

COME GROW with US



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Camel Art Foundation



Colours Changing Hues -Series II
Jehangir Art Gallery 24th Dec 2010
Dilip Dandekar & Artist Prafulla Dahanukar



10th Northern Region Exhibition
Camel Art Foundation - Delhi
Dilip Dandekar & Artist Anjolie Ela Menon



Anjolie Ela Menon Painting for CAF



11th Western Region - CAF Nehru Center



Alpha Kids Events



New Products



Flora Pencils



Kokuyo Note Books



Zebra Pen 0.5mm and 0.7mm



Washable Crayons (XL)



Modelling Clay



Washable Jumbo Crayons



Easy Grip Oil Pastels



Tempera Colours



Camel School Bag (Disney Licensee)

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Corporate Information

Chairman Emeritus

Mr. Subhash Dandekar

Board Of Directors

Mr. Dilip Dandekar

Chairman & Managing Director

Mr. Rajiv Dandekar

Joint Managing Director

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

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

Vice President (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, 2nd Floor,
Near Sakinaka Telephone Exchange,
Andheri Kurla Road, Sakinaka,
Andheri (E), Mumbai 400 072.

Notice

NOTICE is hereby given that the 64th Annual General Meeting of the Members of Camlin Limited, will be held on Thursday, the 7th July, 2011 at 3.00 p.m. at Walchand Hirachand Hall, IMC Building, 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 31st March, 2011 and the Balance Sheet as at that date and the report of the Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares.
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 B. Desai who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Ramanathan Sriram 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 a Special Resolution:

"RESOLVED THAT pursuant to sub section (4) of section 198 read with sub- paragraph (C) of paragraph 1 of section II of Part II of Schedule XIII of the Companies Act, 1956 or statutory modification(s) or re-enactments thereof (hereinafter referred to as 'the Act'), the consent of the Company be and is hereby accorded for payment of minimum remuneration to Mr. Dilip D. Dandekar, 'Chairman & Managing Director', the remuneration as was approved by the Members of the Company for the respective financial years 1st April, 2010 to 31st March, 2011, 1st April, 2011 to 31st March, 2012 and 1st April, 2012 to 31st March, 2013 at the 63rd Annual General Meeting of the Company held on 29th June, 2010.

RESOLVED FURTHER THAT the aforesaid remuneration payable to Mr. Dilip D. Dandekar, the details of which are mentioned in the explanatory statement for the period mentioned above is subject to approval of the Central Government.

RESOLVED LASTLY THAT the Board of Directors of the Company (including the Committee of Directors) be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to Committee of Directors to give effect to the aforesaid resolution".

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

"RESOLVED THAT pursuant to sub section (4) of section 198 read with sub- paragraph (C) of paragraph 1 of section II of Part II of Schedule XIII of the Companies Act, 1956 or statutory modification(s) or re-enactments thereof (hereinafter referred to as 'the Act'), the consent of the Company be and is hereby accorded for payment of minimum remuneration to Mr. Rajiv M. Dandekar, 'Jt. Managing Director', the remuneration as was approved by the Members of the Company for the respective financial years 1st April, 2010 to 31st March, 2011, 1st April, 2011 to 31st March, 2012 and 1st April, 2012 to 31st March, 2013 at the 63rd Annual General Meeting of the Company held on 29th June, 2010.

RESOLVED FURTHER THAT the aforesaid remuneration payable to Mr. Rajiv M. Dandekar, the details of which are mentioned in the explanatory statement for the period mentioned above is subject to approval of the Central Government.

RESOLVED LASTLY THAT the Board of Directors of the Company (including the Committee of Directors) be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to Committee of Directors to give effect to the aforesaid resolution".

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

"RESOLVED THAT pursuant to sub section (4) of section 198 read with sub- paragraph (C) of paragraph 1 of section II of Part II of Schedule XIII of the Companies Act, 1956 or statutory modification(s) or re-enactments thereof (hereinafter referred to as 'the Act'), the consent of the Company be and is hereby accorded for payment of minimum remuneration to Mr. Shriram S. Dandekar, 'Executive Director', the remuneration as was approved by the Members of the Company for the respective financial years 1st April, 2010 to 31st March, 2011, 1st April, 2011 to 31st March, 2012 and 1st April, 2012 to 31st March, 2013 at the 63rd Annual General Meeting of the Company held on 29th June, 2010.

RESOLVED FURTHER THAT the aforesaid remuneration payable to Mr. Shriram S. Dandekar, the details of which are mentioned in the explanatory statement for the period mentioned above is subject to approval of the Central Government.

RESOLVED LASTLY THAT the Board of Directors of the Company (including the Committee of Directors) be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to Committee of Directors to give effect to the aforesaid resolution".

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

"RESOLVED THAT pursuant to sub section (4) of section 198 read with sub- paragraph (C) of paragraph 1 of section II of Part II of Schedule XIII of the Companies Act, 1956 or statutory modification(s) or re-enactments thereof (hereinafter referred to as 'the Act'), the consent of the Company be and is hereby accorded for payment of minimum remuneration to Mr. Deepak M. Dandekar, 'Executive Director', the remuneration as was approved by the Members of the Company for the respective financial years 1st April, 2010 to 31st March, 2011, 1st April, 2011 to 31st March, 2012 and 1st April, 2012 to 31st March, 2013 at the 63rd Annual General Meeting of the Company held on 29th June, 2010.

RESOLVED FURTHER THAT the aforesaid remuneration payable to Mr. Deepak M. Dandekar, the details of which are mentioned in the explanatory statement for the period mentioned above is subject to approval of the Central Government.

RESOLVED LASTLY THAT the Board of Directors of the Company (including the Committee of Directors) be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to Committee of Directors to give effect to the aforesaid resolution".

Regd. Office:

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

By Order of the Board

RAVINDRA V. DAMLE
Vice President
(Corporate) &
Company Secretary

Dated: 30th May, 2011.

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 10 (both numbers inclusive) is annexed hereto.
3. The Register of Members and Share Transfer Books will remain closed from 1st July, 2011 to 7th July, 2011 (both days inclusive).
4. The Dividend, if approved, at the meeting, will be paid within the stipulated period, to those members who hold shares in physical form and whose names appear on the Company's Register of members as on 7th July, 2011. In

respect of shares held in Electronic Form, the Dividend will be paid to the beneficial owners as per details to be furnished by the Depositories for this purpose at the end of business hours on 30th June, 2011.

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 31st 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, 2nd 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 31st March, 2003, 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 31st March, 2004 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. The Company, in compliance with new Clause 5All of the Listing Agreement, will send reminders to the members in respect of shares which are lying unclaimed with the Company. The same shall be transferred to Unclaimed Suspense Account in case no response is received after sending three reminders at the address given and shall be dematerialized.
10. 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.
11. 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.

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

At the 63rd Annual General Meeting held on 29th June, 2010, the members had approved the appointments of M/s. Dilip D. Dandekar, Chairman & Managing Director, Rajiv M. Dandekar, Joint Managing Director, Shriram S. Dandekar and Deepak M. Dandekar as Executive Directors respectively (collectively called Wholtime Directors) for a period of 3 years with effect from 1st April, 2010 by passing Ordinary Resolutions.

However during the financial year 2010-2011, in spite of increase in net sales by 8.14%, the profits of the Company has reduced as compared to the previous year due to increase input cost, borrowing cost and overheads. As a result the Company has made inadequate profit for the year ended 31st March, 2011.

As the Company's financial year 2010-2011 resulted in inadequate profits the Company seeks the Members approval pursuant to the provisions of Schedule XIII of the Companies Act, 1956 by way of Special Resolutions for payment of remuneration to each of the Wholtime Directors, for a period of three years from 1st April, 2010 to 31st March, 2013 without changing the terms of appointment as already approved by the Members at the 63rd Annual General Meeting of the Company held on 29th June, 2010 subject to the approval of the Central Government.

The said Special Resolutions were approved by the Remuneration and Compensation Committee and the Board of Directors at their meeting held on 24th May, 2011 and 25th May, 2011 respectively.

The present terms of remuneration paid/payable for a period of three years with effect from 1st April, 2010 to 31st March, 2013, is provided in 'Annexure - A' hereto.

Additional Information as required under Schedule XIII of the Companies Act, 1956 is provided in 'Annexure- B' hereto.

Annexure A

The present terms of remuneration for a period of three years from 1st April, 2010 to 31st March, 2013, are as under:-

1. Salary

Sr. No.	Name & Designation of the Wholtime Directors	Salary per Month (₹)
1.	Mr. Dilip D. Dandekar Chairman & Managing Director	3,15,000
2.	Mr. Rajiv M. Dandekar Jt. Managing Director	2,65,000
3.	Mr. Shriram S. Dandekar Executive Director	2,65,000
4.	Mr. Deepak M. Dandekar Executive Director	2,65,000

Such respective salaries shall be increased by 15% for each of the Wholtime Directors for the second year and for the third year, the base for the third year will be the respective salaries as has been increased for each of the Wholtime Directors for the second year.

2. House Rent Allowance:

House Rent Allowance limited to 20% of monthly salary shall be paid in addition to salary or rent free unfurnished accommodation in lieu thereof.

3. Perquisites and other Allowances:

In addition to the salary, house rent allowance and commission payable, each of the Wholtime Directors shall also be entitled to perquisites and other allowances such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession, meal voucher for themselves and their families, club fees, provision of car with driver, telephone/fax facilities and benefit of personal accident insurance scheme and such other perquisites and allowances in

accordance with the Rules of the Company or as may be agreed to by the Board of Directors/ Remuneration and Compensation Committee and the Directors, such perquisites and other allowances will however, be subject to a ceiling of 50% of the Annual Salary of the Directors.

Perquisites and other allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, they shall be evaluated at actual cost.

4. Commission:

Each of the Wholtime Directors may also be paid remuneration by way of commission (in addition to salary, house rent allowance, perquisites and other allowances) calculated with reference to the Net Profits of the Company for a particular financial year, subject to the overall ceilings laid down under the provisions of Sections 198 and 309 of the Companies Act, 1956.

The Board of Directors shall in its absolute discretion determine the commission so payable to each of the Directors, which shall not exceed 1% of the Net Profits of the Company.

5. Provident Fund, Superannuation and Gratuity Fund:

Company's contribution to Provident Fund, Family Pension Scheme and Superannuation Fund as per the rules of the Company.

Gratuity payable as per the rules of the Company and encashment of leave at the end of their tenures shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

6. Total Remuneration

The aggregate of the remuneration including contribution towards Provident Fund, Family Pension Scheme, Superannuation Fund and Gratuity Fund, payable to each of the Wholtime Directors of the Company taken together shall be calculated in accordance with the provisions of sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII thereof.

7. Minimum Remuneration:

In the event of inadequacy or absence of profits in any financial year of the Company during the term of the Wholtime Directors, the Minimum Remuneration payable respectively to them shall be by way of Salary, House Rent Allowance, Perquisites and Other Allowances as set out in the respective resolutions subject to the provisions of section 198 (4) of the Act and subject to the compliances required under Para 1 of section II of Part II of the Schedule XIII including such approval as may be required from the Central Government and in addition thereto they shall also be respectively eligible to the Perquisites provided in para 2 of Section II of Part II of Schedule XIII as may be amended from time to time.

8. Memorandum of Interest:

Mr. Rajiv M. Dandekar and Mr. Deepak M. Dandekar are interested in each other's appointment as Brothers.

As per the terms of appointment except Mr. Deepak M. Dandekar, other Wholtime Directors are not liable to retire by rotation.

No other Directors except the appointees are concerned or interested in the resolutions.

Annexure B

Additional information relevant to the appointment of the Wholtime Directors forming part of the explanatory statement as required as per Schedule XIII of the Companies Act, 1956.

(I) General Information:

(a) Nature of Industry:-

The Company is a Manufacturer of Consumer Products (Art Materials and Stationery).

(b) Date of commencement of commercial production:-

The Company was incorporated on 24th December, 1946 as a Private Limited Company and has been operative since then.

