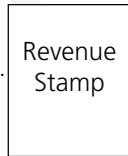
being a member(s) of the above named Company hereby appoint.....

..... of.....

or failing him..... of.....

as my/our proxy to vote for me/us on my/our behalf at the 62<sup>nd</sup> Annual General Meeting of the Company to be held at Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020 on Friday, the 26<sup>th</sup> June, 2009 at 3.00 p.m. and at any adjournment thereof.

Folio No./DP ID & Client ID\* ..... Signature .....



Date .....

Note: Proxies must reach the Company's Registered Office not less than 48 hours before the meeting.

\*Applicable for investors holding Shares in electronic form



# Camlin Limited

Registered Office: 9-B, Nanddeep Industrial Estate, Kondivita Lane, J. B. Nagar, Andheri (East), Mumbai-400 059.

## Attendance Slip

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the attending Member (in Block Letters).....

Name of the Proxy (in Block Letter).....

(To be filled in if the Proxy attends instead of the Member)

No. of Shares held .....

Folio Number/DP ID & Client ID\* .....

I hereby record my presence at the 62<sup>nd</sup> Annual General Meeting of the Company to be held at Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020 on Friday, the 26<sup>th</sup> June, 2009 at 3.00 p.m.

(To be signed at the time of handing over this Slip)

\*Applicable for investors holding Shares in electronic form

Member's/Proxy's Signature

Members are requested to bring their copies of the Annual Report to the Annual General Meeting.

Fine 3-D patterns at  
your fingertips



● PERMANENT ● EASY TO USE

Camel



*Frolika 3-D*  
**FINE LINER**

FOR FABRIC AND OTHER SURFACES

HOBBY RANGE

Camlin





Winner adhesive Category.  
Survey of 40,000 people by Nielsen.

Camlin's zero mess, no fuss  
'Krafty Glue' packaging awarded  
the "PRODUCT OF THE YEAR 2009" title by  
A.C. Nielsen's National Consumer Survey.



We wish to take this opportunity to thank each  
student, teacher, parent and professionals who have been instrumental in our success  
and have voted Krafty Glue the "PRODUCT OF THE YEAR 2009".  
We promise to keep up our commitment to excellent quality and superior service.



Camlin Limited, J. B. Nagar, Andheri (E), Mumbai - 400059. India  
Tel: 91 22 28263308 www.camlin.com Email: customersupport@camlin.com