(c) Financial Performance based on given indicators

(₹ Lacs)

Sr. No.	Particulars	2010-11	2009-10
1	Total Income (Including net sales and non recurring items)	35833.78	33087.17
2	Profit before tax	1205.71	1657.39
3	Profit after tax	858.68	1204.23
4	Dividend	25% *	50%

* Proposed

(d) Export Performance and Foreign Exchange earned for the financial year ended 31st March, 2011:

During the year, the Company's exports amounted to ₹ 1025.99 lacs as compared to ₹ 577.03 lacs in the previous year.

(e) Foreign Investments or Collaborations, if any.

During the year, the Company has not entered into any Foreign Collaborations or made any Foreign Investments.

(II) Information about the Wholtime Directors:

(a) Background Details:

Mr. Dilip D. Dandekar (59) G.C.D, joined the Company as 'Management Trainee'. He was later appointed as Wholtime Director in the year 1979. From 1st June, 2002 he has been the "Chairman & Managing Director" of the Company.

Mr. Rajiv M. Dandekar (56) B.Sc. (Hons.), M.B.A., joined the Company as 'Management Trainee'. He was later appointed as "Jt. Managing Director" from 1st January, 1993 and he continues to hold that position.

Mr. Shriram S. Dandekar (50) M.Sc, M.B.A., joined the Company as 'Management Trainee'. He was later appointed as "Executive Director" from 1st January, 1993 and he continues to hold that position.

Mr. Deepak M. Dandekar (52) B.Com., joined the Company as 'Asst. Accountant'. He was later appointed as "Executive Director" from 1st June, 1996 and continues to hold that position.

(b) Past Remuneration:

Sr. No.	Name of the Wholtime Directors	(₹ akhs)
1.	Mr. Dilip D. Dandekar Chairman & Managing Director	2,35,000
2.	Mr. Rajiv M. Dandekar Jt. Managing Director	2,25,000
3.	Mr. Shriram S. Dandekar Executive Director	2,25,000
4.	Mr. Deepak M. Dandekar Executive Director	2,25,000

(c) Job Profile and his suitability:

Mr. Dilip D. Dandekar is the 'Chairman and Managing Director' w.e.f. 1st June, 2002. He has wide experience of 41 years, in the field of Marketing, Administration and overall Management of the Company. He is overall in charge of the Company.

Mr. Rajiv M. Dandekar is the 'Jt. Managing Director' since 1st January, 1993. He has wide experience of 32 years in the area of Marketing and Human Resource Development. He is responsible for the General Administration and is assisting the Chairman and Managing Director in his day-to-day functions.

Mr. Shriram S. Dandekar is an 'Executive Director' since 1st January, 1993. He has wide experience of 28 years in the field of Research and Development, Product Development, Business Planning and Marketing. He is responsible for Business Planning, Research & Development, Product Development and Marketing of the Company.

Mr. Deepak M. Dandekar is an 'Executive Director' since 1st June, 1996. He has wide experience of 27 years in the field of Accounts, Finance and Information

Technology. He is responsible for all matters relating to Exports and Information Technology.

All the Wholetime Directors are part of the Senior Management and are responsible for the operations and affairs of the Company pertaining to their respective areas. Taking into consideration their qualifications and experience in relevant fields, the Wholetime Directors are best suited for the responsibilities currently assigned to them by the Board of Directors.

(d) Remuneration Approved:

		(₹)
Salary (Per Month)	Mr. Dilip D. Dandekar	3,15,000/-
	Mr. Rajiv M. Dandekar	2,65,000/-
	Mr. Shriram S. Dandekar	2,65,000/-
	Mr. Deepak M. Dandekar	2,65,000/-
	Such respective salaries shall be increased by 15% for each of the Wholetime Directors and Chairman & Managing Director for the second year and for the third year, the base for the third year will be the respective salaries as has been increased for each of the Wholetime Directors and Chairman & Managing Directors for the second year.	
HRA	House Rent Allowance limited to 20% of monthly salary shall be paid in addition to salary or rent free unfurnished accommodation in lieu thereof.	
Perquisites and other Allowances.	In addition to the salary, house rent allowance and commission payable, each of the Wholetime Directors shall also be entitled to perquisites and other allowances such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession, meal voucher for themselves and their families, club fees, provision of car with driver, telephone/fax facilities and benefit of personal accident insurance scheme and such other perquisites and allowances in accordance with the Rules of the Company or as	

	<p>may be agreed to by the Board of Directors/Remuneration and Compensation Committee and the Directors, such perquisites and other allowances will however, be subject to a ceiling of 50% of the Annual Salary of the Directors.</p> <p>Perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, they shall be evaluated at actual cost.</p>
Commission	<p>Each of the Wholetime Directors and Chairman & Managing Director may also be paid remuneration by way of commission (in addition to salary, house rent allowance, perquisites other allowances) calculated with reference to the Net Profits of the Company for a particular financial year, subject to the overall ceilings laid down under the provisions of Sections 198 and 309 of the Companies Act, 1956.</p> <p>The Board of Directors shall in its absolute discretion determine the commission so payable to each of the Directors, which shall not exceed 1% of the Net Profits of the Company.</p>

(e) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration, the size of the Company, the profile of the Wholetime Directors, the responsibilities shouldered by them and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level Directors in other Companies.

(f) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed, the Wholetime Directors do not have any other

pecuniary relationship with the Company and its managerial personnel.

(III) Other Information:

(a) Reasons for loss or inadequate profits:

In spite of growth in sales volume, the Company could not post adequate profits due to increased input material cost, overheads and interest on borrowings.

(b) Steps taken or proposed to be taken for improvement:

For improving overall profitability, Company has already initiated measures like introduction of new products with higher value addition, control over the overheads, and increase in capacities, aggressive advertising and marketing of products to reposition the brands.

(c) Expected increase in productivity and profits in measurable terms:

The Company has significantly improved its performance in the current year as compared to the previous year. Relevant financial parameters stating the performance of full financial year compared to the corresponding period of the previous year are given below.

(₹ Lakhs)

Particulars	As on 31 st March, 2011	As on 31 st March, 2010
Total Income (Including net sales and non recurring ordinary items)	35833.78	33087.17
Total Expenditure including Exceptional item- Provision for diminution in value of investments/ doubtful advances	34628.07	31429.78
Profit/(Loss) before tax	1205.71	1657.39

(IV) Disclosures:

The information in respect of remuneration including performance linked remuneration alongwith performance criteria, service contract, notice period, stock options details if any have been given in the Corporate Governance Report.

Directors recommend all the Special Resolutions for your approval.

Regd. Office:

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

By Order of the Board

RAVINDRA V. DAMLE
Vice President
(Corporate) &
Company Secretary

Dated: 30th May, 2011.

DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Mr. Deepak M. Dandekar	Mr. Shishir B. Desai	Mr. Ramanathan Sriram
Date of Birth	20.12.1957	30.09.1953	22.03.1964
Date of Appointment	01.06.1996	28.07.2008	28.07.2008
Qualification	B.Com	B.Com., LL.B., A.C.S., Solicitor- Supreme Court of England, Non- Practising	
Expertise in specific functional area	wide experience in the field of accounts, finance and information technology	Solicitor and Advocate and Senior Partner of Desai & Chinoy. He has wide experience in the field of Corporate Laws, Exchange Control Regulations, Foreign Collaborations and Joint Ventures, Mergers and Acquisitions.	wide experience in the field of Marketing and advices and mentors individuals firms and particularly involved in Customer based innovation business strategy, incubation and entrepreneurship.
Directorships held in other Public Companies (excluding Foreign Companies)	M/s. Camellia Infotech Limited M/s. Camlin International Limited	M/s. Paramount Cosmetics India Limited	Nil
Memberships/ Chairmanships of Committees of other Public Companies (Includes only Audit and Shareholders/Investors Grievance Committees)	Nil	Nil	Nil
Number of shares held in the Company	741500	Nil	Nil

Directors' Report to the Shareholders

Your Directors have pleasure in presenting herewith the 64th Annual Report and Audited Statements of Account for the Financial Year ended 31st March, 2011.

HIGHLIGHTS OF 2010-11:

- Net Sales were at ₹ 35723.22 Lacs as compared to ₹ 33033.76 Lacs.
- Profit before tax was at ₹ 1205.71 Lacs as compared to ₹ 1657.39 Lacs.
- The Directors have recommended a lower dividend at the rate ₹ 0.25 per share on face value of ₹ 1/- each.

FINANCIAL RESULTS:

(₹. Lacs)

	2010-11	2009-10
Profit Before Extraordinary/ Exceptional Item & Tax	1312.38	1824.47
Less: Exceptional item	106.67	-
Extraordinary item (Amortisation of VRS cost)	-	167.08
	1205.71	1657.39
Less: Provision for Tax		
- Current	325.00	390.00
- Deferred	16.20	43.10
- Prior Year (Net)	5.83	20.06
Profit After Tax	858.68	1204.23
Balance brought forward from last year	1634.82	983.06
Less: Prior year appropriation (Dividend and Tax thereon)	0.25	-
Balance Carried forward	2493.25	2187.29
Transferred to:		
Proposed Dividend	152.66	301.27
Corporate Tax on Dividend	25.94	51.20
General Reserve	100.00	200.00
Balance Carried Forward	2214.65	1634.82
	2493.25	2187.29

OPERATING PERFORMANCE:

During the year your Company reported a net sales of ₹ 35723.22 Lacs as compared to ₹ 33033.76 Lacs for the last year representing marginal growth over the previous year. Profit before Tax for the year ended 31st March, 2011 was lower at ₹ 1205.71 Lacs as against ₹ 1657.39 Lacs for the previous year.

In spite of marginal growth in net sales the profitability for the year was impacted adversely on account of

Increase in Raw Material Cost, Overheads and Interest on borrowings.

EMPLOYEE STOCK OPTION SCHEME:

In accordance with the Employee Stock Option Scheme, the Remuneration and Compensation Committee, on 21st July, 2008 had approved the grant of 25,72,500 Equity Shares of ₹ 1/- each at an exercise price of ₹ 16/- per share. On 20th July, 2010 second 30% of the total options granted under ESOP scheme vested to the Employees of the Company.

During the year under review, the Company allotted 8,11,012 Equity Shares upon exercise of Stock Options to the eligible employees under the said ESOP scheme.

The applicable disclosure as stipulated under the SEBI Guidelines as at 31st March, 2011 is given in annexure A to this report.

DIVIDEND:

The Directors recommended payment of lower Dividend of ₹ 0.25 per Equity Share of ₹ 1/- each.

SHARE SUBSCRIPTION AND JOINT VENTURE AGREEMENTS WITH KOKUYO S&T CO. LTD.

On 30th May, 2011, Share Subscription and Joint Venture Agreements were executed between the Company, its promoters and Kokuyo S & T Co., Ltd., Japan, (Kokuyo) which is a 100% subsidiary of Kokuyo Co., Ltd., a leading Company in Japan with over 100 years of experience in stationery and furniture products, design and construction of office & store interiors, mail order business, lifestyle retail and distribution. These products and services play a vital role in fulfilling the needs of homes, schools and offices. The products of the Company and that of Kokuyo are complimentary to each other and if combined would build a complete range of products, offerings in the stationery business. This collaboration with Kokuyo will promote the long term relationship which will benefit the Company enabling it to offer a wider range of products in the Indian market.

Further, to augment its long term resources for its capital expenditure and for implementing the future growth plan of the Company, the Board on 30th May, 2011 also approved the proposal for preferential

allotment of 6934000 Equity Shares of ₹ 1/- each at a price of ₹ 85/- per share (aggregating to 10% of the total equity capital) which Kokuyo has agreed to subscribe. An Extra Ordinary General Meeting of the Company has been convened for 29th June, 2011 for seeking the approval of the members. The price of ₹ 85/- per share is not less than the minimum price at which Equity Shares are permitted to be issued as per Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure) Regulations 2009. In connection with the said issue, Kokuyo has executed a Share Subscription Agreement on 30th May 2011 with the Company.

Under the Joint Venture Agreement, some of the promoters of the Company have agreed to sell approximately 23% Equity Shares of the current Equity Share Capital to Kokuyo, subject to Kokuyo making an open offer to acquire 20% share from the public shareholders under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997. Upon acquiring shares under the preferential allotment, transfer of shares by promoters and after acquiring shares under the open offer Kokuyo would be holding approximately 50.30% of the fully diluted Equity Capital of your 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 categorized 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 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. However when it comes to hobby range due to change in demographics and more women working and time constraints in our daily life the profile of hobby usership is changing and as such impacting hobby as we know it today. The school colour segment is quite dynamic and growing. However here too there is a need for the society to grow colour product usage and consumption across as a medium to enhance creativity and spur the minds of tomorrow's Indians. Your company is doing its bit by continuing to focus on activities like All India Camel Colour Contest which is now in its 39th year to spread the usage of color products amongst school kids.

Whereas 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, Education Standard getting improved and opening new categories of Education for specialisation and concentration on overall development of students. The office supplies segment is growing rapidly. Opening of new commercial offices having multi locational presence has helped the organized players with scalability to serve across locations and offer diverse range of products.

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. One of the key highlight is the launch of Zebra Pens which Camlin is the sole distributor and marketer in India.
- Continued focus on Office Products with focused consumer contact program and aggressive dealer loyalty programs catering to this segment.
- One of the most important and a long term initiative taken by your Company is to set up a dedicated School promotion team that will promote Camlin products. While this has meant adding a significant number of people of the payrolls and hence cost increase, we believe that this will in the long run prove extremely beneficial.

- Alliance with Kokuyo S&T Co., Ltd. (Kokuyo) shall add significantly to the product portfolio of Camlin and shall also open vast opportunities for Camlin's products in the International market.

However in 2010-11 there has been a significant increase in the material costs. The inflation in the economy which earlier was just in foods has now fully got into manufacturing impacting the margins in a very significant manner. The increase in interest cost, wages due to inflation and also for initiatives mentioned above has had an impact on profitability.

Competition in last few quarters has been severe. With now many players both Indian and International vying for a share in this market, the consumer has a great choice but is overall reducing the pricing power.

OUTLOOK, OPPORTUNITIES AND THREATS, RISKS AND CONCERNS:

The Indian stationery and color products 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 driving factors which will result in strong demand for your products.

Company is consistently innovating and enhancing its capabilities and operations to strengthen its competitive position. Series of strategic initiatives such as the alliance with Kokuyo 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 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. What

is of concern is the continued Competitive pressure that could affect your company's competitiveness. However new product introductions, aggressive promotions, increasing marketing effort is planned to mitigate this.

Every business faces risks either from internal operations or from external environment. The base of any business is a healthy appetite for risk. This is why one of the greatest and 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 is continuously identifying, prioritizing and mitigating Strategic, Operational, and Financial & Compliance risks and evolved a risk organizational structure with risk policies and procedures. Company has put in place a Risk Management Document which has the objective to create an 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 (IT):

The IT function has contributed immensely to improve operational efficiencies, inventory minimisation and cost optimisation for the Company. The successful implementation of SAP has also enabled Camlin to enhance operational efficiencies through functional integration. We continue to invest in new IT initiatives as drivers to our growth.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

In any industry, the processes and internal control systems play a critical role in the health of the Company. Camlin's well defined organisational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices. Internal Auditors independently evaluate the adequacy of internal control systems. Their

observations and recommendations are discussed by the Audit Committee to ensure effective corrective action.

The internal control system is supplemented by extensive internal audits, regular reviews by management and adherence to standard policies and guidelines to ensure reliability of financial and other records. The management information system provides timely and accurate information for effective control. Rigorous business planning as well as expense, capital and manpower budgeting processes ensure that progress is monitored against targets, and control is exercised on all major expenses.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

Human Resources (HR) are an integral and important part of any organisation. The Company has put in place sound policies for the growth and progress of its employees. Individual performance management systems are being implemented to encourage merit and innovative thinking. Roles and responsibilities are clearly defined at all levels. It has a well drawn recruitment policy and a performance-based compensation policy to enable the employees to develop a sense of ownership with the organisation. Camlin recognises the importance of providing training and development opportunities to its people to enhance their skills and experience, which in turn enables the Company to achieve its business objectives.

As on March 31, 2011, the Company had 964 employees on its payrolls. Relations with employees at all levels remained cordial during the year. The Board of Directors would like to express their sincere appreciation to all the employees, for the passion and dedication they bring to the Company.

AWARDS:

The Company's plant in Taloja and Vasai Maharashtra has been awarded the ISO 9001:2008 quality certification accredited by TUV.

The Company's unit at Samba, Jammu has been Certified as ISO 14001:2004 unit in recognition of the units Environmental Management Systems.

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 provision of 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 and also available on the Company's web-site www.camlin.com. The financial data of the Subsidiaries have been annexed and forms part of this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS:

As required under Clause 32 of the Listing Agreement and Accounting Standard No.21, issued by the Institute of Chartered Accounts of India, the Consolidated Financial Statements for the year ended 31st March, 2011 have been prepared by the Company and the said audited statements form part of the Annual Report.

DEPOSITS:

The Company has not accepted any fixed deposits during the year. There are no overdue deposits except unclaimed deposits amounting to ₹ 2.09 Lacs as at 31st March, 2011.

DIRECTORS:

Mr. Deepak M. Dandekar, Mr. Shishir B. Desai, and Mr. Ramanathan Sriram retire by rotation and being eligible offer themselves for re-appointment. You are requested to re-appoint them.

At the 64th Annual General Meeting four Special Resolutions are commended for your approval. The Resolutions at item no. 7 to 10 are for payment of remuneration to Wholtime Directors for the period 1st April, 2010 to 31st March, 2013 as earlier approved by the Remuneration and Compensation Committee and the shareholders at the 63rd Annual General meeting of the company held on 29th June, 2010.

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 31st March, 2011 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 31st March, 2011 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 31st March, 2011 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 31st March 2011 on a 'going concern' basis.

RECONCILIATION OF SHARE CAPITAL AUDIT:

As directed by the Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit has been carried out at the specified period, 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 The National Stock Exchange of India Limited a detailed Report on Corporate Governance is given as 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 ₹ 1.45 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 2011-2012. 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Camlin believes it has a duty and responsibility to give back to the country and the society that have enabled the Company to scale great heights. Camlin is involved in various CSR initiatives on several fronts. The Company spreads awareness on the importance of cleanliness and hygiene amongst school children and hospitals for the last 3 years,

The Company sponsors drawing material and colours for several schools across the country as well as for mentally challenged children to foster their creative skills. Camlin has also undertaken several activities to promote art in the country including the Annual All India Camel Colour Contest, All India Art Teacher's Art exhibitions which aim to promote artistic talent amongst art teachers as well as the Camel Art Foundation which organises regional art exhibitions for professional artists and fine art students.

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 D. DANDEKAR
CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai
Dated: 30th May, 2011.

Annexure A to Directors' Report

IN TERMS OF CLAUSE 12.1 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES 1999 ("THE SEBI GUIDELINES") THE PARTICULARS OF OPTIONS AS ON 31ST MARCH, 2011 ARE AS UNDER:

Sr. No.	Description	Details
a.	Options granted	25,72,500
b.	The pricing formula	Average of daily closing price during 7 days preceding the date of grant.
c.	Options vested	16,77,400
d.	Options exercised	10,64,537
e.	Total number of shares arising as result of exercise of options	10,64,537
f.	Options lapsed	2,19,650
g.	Variation of terms of Options	Nil
h.	Money realized by exercise of options	₹ 129.76 lacs
i.	Total number of options in force	12,88,313
j.	Employee-wise details of options granted to:	
	i. Senior Managerial Personnel	Mr. R. Y. Gotey, C.O.O. – Production (Col. Grp.) – 72,000 Mr. P. V. Narayan, C.O.O. (Mktg.) – 72,000 Mr. Simon Inchody, C.O.O. – Technical & Production (Sty. Grp.) – 72,000 Mr. N. V. Pitale, President – Projects (New Business Development) – 45,000 Mr. C. R. Badal, C.F.O. – 45,000 Mr. R. V. Damle, Vice President (Corporate) & Company Secretary – 36,000
	ii. Any other Employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year.	N.A.
	iii. Identified Employees who were granted option, 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.	N.A.
k.	Diluted earning per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning per Shares.	Basic ₹ 1.42 Diluted ₹ 1.39

Sr. No.	Description	Details
I.	The difference between the employee compensation costs computed under intrinsic value method and the Employee compensation cost that shall have been recognized if the Company had used the fair value methods and its impact on profits and on EPS of the Company.	Adjusted EPS Basic ₹ 1.39 Diluted ₹ 1.36
m.	Weighted average exercise prices and weighted average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Exercise price equal to Market Price – N.A. Weighted average fair value is greater than Market price – ₹ 6.62 Exercise is less than Market Price – N.A.
n.	Description of the method and significant assumptions used during the year to estimate the fair values of Options.	The Company has opted intrinsic value method for accounting of compensation cost arising out of ESOP. However, for disclosure in Para I, the following assumption have been used.
	i. Risk-free interest rate	7.31%
	ii. expected life	2.5 years
	iii. expected volatility	70.73%
	iv. Expected dividend and	1.14%
	v. The price of the underlying share in the Market at the time of option granted	₹ 150.80

For & on behalf of the board

DILIP D. DANDEKAR
CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai

Dated: 30th May 2011

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.

(₹ Lacs)

4. Expenditure on R&D	2010-11	2009-10
(a) Capital	-	-
(b) Recurring	46.35	43.85
(c) Total	46.35	43.85
(d) Total R&D Expenditure as a Percentage of total turnover	0.13	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 : N.A.
Import

(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 USA, Thailand, Algeria, UAE, Bangladesh, Nepal and

Srilanka. 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

	(₹ Lacs)	
	2010-11	2009-10
Foreign exchange used	3170.38	2385.52
Foreign exchange earned	1025.99	577.03

For & on behalf of the Board

DILIP D. DANDEKAR
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Dated : 30th May, 2011.

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 31st March, 2011.

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 prerequisite 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 in an easily understood manner on all matters 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 31st March, 2011 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	6	8	Yes	Nil	1
Mr. Rajiv M. Dandekar, Jt. Managing Director	ED	5	Nil	Yes	Nil	Nil
Mr. Shriram S. Dandekar, Executive Director	ED	6	1	Yes	Nil	Nil
Mr. Deepak M. Dandekar, Executive Director	ED	6	2	Yes	Nil	Nil
Mr. Ashish S. Dandekar	NED	4	8	Yes	Nil	1
Mr. Anil C. Singhvi	NED	5	6	Yes	2	2
Mr. Dhananjay N. Mungale	NED (I)	6	10	Yes	3	6
Mr. Shishir S. Shirgaokar	NED (I)	5	3	Yes	Nil	Nil
Mr. Deepak K. Ghaisas	NED (I)	5	3	Yes	3	-
Mr. Vijay N. Paranjpe	NED (I)	5	Nil	Yes	Nil	Nil
Mr. Shishir B. Desai	NED (I)	6	1	Yes	Nil	Nil
Mr. Ramanathan Sriram	NED (I)	4	Nil	Yes	Nil	Nil

ED- Executive Director./NED (I) - Non-Executive Director (Independent)/NED- Non-Executive Director.

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

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, Six (6) Board Meeting were held and the details are given below:

Sr. No.	Date	Board Strength	No. of Directors Present
1	29 th April, 2010	12	11
2	29 th June, 2010	12	12
3	14 th July, 2010	12	9
4	18 th October, 2010	12	11
5	19 th November, 2010	12	9
6	25 th January, 2011	12	11

Code Of Conduct:

The Board has laid down a Code of Conduct for all 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.

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.

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 Committee 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 their 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 29th 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 29th April, 2010, 14th July, 2010, 18th October, 2010 and 25th January, 2011.

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. Deepak K. Ghaisas	Chairman	NED (I)	4
Mr. Anil C. Singhvi	Member	NED	3
Mr. Dhananjay N. Mungale*	Member	NED (I)	4
Mr. Vijay N. Paranjpe	Member	NED (I)	3
Mr. Shishir S. Shirgaokar**	Member	NED (I)	-

* Ceased to be a Member w.e.f. 25th January, 2011.

** Appointed as a Member w.e.f. 25th January, 2011.

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 to this committee, inter alia covers all the matters specified under Clause 49 of the Listing Agreement 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 inter alia 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 AND COMPENSATION COMMITTEE:

Composition, Meetings and the Attendance during the year.

With effect from 21st January, 2009, two Committees namely Remuneration Committee and Compensation Committee were merged and a new Committee was constituted namely, Remuneration and Compensation Committee.

During the financial year 2010-11, no meeting of reconstituted 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. Dhananjay N. Mungale**	Chairman	NED (I)
Mr. Ramanathan Sriram	Member	NED (I)
Mr. Shishir B. Desai	Member	NED (I)
Mr. Dilip D. Dandekar	Member	ED

* Ceased to be a Member w.e.f. 29th April, 2010

** Appointed as a Member w.e.f. 29th April, 2010

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 after taking into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.
- To formulate Employees Stock Option Scheme (ESOP) and its implementation.
- To administer, supervise the detailed terms & conditions in accordance with SEBI Guidelines.

Remuneration to Directors:

A. Executive Directors:

Following is the Remuneration paid to the Executive Directors for the financial year ended 31st March, 2011:-

(₹ in Lacs)

Name	Salary Including HRA	Perquisites #	Total
Mr. Dilip D. Dandekar	45.36	1.64	47.00
Mr. Rajiv M. Dandekar	38.16	1.71	39.87
Mr. Shriram S. Dandekar	38.16	1.51	39.67
Mr. Deepak M. Dandekar	38.16	0.94	39.10

#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 as per the rules of the Company.

In view of inadequate profit during the financial year 2010-2011, four Special Resolutions for payment of minimum remuneration to Executive Directors for a period of three years with effect from 1st April, 2010 are placed before the Members for their approval at 64th Annual General Meeting and thereafter the Central Government approval will be obtained.

Agreement for the period of three (3) years w.e.f. 1st April, 2010 has been separately entered into with each of the Executive Directors.

B. Non-Executive Directors:

Sitting Fees are paid to Non-Executive Directors as below:-

For Board & Audit Committee meeting ₹ 10,000/- per meeting. For Remuneration & Compensation and Shareholders/ Investor grievance committee meetings ₹ 5,000/-per meeting.

The details of Sitting Fees paid to Non-Executive Directors for the year ended 31st March, 2011 are given below:

(₹ in Lacs)

Name	Sitting Fees
Mr. Shishir S. Shirgaokar	0.65
Mr. Dhananjay N. Mungale	1.00
Mr. Anil C. Singhvi	0.80
Mr. Ashish S. Dandekar	0.40
Mr. Deepak K. Ghaisas	0.90
Mr. Vijay N. Paranjpe	0.80
Mr. Shishir B. Desai	0.80
Mr. Ramanathan Sriram	0.40
GRAND TOTAL	5.75

The Company has paid legal fees of ₹ 3.21 Lacs for the financial year 2010-11 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 31st March, 2011 :

Name	Shares Held
Mr. Ashish S. Dandekar	857,000
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. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

Composition, meetings and the attendance during the year.

The Shareholders/Investors Grievance Committee was constituted on 23rd 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 29th April, 2010, 14th July, 2010, 18th October, 2010 and 25th January, 2011.

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. Shishir S. Shirgaokar	Chairman	NED (I)	3
Mr. Shishir B. Desai	Member	NED (I)	4
Mr. Rajiv M. Dandekar	Member	ED	4

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, Six Complaints about non receipt of Dividend and Share Certificates 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.

6. GENERAL BODY MEETINGS:

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

Financial Year	Venue	Date & Time
2009-2010	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020	29 th June, 2010 at 3.00 p.m
2008-2009	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020	26 th June, 2009 at 3.00 p.m.
2007-2008	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020	3 rd July, 2008 at 3.00 p.m.

Two Special Resolutions were passed at the 61st Annual General Meeting, one Special Resolution was passed at the 62nd Annual General Meeting and one Special Resolution was passed at the 63rd 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.

7. 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. 22-K(vi) to the financial statements in the Annual Report.

Compliance with Regulations

The Company has complied with all the requirements of the Listing Agreement 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 minimization of the risks. The above will facilitate not only risk assessment and timely rectification but also help in minimization 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 Certificates to the Board of Directors under Clause 49 (V) of the Listing Agreement.

8. MEANS OF COMMUNICATION:

The quarterly and half-yearly results are published in widely circulating national and local newspapers such as The Economic Times (English) and Maharashtra Times (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 Company's web-site www.camlin.com within the timeframe prescribed in this regard.

9. GENERAL SHAREHOLDER INFORMATION:

- i. As indicated in the Notice to our Shareholders, the 64th Annual General Meeting of the Company will be held on Thursday, the 7th July, 2011 at 3.00 p.m. at Walchand Hirachand Hall, IMC Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020.

ii. Financial Calendar	: Financial Reporting by:
Unaudited Results for the quarter Ending 30 th June, 2011.	: Mid of August, 2011.
Unaudited Results for the quarter Ending 30 th September, 2011.	: Mid of November, 2011.
Unaudited Results for the quarter ending 31 st December, 2011.	: Mid of February, 2012.
Audited Results for the year ending 31 st March, 2012.	: End of May, 2012.

- iii. Date of Book Closure : From 1st July, 2011 to 7th July, 2011 (both days inclusive).

- iv. Date of Dividend Payment : on or before 6th August, 2011.

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 2012.

- v. Demat ISIN in CDSL/NSDL:- INE 760A01029.

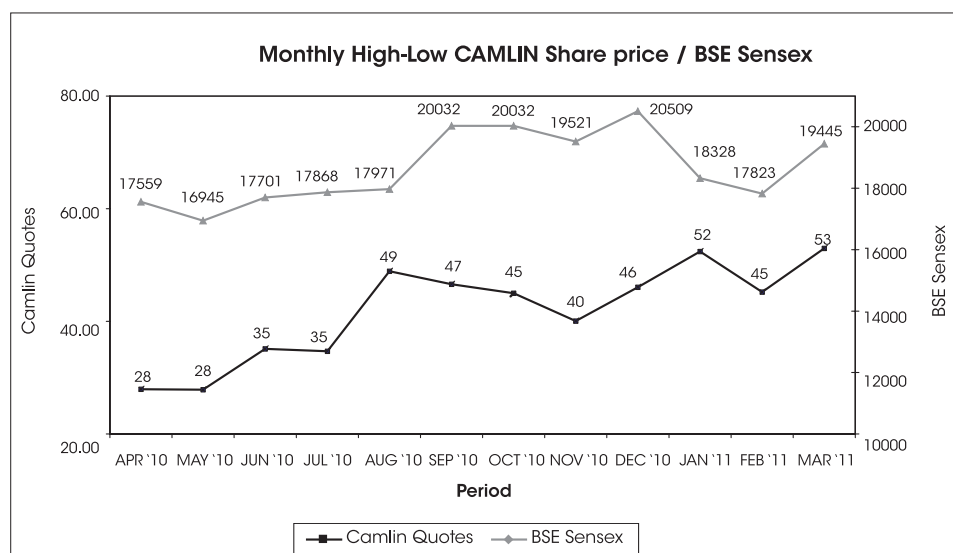
Corporate Identity Number (CIN):- L24223MH1946PLC005434.

- vi. Share Prices (High/Low) for the year at BSE and NSE:-

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2010	29.35	24.40	29.40	24.15
May, 2010	31.95	25.05	32.00	25.20
June, 2010	35.75	27.30	35.80	27.35
July, 2010	39.10	33.40	39.90	33.45
August, 2010	58.90	34.55	58.90	34.85
September, 2010	55.75	44.90	55.85	44.60
October, 2010	53.50	44.70	53.40	45.00
November, 2010	49.25	38.50	49.40	38.60
December, 2010	47.80	36.70	47.80	37.00
January, 2011	66.85	45.25	66.80	45.80
February, 2011	53.35	40.80	53.30	44.95
March, 2011	57.25	45.10	58.00	45.10

- vii. Stock performance:

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



viii. Registrars and Share Transfer Agents for Shares:

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

ix. 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.

x. Distribution of Shareholding as on
31st March, 2011:

No. of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
Up to 5000	13769	97.00	9006296	14.75
5001-10000	167	1.18	1305372	2.14
10001-20000	91	0.64	1369169	2.24
20001-30000	40	0.28	996034	1.63
30001-40000	15	0.11	507530	0.83
40001-50000	12	0.08	568777	0.93
50001-100000	25	0.18	1904201	3.12
100001 and above	75	0.53	45407158	74.36
Total	14194	100.00	61064537	100.00

xi. Shareholding Pattern as on 31st March, 2011

Category Code	Category of Shareholder	No. of Shareholders	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	50	15587720	25.53
'b	Central Government/State Government(s)	-	-	-
'c	Bodies Corporate	7	6362460	10.42
'd	Financial Institutions/Banks	-	-	-
'e	Any Other (specify)	-	-	-
	Sub - Total (A)(1)	57	21950180	35.95
(2)	Foreign			
'a	Individuals (Non-Resident Individuals/Foreign Individuals)	3	1355000	2.22
'b	Bodies Corporate	-	-	-
'c	Institutions	-	-	-
'd	Any Other (Specify)	-	-	-
	Sub - Total (A)(2)	3	1355000	2.22
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + A(2)	60	23305180	38.16

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Shares	Total shareholding as a percentage of total no. of shares
(B)	Public Shareholding			
(1)	Institutions			
`a	Mutual Funds/UTI	-	-	-
`b	Financial Institutions/Banks	5	75395	0.12
`c	Central Government/State Government(s)	-	-	-
`d	Venture Capital Funds	-	-	-
`e	Insurance Companies	-	-	-
`f	Foreign Institutional Investors	4	7608371	12.46
`g	Foreign Venture Capital Investors	-	-	-
`h	Any other (specify)	-	-	-
	Sub-Total (B)(1)	9	7683766	12.58
(2)	Non-Institutional			
`a	Bodies Corporate	528	8780261	14.38
`b	Individuals Individual shareholders holding nominal share capital upto ` 1 lakh	13428	13210708	21.63
	Individual shareholders holding nominal share capital in excess of ` 1 lakh	22	7807988	12.79
`c	Non - Resident (Non-Rep.)	31	51139	0.08
	Non - Resident (Rep.)	115	225125	0.37
	Trust	1	370	-
	Sub - Total (B) (2)	14125	30075591	49.25
	Total Public Shareholding (B)(1) + (B)(2)	14134	37759357	61.84
	Total (B) = (A) + (B)	14194	61064537	100.00
`(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-
	Grand Total	14194	61064537	100.00

xii. 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 31st March, 2011, 95.14% of the total shares of the Company have been dematerialised.

xiii. 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 under Employees Stock Option Scheme, 2008 to the eligible employees of the Company on 21st July, 2008. Each option entitles to the holder thereof to apply for and be allotted one

Equity Share of ₹. 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.

During the year, the Company has allotted 8,11,012 Equity Shares upon exercise of Stock Options to the eligible employees under the said ESOP scheme.

xiv. Subsidiary Company:

The Company does not have any materially unlisted Indian Subsidiary but one Non-Executive Independent Director has been appointed on the Board of Camlin Alphakids Limited which is 100% Subsidiary of the Company.

xv. 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.

xvi. 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.

xvii. Secretarial Department:

The Company's Secretarial Department, headed by the Vice President (Corporate) & Company Secretary, is situated at

the Corporate office mentioned above. Shareholders/Investors may contact the Company Secretary for any assistance they may need.

10. NON MANDATORY REQUIREMENTS:

Non-Executive Chairman's Office:

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

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 Company's financial statement for the year under reference.

For & on behalf of the Board

Dilip D. Dandekar
Chairman & Managing Director

Place : Mumbai

Dated : 25th May, 2011.

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 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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 Agreement.

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 & Co**
Chartered Accountants
Firm Registration No. 105102W

D. P. BAPAT
Partner
(M. No. 30388)

Place : Mumbai
Date : 25th May, 2011.

Auditors' Report

TO

THE MEMBERS OF CAMLIN LIMITED

1. We have audited the attached Balance Sheet of **CAMLIN LIMITED** as at 31st March, 2011 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 and 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 31st March, 2011 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 31st March, 2011;
 - (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
Firm Registration No. 105102W

D. P. BAPAT
Partner
(M. No. 30388)

Place : Mumbai
Dated : 25th May, 2011

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) The fixed assets have been physically verified by the management during the year. 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.

The Company has neither granted nor taken any loans, secured or unsecured, to or 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 31st March, 2011 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 ₹ 41.10 lacs under the Central Excise Act, 1956 out of which dispute in respect of ₹ 20.63 lacs is pending before Bombay High Court, ₹18.14 lacs is pending before the Central Excise and Service Tax Tribunal and ₹ 2.33 lacs with Commissioner

(Appeal), (ii) dispute in respect of Services Tax of ₹ 1.89 lacs under the Finance Act, 1994 which is pending before the Assistant Commissioner, (iii) Dispute in respect of Income Tax of Rs. 112.61 lacs under the Income Tax Act, 1961 pending before the Commissioner of Income Tax (Appeals) (iv) Dispute in respect of Sales Tax of ₹ 93.80 lacs under the State Sales Tax Laws and ₹ 7.96 lacs under the Central Sales Tax Act, pending before the Dy. Commissioner (Appeals) and (v) Dispute in respect of custom duty of ₹ 5.40 lacs pending before the Commissioner of Customs.

(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:

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 given a corporate guarantee of ₹ 150 lacs in respect of the loan



availed by its associate M/s. ColArt Camlin Canvas Private Ltd. which, in our opinion, prima facie, is not prejudicial to the interest of the Company.

(xvi) Term Loans:

Term loans availed by the Company have been applied by the Company for the purposes for which they are obtained.

(xvii) Utilisation of Funds:

According to the information and explanations given to us and on an overall examination of the Balance Sheet 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

Firm Registration No 105102W

D. P. BAPAT

Partner

(M. No. 30388)

Place : Mumbai

Dated : 25th May, 2011

Balance Sheet as at 31st March, 2011

	Schedules	As at 31.03.2011 (₹ Lacs)	As at 31.03.2010 (₹ Lacs)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	610.65	602.54
Reserves and Surplus	2	6,464.85	5,635.87
		7,075.50	6,238.41
Loan Funds			
Secured Loans	3	3,871.70	4,257.76
Unsecured Loans	4	490.52	—
		4,362.22	4,257.76
Deferred Tax Liability (Net)		178.91	162.71
TOTAL		11,616.63	10,658.88
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	10,440.85	8,989.28
Less: Depreciation		3,904.24	3,433.23
Net Block		6,536.61	5,556.05
Capital Work-In-Progress		8.01	189.03
		6,544.62	5,745.08
Investments	6	228.88	126.35
Current Assets, Loans and Advances			
Inventories	7	6,056.81	5,861.10
Sundry Debtors	8	5,421.23	4,829.66
Cash and Bank Balances	9	133.68	202.81
Loans and Advances	10	1,144.07	1,288.13
		12,755.79	12,181.70
Less: Current Liabilities and Provisions			
Liabilities	11	7,522.21	6,849.92
Provisions	12	390.45	544.33
		7,912.66	7,394.25
Net Current Assets		4,843.13	4,787.45
Miscellaneous Expenditure	13	—	—
(to the extent not written off or adjusted)			
TOTAL		11,616.63	10,658.88
Schedules 1 to 24 forming part of Accounts			

As per our report of even date annexed

For B.K. Khare & Co.

Chartered Accountants

Chetan Badal
Chief Financial Officer

Dilip Bapat
Partner
(M. No. 30388)
(Firm Registration No. 105102W)
Mumbai
Dated: 25th May, 2011

Ravindra Damle
V. P. (Corporate) &
Company Secretary

Dilip Dandekar
Shriram Dandekar
Deepak Dandekar
Ashish Dandekar
Shishir Shirgaokar
Deepak Ghaisas
Vijay Paranjpe
Shishir Desai
Ramanathan Sriram

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

Profit and Loss Account for the year ended 31st March, 2011

	Schedules	Year ended 31.03.2011 (₹ Lacs)	Year ended 31.03.2010 (₹ Lacs)
INCOME			
Net Sales/Income from Operations	14	35,825.33	33,069.79
Other Income	15	8.45	17.38
TOTAL INCOME		35,833.78	33,087.17
EXPENDITURE			
Consumption of Materials & Goods traded-in	16	23,088.92	21,921.86
(Increase)/Decrease in Stocks	17	102.13	(976.81)
Employee Cost	18	3,017.38	2,915.54
Manufacturing & Other Expenses	19	6,934.05	6,302.37
Finance Cost	20	731.14	582.94
Depreciation		647.78	516.80
Amortisation of VRS Cost		—	167.08
TOTAL EXPENDITURE		34,521.40	31,429.78
Net Profit before Exceptional Item		1,312.38	1,657.39
Exceptional Item : Provision for diminution in value of investments/doubtful advances [Refer Note no. 22 E]		106.67	—
Net Profit before Tax		1,205.71	1,657.39
Less : Current Tax		325.00	390.00
: Prior Years (Net)		5.83	20.06
: Deferred		16.20	43.10
Profit after Tax		858.68	1,204.23
Balance brought forward from last year		1,634.82	983.06
Less : Dividend paid for previous year		0.21	—
: Corporate Tax thereon		0.04	—
		2,493.25	2,187.29
APPROPRIATIONS			
Proposed Dividend		152.66	301.27
Corporate Tax on Dividend		25.94	51.20
General Reserve		100.00	200.00
Balance Carried to Balance Sheet		2,214.65	1,634.82
		2,493.25	2,187.29
Earning Per Share of ₹ 1/- Basic (in ₹)		1.42	2.00
Earning Per Share of ₹ 1/- Diluted (in ₹)		1.39	1.99
[Earning per share before exceptional item Basic & Diluted for the year is ₹ 1.59 and ₹ 1.57 respectively]			
Schedules 1 to 24 forming part of Accounts			

As per our report of even date annexed

For B.K. Khare & Co.

Chartered Accountants

Chetan Badal

Chief Financial Officer

Dilip Bapat

Partner

(M. No. 30388)

(Firm Registration No. 105102W)

Mumbai

Dated: 25th May, 2011

Ravindra Damle

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Dilip Dandekar

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Vijay Paranjpe

Shishir Desai

Ramanathan Sriram

Chairman & Mg. Director

Executive Director

Executive Director

Director

Director

Director

Director

Director

Director

Schedules to Balance Sheet

	31.03.2011 (₹ Lacs)	31.03.2010 (₹ Lacs)
1. SHARE CAPITAL		
Authorised		
10,00,00,000 Equity Shares of ₹ 1/- each	1,000.00	1,000.00
Issued, Subscribed & Paid-up		
6,10,64,537 Equity Shares of ₹ 1/- each (2009-2010 6,02,53,525 Equity Shares of ₹ 1/- each)	610.65	602.54
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) 10,64,537 Equity Shares allotted under "Camlin Employees Stock Option Scheme 2008".		
2. RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	25.20	25.20
Capital Investment subsidy received during the year	27.50	—
	52.70	25.20
Share Premium Account		
As per last Balance Sheet	2,018.03	1,980.00
Received during the year	121.65	38.03
	2,139.68	2,018.03
General Reserve		
As per last Balance Sheet	1,957.82	1,757.82
Transferred from Profit and Loss Account	100.00	200.00
	2,057.82	1,957.82
Surplus in Profit and Loss Account	2,214.65	1,634.82
	6,464.85	5,635.87

Schedules to Balance Sheet (Contd.)

		31.03.2011 (₹ Lacs)		31.03.2010 (₹ Lacs)
3. SECURED LOANS				
(i) Term Loans from Banks & Financial Institutions	617.91		879.04	
Interest accrued thereon	6.69	624.60	8.26	887.30
(ii) Bank Overdrafts/Working Capital Demand Loan		3,247.10		1,370.46
(iii) Commercial paper issued – Carved within the overall approved working capital limits		—		2,000.00
		3,871.70		4,257.76
Term Loans include ₹ 304.02 Lacs repayable within one year (2009-2010 ₹ 299.19 Lacs)				
4. UNSECURED LOANS				
Short Term Loan from Bank		490.52		—
		490.52		—

5. FIXED ASSETS

(₹ Lacs)

PARTICULARS	COST				DEPRECIATION				BALANCE	
	Gross Block	Additions during the year	Disposals/ Adjustments	As at 31.03.2011	Upto 31.03.2010	For the year	Disposals/ Adjustments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Freehold Land	2.73	—	—	2.73	—	—	—	—	2.73	2.73
Leasehold Land	187.29	—	—	187.29	8.73	1.93	—	10.66	176.63	178.56
Site Development	19.70	2.77	—	22.47	2.08	0.34	—	2.42	20.05	17.62
Building & Shed	1,028.52	525.00	1.55	1,551.97	153.38	41.83	1.55	193.66	1,358.31	875.14
Plant, Machinery & Equipment	6,859.16	1,048.02	154.79	7,752.39	2,842.35	522.17	152.10	3,212.42	4,539.97	4,016.81
ERP Hardware/ Software Cost	314.84	—	—	314.84	198.36	41.20	—	239.56	75.28	116.48
Furniture & Fittings	364.59	9.00	—	373.59	145.52	18.21	—	163.73	209.86	219.07
Vehicles	212.45	59.42	36.30	235.57	82.81	22.10	23.12	81.79	153.78	129.64
Total	8,989.28	1,644.21	192.64	10,440.85	3,433.23	647.78	176.77	3,904.24	6,536.61	5,556.05
Previous Year	7,833.94	1,506.62	351.28	8,989.28	3,234.98	516.80	318.55	3,433.23	5,556.05	4,598.98

Schedules to Balance Sheet (Contd.)

	31.03.2011 (₹ Lacs)	31.03.2010 (₹ Lacs)
6 INVESTMENTS - LONG TERM		
I. Quoted (Trade)		
80,000 Shares (2009-2010 50,000 Shares) of ₹10/- each in Camlin Fine Chemicals Ltd.	9.73	5.00
[Market Value ₹ 54.40 Lacs (2009-2010 45.00 Lacs)]		
II. Unquoted		
A. Non Trade		
Subsidiary Companies		
(a) 5,000 Equity Shares of ₹ 100/- each in Camlin International Ltd.	5.00	5.00
(b) 20,000 Equity Shares of US\$ 1 each in Camlin North America Inc., USA	9.26	9.26
Less: Provision for diminution in value	9.26	—
(c) 10,00,000 Equity Shares (2009-2010 5,00,000 Equity Shares) of ₹ 10/- each in Camlin Alphakids Ltd.	100.00	50.00
(d) 10,00,000 7% Redeemable Non-cumulative Preference Shares of ₹ 10/- each in Camlin Alphakids Ltd.	100.00	
B. Trade		
(a) 4,000 Equity Shares of ₹ 100/- each in Triveni Pencils Ltd.	4.00	4.00
(b) 2,150 Equity Shares of ₹ 100/- each in Excella Pencils Ltd.	2.15	2.15
(c) 10,000 Equity Shares of ₹ 10/- each in Sicom Ltd.	8.00	8.00
(d) 5,22,000 Equity Shares of ₹ 10/- each in ColArt Camlin Canvas Pvt. Ltd.	52.20	52.20
Less: Provision for diminution in value	52.20	—
	228.88	126.35
7. INVENTORIES		
Raw Materials	777.84	550.63
Packing Materials	1,394.00	1,323.37
Work-in-Process	764.55	574.26
Goods-in-Transit	81.25	114.59
Finished Goods	3,039.17	3,298.25
	6,056.81	5,861.10

Schedules to Balance Sheet (Contd.)

	31.03.2011 (₹ Lacs)	31.03.2010 (₹ Lacs)
8. SUNDRY DEBTORS (UNSECURED)		
(i) Due from subsidiary company – Camlin North America Inc. USA		
Outstanding over six months	26.48	26.48
Outstanding less than six months (Fully provided)	—	—
(ii) Other Debts – Outstanding over six months		
(a) Considered Good	160.11	111.93
(b) Considered Doubtful	90.43	97.81
(iii) Other Debts – Considered Good	5,261.12	4,717.73
	5,538.14	4,953.95
Less: Provision for doubtful debts	116.91	124.29
	5,421.23	4,829.66
9. CASH AND BANK BALANCES		
(i) Cash on Hand	8.30	6.56
(ii) With Scheduled Banks		
(a) In Fixed Deposit Accounts	4.70	0.30
(b) In Current Accounts	96.61	175.05
(c) Staff Security Deposit Account	7.58	7.32
(d) In Current Account for the payment of Dividend and F.D. Interest	16.49	13.16
(iii) With Others		
In Current Account with Municipal Co-operative Bank Ltd. [Maximum balance during 2010-2011 ₹ 0.42 Lacs (2009-2010 ₹ 0.47 Lacs)]	—	0.42
	133.68	202.81
10. LOANS AND ADVANCES		
(a) (i) Loan to subsidiary company – Camlin North America Inc. USA (Fully provided)	19.99	19.99
(ii) Loan to subsidiary company – Camlin Alphakids Ltd. [Interest free]	104.50	92.75
(b) UNSECURED		
(i) Advances recoverable in cash or in kind or for the value to be received	764.29	847.20
(ii) Staff Advances	4.77	4.06
(iii) Deposits	324.98	344.12
	1,218.53	1,308.12
Less: Provision for doubtful advances	74.46	19.99
	1,144.07	1,288.13

Schedules to Balance Sheet (Contd.)

	31.03.2011 (₹ Lacs)	31.03.2010 (₹ Lacs)
11. LIABILITIES		
(i) Sundry Creditors and Letters of acceptances [Refer Note no. 21 K (vi)]	5,750.14	5,190.79
(ii) Security Deposits	775.64	692.65
(iii) Unclaimed Dividend	14.91	11.37
(iv) Other Liabilities	981.52	955.11
	7,522.21	6,849.92
12. PROVISIONS		
(i) Provision for Employees' Benefits	172.73	159.13
(ii) Excise Duty on bonded warehouse stocks	23.50	29.32
(iii) Provision for Tax (Net of taxes paid)	15.62	3.41
(iv) Proposed Dividend	152.66	301.27
(v) Corporate Tax on Dividend	25.94	51.20
	390.45	544.33
13. MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Voluntary Retirement Scheme (VRS)		
As per last Balance Sheet	—	167.08
Less: Written off during the year	—	167.08
	—	—

Schedules to Profit and Loss Account

	31.03.2011 (₹ Lacs)	31.03.2010 (₹ Lacs)
14. SALES/INCOME FROM OPERATIONS		
Gross Sales	36,648.82	33,990.17
Add: Insurance Claim	8.36	2.31
Less: Trade Discount	69.31	108.66
Less: Excise Duty [Net of rebate of ₹ 341.33 Lacs (2009-2010 ₹ 82.08 Lacs)] [Refer Note No. 22 K (iv)]	864.65	850.06
Net Sales	35,723.22	33,033.76
Other Income from Operations	102.11	36.03
	35,825.33	33,069.79
15. OTHER INCOME		
Interest [Tax deducted at source ₹ 0.56 Lacs (2009-2010 – ₹ 0.32 Lacs)]	6.32	9.74
Dividend – On Trade Investments [Tax deducted at source Nil]	1.70	1.60
Profit on Sale of Assets	—	0.40
Miscellaneous Receipts	0.43	5.64
	8.45	17.38
16. CONSUMPTION OF MATERIALS AND GOODS TRADED-IN		
(i) Raw Materials		
Stock of Raw Materials as per last Balance Sheet	550.63	375.92
Add: Purchases	4,260.29	4,013.10
	4,810.92	4,389.02
Less: Stock of Raw Materials as at year end	777.84	550.63
	4,033.08	3,838.39
(ii) Packing Materials and Components	8,586.55	7,243.72
(iii) Purchase of Finished Goods for resale	10,469.29	10,839.75
	23,088.92	21,921.86
17. (INCREASE)/DECREASE IN STOCK OF WORK IN PROCESS & FINISHED GOODS		
(Produced & Purchased for Resale)		
Stocks as per last Balance Sheet		
Work in Process	574.26	486.07
Goods in Transit	114.59	19.98
Finished Goods	3,298.25	2,504.24
	3,987.10	3,010.29
Less: Closing Stock as at year end		
Work in process	764.55	574.26
Goods in Transit	81.25	114.59
Finished Goods	3,039.17	3,298.25
	3,884.97	3,987.10
	102.13	(976.81)

Schedules to Profit and Loss Account (Contd.)

	31.03.2011 (₹ Lacs)	31.03.2010 (₹ Lacs)
18. EMPLOYEE COST		
Salaries, Wages and Bonus	2,575.78	2,425.11
Contribution to Provident & other funds [Refer Note no. 22 K (iv)]	304.81	372.94
Staff and Labour Welfare	136.79	117.49
	3,017.38	2,915.54
19. MANUFACTURING & OTHER EXPENSES		
Power and Fuel	289.31	275.85
Job work charges	540.58	579.77
Repairs:		
— Building	6.16	9.09
— Machinery	50.88	53.40
— Others	121.75	120.83
Rent	500.20	491.65
Rates and Taxes	17.47	10.23
Excise duty provided on finished goods (net)	(5.82)	4.52
Insurance	59.64	59.71
Advertisement and Sale Promotion	1,465.18	1,151.33
Transport & Forwarding Charges	1,205.14	1,266.30
Commission/Discount/Service Charges on Sales	557.26	461.95
Travelling & Conveyance	589.44	486.28
Auditors Remuneration [Refer Note no. 22I]	19.58	22.64
Provision for Doubtful Debts/Advances	25.16	59.49
Bad Debts Written Off	32.55	42.31
Less : Provision write back	32.55	42.31
Directors' Meeting Fees/Commission	5.75	19.30
Miscellaneous Expenses	1,480.47	1,210.77
Loss on sale/discard of Assets	5.90	19.26
	6,934.05	6,302.37
20. FINANCE COST		
On fixed period loans	168.12	211.38
On other borrowings	563.02	371.56
	731.14	582.94

Schedules to Accounts

21. 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 Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. 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 and provision is made when there is a decline, other than temporary, in the value thereof. Current investments are stated at cost or fair value whichever is lower.

E. Valuation of Inventories:

A.	Raw Materials and Packing Materials	:	At moving weighted average cost, written down to realisable value if the costs of related finished goods exceed net realisable value.
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.

Schedules to Accounts (Contd.)

- 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.

H. Research and Development

Revenue expenditure incurred on Research and Development is charged to Profit and Loss Account of the year. Capital expenditure on Research and 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:

- i. 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.
- ii. Revenue in respect of overdue interest, insurance claim, etc is recognised to the extent the company is reasonably certain of its ultimate realisation.
- iii. Remission from Excise Duty paid in respect of the clearances from Jammu Plant is recognised as revenue based on legal advice obtained by the Company [Refer Note no. 22 K v].
- iv. Expenses are accounted for on accrual basis.
- v. Provisions are recognised when a present legal or constructive obligation exists and the payment is probable and can be reliably estimated.
- vi. Lease Rentals in respect of assets taken on "operation of lease" are charged to Profit and Loss Account on straight line basis over the lease term.

K. Government Grants

Where the grants are of the nature of promoters' contribution with reference to total investment in the undertaking or total capital outlay, they are treated as capital reserve.

Grants related to specific fixed assets are deducted from the book value of the related assets.

Grants related to revenue are credited to the profit and loss account and presented as income from operations.

L. 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.

M. 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.

N. 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.

O. 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.

Schedules to Accounts (Contd.)

P. 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.

Q. Voluntary Retirement Scheme

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

22. NOTES TO ACCOUNTS:

A. Contingent Liabilities

- In respect of Guarantees issued on behalf of the Company by its Bankers to the extent of ₹ 16.00 Lacs (2009-2010 - ₹ 2.10 Lacs).
- Corporate Guarantees given to ColArt Camlin Canvas Pvt. Ltd. ₹ 150.00 Lacs (2009-2010 ₹ 150.00 Lacs).
- Demands against the Company, either disputed or not acknowledged as debts and not provided for:

(₹ Lacs)

		2010-11	2009-10
a.	Income Tax	112.61	136.29
b.	Sales Tax	126.98	69.54
c.	Excise/Custom Duty	77.37	74.06
d.	Service Tax	1.89	1.89
e.	Labour Matters	10.05	8.13
f.	Others	7.63	0.63

- Incremental wage demands in respect of Tarapur plant following the expiry of the earlier settlement-amount unascertainable.

B. Unhedged Foreign Exchange Exposure:

The unhedged exposure of foreign currency transactions is as follows:

(In Lacs)

On Account of	Currency	2010-11	2009-10
(i) Sundry Debtors	(USD)	8.26	5.50
(ii) Sundry Creditors	(USD)	1.12	0.86
	(GBP)	0.13	0.04
	(YEN)	135.38	80.85
	(EUR)	0.07	0.11

C. Commitments

Value of contracts (net of advance) remaining to be executed on capital account not provided for ₹ 216.40 Lacs (2009-2010 ₹ 182.70 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. Investment in/advances to Associate Company

The Company holds shares in ColArt Camlin Canvas Pvt. Ltd. at a carrying cost of ₹ 52.20 Lacs and has given advance (including interest accrued thereon) of ₹ 54.47 Lacs to the said Company. The net worth of the said Company stands eroded by accumulated losses. The turnaround business plans

Schedules to Accounts (Contd.)

have failed to bear fruition. Therefore, provision is made for decline the value of investments as also for the apprehended non-realisation of the advance. Accordingly, an amount of ₹ 106.67 Lacs is provided in the Profit and Loss Account and shown as an exceptional item therein.

F. Loans And Advances

Staff Advances include Loans/Advances due from Officers ₹ Nil (2009-2010 – ₹ Nil) Maximum balance ₹ Nil (2009-2010 – ₹ Nil).

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

(₹ Lacs)

	2010-11	2009-10
a. Unclaimed dividends	14.90	11.36
b. Unclaimed fixed deposits	2.09	2.59
c. Unclaimed interest on fixed deposits	1.59	1.80

H. Managerial Remuneration

i. Salaries, Commission and Perquisites paid/provided to Managing/Wholtime Directors

(₹ Lacs)

	2010-11	2009-10
a. Salaries	133.20	109.20
b. Commission	0.00	20.00
c. House Rent Allowance	26.64	21.84
d. Contributions for PF, FPF, Superannuation and approved Gratuity Fund	49.80	38.58
e. Perquisites	5.81	5.89
Total	215.45	195.51

ii. In view of the inadequacy of profits, the managerial remuneration is in excess of the limits laid down in Section 309 of the Companies Act, 1956 by ₹ 56.82 lacs. A special resolution will be proposed in the ensuing Annual General Meeting seeking the shareholders sanction and approval of the Central Government, to consider the total remuneration paid as the minimum remuneration.

I. Auditors Remuneration

(₹ Lacs)

	2010-11	2009-10
a. Audit Fees for standalone accounts	8.00	8.00
b. Audit Fees for consolidated accounts	2.50	2.50
c. Tax Audit	2.00	2.00
d. VAT Audit	3.80	3.20
e. Certification	2.01	3.49
f. Consultancy Services	1.00	3.00
g. Out of pocket Expenses	0.27	0.45
Total	19.58	22.64

J. Expenditure on Research and Development

Revenue expenses incurred on Research and Development expenses comprise of the following:

(₹ Lacs)

Particulars	2010-11	2009-10
(a) Employee Cost	32.64	29.41
(b) Cost of Materials	4.88	4.32
(c) Other Expenses	8.83	10.12
Total	46.35	43.85

Schedules to Accounts (Contd.)

K. Disclosures Pursuant to the Requirements of Accounting Standards

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

(₹ Lacs)

a.	Payable not later than 1 year	290.26
b.	Payable later than 1 year and not later than 5 years	119.37
c.	Payable Later than 5 years	Nil

ii. Deferred Taxes:

Major items of Deferred Tax Liabilities and Deferred Tax Assets

(₹ Lacs)

Particulars	Opening Balance as on 01.04.2010	Increase / (Decrease) During the year	Closing Balance as on 31.03.2011
Liabilities:			
Depreciation	399.01	35.29	434.30
Sub-total	399.01	35.29	434.30
Assets:			
Provision for doubtful debts/Leave Encashment	99.51	(1.94)	97.57
Expenses Allowable	128.68	29.12	157.80
Others	8.09	(8.09)	—
Sub-total	236.28	19.09	255.37
Net Deferred Tax Liability/(Asset)	162.73	16.20	178.93

iii. Earning Per Share (Basic & Diluted):

	2010-11	2009-10
Net Profit after Tax – ₹ lacs	858.68	1,204.23
Issued and Paid-up Equity Shares (Nos.)	6,10,64,537	6,02,53,525
Weighted average of Number of Equity Shares used in computing basic earnings per share. (Nos.)	6,06,37,189	6,00,93,530
Weighted average of Number of Equity Shares used in computing diluted earnings per share (Nos.)	6,15,84,843	6,06,46,872
Earnings per Share – Basic ₹	1.42	2.00
Earnings per Share – Diluted ₹	1.39	1.99

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.

Schedules to Accounts (Contd.)

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 for the year 2010-2011

	Current Year
Discount rate	8.25%
Rate of Return on Plan Assets	8.00%

Reconciliation of Benefit Obligation:

(₹ Lacs)

Liability at the beginning of the year	682.98
Interest Cost	56.35
Current Service Cost	34.18
Past Service Cost	—
Benefit Paid	(77.67)
Actuarial (Gain)/Loss on Obligations	54.80
Liability at the end of the year	750.64
Value of Plan Assets at the end of the year	730.83

Reconciliation of value of Plan Assets:

(₹ Lacs)

Value of Plan Assets at the beginning of the year	698.74
Return on Plan Assets	55.90
Contributions	47.12
Benefit Paid	(77.67)
Actuarial (Gain)/Loss on Obligations	6.74
Value of Plan Assets at the end of the year	730.83

(₹ Lacs)

Current Service Cost	34.18
Past Service Cost	0.00
Interest Cost	56.35
Return on Plan Assets	(55.90)
Net Actuarial (Gain)/Loss recognised	48.06
Expenses recognised in Profit and Loss Account	82.68

- v. The Hon'ble Jammu and Kashmir High Court delivered a judgement dated December 23, 2010 quashing the Excise Notification, applicable to the undertakings set up in Jammu, which restricted the quantum of excise duty remission and upheld the entitlement to total exemption from excise duty. In view of the legal advice conforming the Company's right to such total exemption on the grounds laid down in the judgement of the High Court, incremental remission of excise duty of ₹ 221.76 lacs is recognised as revenue in this year including ₹ 84.61 Lacs relating to earlier years and accrued as income from the operations.

A writ petition was also filed by the Company praying the quashing of the impugned notification in its case. Pending the final disposal of the petition filed by the Company, the Hon'ble High Court has directed the authorities to refrain from giving effect to the said notification in its case.

Schedules to Accounts (Contd.)

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
2.	Camlin International Ltd.	Subsidiary
3.	Camlin Alphakids Ltd.	Subsidiary
4.	ColArt Camlin Canvas Pvt. Ltd.	Associate
5.	CAFCO Consultants Ltd.	Associate
6.	Camart Industries Ltd.	Associate
7.	Camellia Management Services Pvt. Ltd.	Associate
8.	Camellia Infotech Ltd.	Associate
9.	Camlidhan Investments Pvt. Ltd.	Associate
10.	Camlink Agencies LLP.	Associate
11.	Camlink Consultants Pvt. Ltd.	Associate
12.	Dandekar Developers Pvt. Ltd.	Associate
13.	Dandekar Investments & Consultants Pvt. Ltd.	Associate
14.	Dandekar Print Pack Pvt. Ltd.	Associate
15.	DDI Consultants Pvt. Ltd.	Associate
16.	Excella Pencils Ltd.	Associate
17.	Camlin Fine Chemicals Ltd.	Associate
18.	Nilmac Packaging Industries Ltd.	Associate
19.	Camlidhan Enterprises Pvt. Ltd.	Associate
20.	Triveni Pencils Ltd.	Associate
21.	Mayur Colours Limited	Associate
22.	Vibha Agencies Pvt. Ltd.	Associate

(b) Key Management Personnel and their Relatives:

Name of the Person	Nature of Relationship
Key Management Personnel	
Mr. D. D. Dandekar	Chairman & Managing Director (C.M.D)
Mr. R. M. Dandekar	Joint Managing Director
Mr. S. S. Dandekar	Executive Director
Mr. D.M. Dandekar	Executive Director
Relatives	
Mr. S.D. Dandekar	Chairman Emeritus and brother of C.M.D
Mrs. A.D. Dighe	General Manager (Marketing) and daughter of C.M.D.
Mr. R.D. Dandekar	Officer (School Activity Team & Business Development) and son of C.M.D.

Schedules to Accounts (Contd.)

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

(c) Transactions with Related Parties:

(₹ Lacs)

Particulars	Related Parties	2010-11
Purchase of goods	Excella Pencils Ltd.	1,957.58
	Others	108.13
	Total	2,065.71
		(2,403.74)
Sale of goods	Excella Pencils Ltd.	73.34
	Triveni Pencils Ltd.	44.28
	Others	2.29
	Total	119.91
		(245.60)
Purchase of Fixed Assets		—
	Total	—
		(155.04)
Receiving Services	Mayur Colours Limited	167.68
	Triveni Pencils Ltd.	74.41
	Nilmac Packaging Industries Ltd.	69.29
	Total	311.38
		(319.42)

Payments to Key Management Personnel and their Relatives

a. Remuneration	Mr. D.D. Dandekar	61.45
	Mr. R.M. Dandekar	51.66
	Mr. S.S. Dandekar	51.46
	Mr. D.M. Dandekar	50.88
	Others	17.12
b. Dividend		31.81
	Total	264.38
		(253.37)
Rendering Services	Excella Pencils Ltd.	0.15
	Triveni Pencils Ltd.	0.15
	Mayur Colours Limited	0.15
	Others	0.42
	Total	0.87
		(1.23)
Net Amount Payable	Excella Pencils Ltd.	319.51
	Others	18.36
	Total	337.87
		(513.81)
Net Amount Receivable	Triveni Pencils Ltd.	122.96
	Mayur Colours Ltd.	29.18
	Camlin Fine Chemicals Ltd.	19.17
	Others	0.51
	Total	171.82
		(46.33)

Schedules to Accounts (Contd.)

vi. Related Parties Disclosures: (as certified by the management) (contd.):
(c) Transactions with Related Parties:

(₹ Lacs)

Particulars	Related Parties	2010-11
Loans Given(including interest accrued thereon)	ColArt Camlin Canvas Pvt. Ltd. (Fully Provided for)	54.47
	Total	54.47
		(50.61)
Interest Received	ColArt Camlin Canvas Pvt. Ltd.	3.86
	Mayur Colours Limited	2.18
	Total	6.04
		(6.04)
Interest payable		—
	Total	—
		(6.20)
Dividend paid	Camart Industries Ltd.	16.62
	Caeco Consultants Ltd.	4.68
	Others	10.51
	Total	31.81
		(19.09)
Dividend Received	Camlin Fine Chemicals Ltd.	1.00
	Excella Pencils Ltd.	0.65
	Total	1.65
		(1.40)
Investment made	Camlin Fine Chemicals Ltd.	4.72
		4.72
		(—)

(₹ Lacs)

Particulars	Subsidiary Company	2010-11
Net Amount Receivable	Camlin North America Inc., USA (Fully Provided for)	26.48
	Total	26.48
		(26.48)
Receiving Services	Camlin Alphakids Ltd.	0.15
	Camlin International Ltd.	0.09
	Total	0.15
		(0.09)
Investment made	Camlin Alphakids Ltd.	150.00
	Total	150.00
		(50.00)
Interest Free Loans Given	Camlin Alphakids Ltd.	104.50
	Camlin North America Inc., USA (Fully Provided for)	19.99
	Total	124.49
		(112.74)

Figures in brackets are for the previous year

Schedules to Accounts (Contd.)

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

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31st March, 2011 are as under:

(₹ Lacs)

Sr. No.	Description	2010-11
1.	The principal amount remaining unpaid, beyond due date, to suppliers as at the end of accounting year	4.78
2.	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	0.37
3.	The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year 2010-11.	Nil
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	5.61
5.	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	5.98

- L.** 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.
- M.** Previous year's figures are recast/regrouped wherever necessary.

Schedules to Accounts (Contd.)

23. 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

(₹/UNITS IN LACS)

CLASS OF GOODS++	UNIT OF MEASURE	* INSTALLED CAPACITY	OPENING STOCK (QTY.)	VALUE (₹)	PRODUCTION/PURCHASE (QTY.)	VALUE (₹)	SALES (QTY.)	VALUE (₹)	CLOSING STOCK (QTY.)	VALUE (₹)
(A) MANUFACTURED ITEMS										
1. CHEMICAL & CHEMICAL PRODUCTS***	Ltrs./Kgs.	70.23 (63.95)	10.33 (1.91)	1,077.53 (479.80)	36.67 (73.09)		43.73 (64.68)	10,028.94 (9,824.43)	3.27 (10.33)	876.31 (1,077.53)
2. STATIONERY ITEMS (A)	Ltrs.	45.12 (45.12)	0.94 (0.32)	130.92 (38.53)	7.07 (8.00)		7.35 (7.38)	1,833.10 (1,615.19)	0.66 (0.94)	99.07 (130.92)
STATIONERY ITEMS (B)	Nos./Pks.	1,430.81 (1,259.79)	187.59 (143.92)	529.94 (591.37)	1,276.92 > (1,395.24)		1,290.22 (1,351.57)	9,322.40 (7,796.81)	197.37 (187.59)	674.77 (529.94)
(B) TRADING ITEMS										
1. CHEMICAL & CHEMICAL PRODUCTS	Nos./Pks.		17.30 (11.37)	175.86 (210.91)	69.18 (249.56)	1,415.65 (1,637.69)	77.33 (243.63)	2,383.84 (2,470.22)	9.15 (17.30)	252.75 (175.86)
2. STATIONERY ITEMS	Nos./Pks.		459.75 (219.24)	1,498.59 (1,203.61)	2,172.77 (2,606.43)	9,053.64 (9,202.07)	2,367.18 (2,365.92)	13,070.10 (12,262.79)	2,653.42 (459.75)	1,217.52 (1,498.59)
3. OTHERS - BEING SALE OF EXIBITION MATERIALS, PAINTINGS ETC			- (-)	- (-)	- (-)	- (-)	- (-)	10.45 (20.74)	- (-)	- (-)
				3,412.84 (2,524.22)		10,469.29 (10,839.76)		36,648.82 (33,990.17)		3,120.42 (3,412.84)

* 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 - 120420 Ltrs, 56104 kgs. (2009 - 2010 - 61,230 Ltrs., 80,869 Kgs and 80,640 nos.).

++ 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.
- Quantities of sales include promotional distribution and are adjusted for damaged goods and physical verification differences.

Schedules to Accounts (Contd.)

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

(₹/Units in LACS)

	Unit of Measure	2010-11		2009-2010	
		Quantity	Value* ₹	Quantity	Value* ₹
(ii) Raw Materials Consumed					
Colours/Pigments	Kgs/Ltrs	10.18	1,240.95	5.81	1,160.46
Chemicals	Kgs/Ltrs	14.91	1,178.13	22.06	938.45
Other Raw Materials			1,614.00		1,739.48
			4,033.08		3,838.39
* Includes Resale of Material and adjusted for damaged stocks and physical verification differences.					
(iii) Earnings in Foreign Exchange					
Exports at F.O.B. Value (Excluding Nepal)			1,025.99		577.03
			1,025.99		577.03
(iv) Expenditure in Foreign Currency					
Travelling			27.95		43.32
Others			48.21		50.77
			76.16		94.09
(v) Value of Imports on C.I.F. Basis					
(a) Raw Materials			296.68		269.09
(b) Components and Spare Parts			2,103.06		1,649.30
(c) Capital Goods			373.34		328.71
(d) Purchases of Traded Products			321.14		44.33
			3,094.22		2,291.43
(vi) Value of consumption of Raw Materials and Stores					
(a) Indigenous			2,025.88		1,891.56
(b) Imported (Landed Cost) – Raw Material, Components & Spare Parts			2,007.20		1,946.83
			4,033.08		3,838.39

Schedules to Accounts (Contd.)

23. SUPPLEMENTARY INFORMATION FORMING AN INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT (Contd.)

(₹/Units in LACS)

	Unit of Measure	2010-11		2009-2010	
		Quantity	Value* ₹	Quantity	Value* ₹
(vii) Percentage of Consumption of Raw Materials & Stores					
(a) Indigenous			50.23		49.28
(b) Imported (Landed Cost) – Raw Material, Components & Spare Parts			49.77		50.72
			100.00		100.00

Schedules to Accounts (Contd.)

24. CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended 31.03.2011 (₹ Lacs)	Year ended 31.03.2010 (₹ Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before non-recurring items	1,205.71	1,657.39
Adjustments for:		
Depreciation	647.78	516.80
Foreign Exchange (Unrealised)	4.86	(1.37)
(Profit)/Loss on Sale of Fixed Assets	5.90	18.86
Provision for diminution in value of investments/doubtful advances	106.67	—
Interest Expenses	731.14	582.94
Interest/Dividend Received	(8.02)	(11.34)
Amortisation of Expenses	—	167.08
Operating Profit before Working Capital changes	2,694.04	2,930.36
Adjustments for:		
Trade and other Receivables	(501.98)	(1,571.10)
Inventories	(195.71)	(1,466.98)
Trade Payables	559.35	1,966.82
Other Payables	117.18	353.55
Cash generated from Operations	2,672.88	2,212.65
Direct taxes paid	(369.86)	(352.48)
Net cash from Operating Activities	2,303.02	1,860.17
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1,463.19)	(1,470.87)
Sale of Fixed Assets	9.97	13.87
(Purchase)/Sale of Investments	(154.73)	(49.00)
Interest received	6.32	9.74
Dividend received	1.70	1.60
Net cash used in Investing Activities	(1,599.93)	(1,494.66)

Schedules to Accounts (Contd.)

24. CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)

	Year ended 31.03.2011 (₹ Lacs)	Year ended 31.03.2010 (₹ Lacs)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowing/debentures (Net of repayments)	104.46	320.38
Increase in Share Capital/Premium	129.76	40.57
Capital Subsidy Received	27.50	—
Interest Paid	(731.14)	(582.94)
Dividend Paid	(297.94)	(178.21)
Net cash used in Financing Activities	(767.36)	(400.20)
D. UNREALISED FOREIGN EXCHANGE FLUCTUATION ON CASH EQUIVALENTS	(4.86)	1.37
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(69.13)	(33.32)
Cash and Cash Equivalents (Opening Balance)	202.81	236.13
Cash and Cash Equivalents (Closing Balance)	133.68	202.81

As per our report of even date annexed

For B.K. Khare & Co.

Chartered Accountants

Chetan Badal

Chief Financial Officer

Dilip Bapat

Partner

(M. No. 30388)

(Firm Registration No. 105102W)

Mumbai

Dated: 25th May, 2011

Dilip Dandekar

Shriram Dandekar

Deepak Dandekar

Ashish Dandekar

Shishir Shirgaokar

Deepak Ghaisas

Vijay Paranjpe

Shishir Desai

Ramanathan Sriram

Chairman & Mg. Director

Executive Director

Executive 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	:	31.03.2011			

II. Capital Raised during the period:

(Amount in ₹ Lacs)

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

(The Company raised Capital during the year by way of allotment of Equity Shares under 'Employee Stock Option Scheme 2008' amounting to ₹ 8.11 Lacs).

III. Position of Mobilisation and Deployment of Funds:

(Amount in ₹ Lacs)

Total Liabilities	:	19,529.29	Total Assets	:	19,529.29
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Sources of Funds:

Paid-up-Capital	:	610.65	Reserves & Surplus	:	6,464.85
Secured Loans	:	3,871.70	Unsecured Loans	:	490.52
			Deferred Tax Liability	:	178.91

Application of Funds:

Net Fixed Assets	:	6,544.62			
Net Current Assets	:	4,843.13	Investments	:	228.88
Accumulated Losses	:	NIL	Miscellaneous Expenditure	:	—

IV. Performance of the Company:

(Amount in ₹ Lacs)

Turnover (including other Income)		35,833.78	Total Expenditure	:	34,521.40
Profit/(Loss) before Tax	:	1,312.38	Profit /(Loss) After Tax	:	858.68
Earning Per Share in ₹ (Basic)	:	1.42	Dividend Rate%	:	25%
Earning Per Share in ₹ (Diluted)	:	1.39			

V. Generic Name of Principal Products of the Company:

(As per monetary terms)

Item Code No.		
(ITC Code)		Product Description
32.13		Artist Colours
96.09		Wooden Pencils
96.08		Writing instruments

Statement

Pursuant to Section 212(3) of the Companies Act, 1956
Relating to Subsidiary Companies

(₹ Lacs)

1.	Name of the Subsidiary	CAMLIN INTERNATIONAL LTD.	CAMLIN NORTH AMERICA, INC, USA	CAMLIN ALPHAKIDS LTD.
2.	Financial year of the subsidiary company ends on	31 st March, 2011	31 st March, 2011	31 st March, 2011
3.	Holding company's interest:			
	I. No. of shares held	5,000	20,000	20,00,000
	II. Percentage of shareholding	100%	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.	(0.15)	(—)	(80.99)
	II. For the previous financial years of the subsidiary since it became the holding company's subsidiary.	(0.15)	(—)	(64.49)
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	NIL
	II. For the previous financial years of the subsidiary since it became the holding company's subsidiary.	NIL	NIL	NIL

		Dilip Dandekar	<i>Chairman & Mg. Director</i>
		Shriram Dandekar	<i>Executive Director</i>
	Chetan Badal	Deepak Dandekar	<i>Executive Director</i>
	<i>Chief Financial Officer</i>	Ashish Dandekar	<i>Director</i>
		Shishir Shirgaokar	<i>Director</i>
		Deepak Ghaisas	<i>Director</i>
	Ravindra Damle	Vijay Paranjpe	<i>Director</i>
	<i>V. P. (Corporate) &</i>	Shishir Desai	<i>Director</i>
	<i>Company Secretary</i>	Ramanathan Sriram	<i>Director</i>
Mumbai			
Dated: 25 th May, 2011			

Details of Subsidiary

Pursuant to Section 212(8) of the Companies Act, 1956.

(₹ lacs)

NAME OF THE SUBSIDIARY	CAMLIN INTERNATIONAL LTD.	CAMLIN NORTH AMERICA, INC, USA	CAMLIN ALPHAKIDS LTD.
1. Capital	5.00	9.26	200.00
2. Reserves	1.76	(55.30)	—
3. Total Assets	11.04	NIL	339.15
4. Total Liabilities	11.04	NIL	339.15
5. Details of Investments	NIL	NIL	NIL
6. Turnover	NIL	—	86.29
7. Profit/(Loss) before Taxation	(0.15)	(—)	(80.99)
8. Provision for Taxation	NIL	NIL	NIL
9. Profit/(Loss) after Taxation	(0.15)	(—)	(56.13)
10. Proposed Dividend	NIL	NIL	NIL

Auditors' Report on Consolidated Financial Statements

Auditor's report to the Board of Directors of Camlin Limited on the Consolidated Financial Statements of Camlin Limited, its Subsidiaries and Associates

THE BOARD OF DIRECTORS CAMLIN LIMITED

1. We have examined the attached Consolidated Balance Sheet of **CAMLIN LIMITED**, its subsidiaries and associates (hereinafter referred as 'group') as at 31st March, 2011, the Consolidated Profit & Loss Account for the year then ended and Cash Flow Statement for the year ended at that date.
2. 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. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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 the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiary company Camlin International Limited for the year ended 31st March, 2011 whose financial statements reflect total assets of ₹ 6,76,096 (net) as at 31st March, 2011 and total revenues of ₹ NIL and net cash inflows amounting to (₹ 5,980) for the year ended on that date. These financial statements have been audited by other auditor whose report has been furnished to us,

and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.

4. Subject to the matter reported in paragraph 4:
 - a. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 as notified under the Companies (Accounting Standards) Rules, 2006.
 - b. Based on our audit and on consideration of the report of other auditor on separate financial statements and on the other financial information of the associates and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date;
 - (iii) in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **B. K. KHARE & COMPANY**
Chartered Accountants
Firm Registration No. 105102W

D. P. BAPAT
Partner
(M. No. 30388)

Place : Mumbai
Dated : 25th May, 2011

Consolidated Balance Sheet as at 31st March, 2011

	Schedules	As at 31.03.2011 (₹ Lacs)	As at 31.03.2010 (₹ Lacs)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	610.65	602.54
Reserves and Surplus	2	6,399.04	5,571.61
		7,009.69	6,174.15
Loan Funds			
Secured Loans	3	3,871.70	4,257.76
Unsecured Loans	4	490.52	—
		4,362.22	4,257.76
Deferred Tax Liability (Net)		134.89	143.55
TOTAL		11,506.80	10,575.46
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	10,563.79	9,046.66
Less: Depreciation		3,931.51	3,440.69
Net Block		6,632.28	5,605.97
Capital Work In Progress		40.59	211.27
		6,672.87	5,817.24
Investments	6	57.77	50.52
Current Assets, Loans and Advances			
Inventories	7	6,056.81	5,861.10
Sundry Debtors	8	5,421.58	4,829.86
Cash and Bank Balances	9	140.31	211.15
Loans and Advances	10	1,103.21	1,225.54
		12,721.91	12,127.65
Less: Current Liabilities & Provisions			
Liabilities	11	7,557.08	6,877.40
Provisions	12	388.67	542.55
		7,945.75	7,419.95
Net Current Assets		4,776.16	4,707.70
Miscellaneous Expenditure	13	—	—
(to the extent not written off or adjusted)			
TOTAL		11,506.80	10,575.46
Schedules 1 to 23 forming part of Accounts			

As per our report of even date annexed

For B.K. Khare & Co.

Chartered Accountants

Chetan Badal
Chief Financial Officer

Dilip Bapat
Partner
(M. No. 30388)
(Firm Registration No. 105102W)
Mumbai
Dated: 25th May, 2011

Ravindra Damle
V. P. (Corporate) &
Company Secretary

Dilip Dandekar
Shriram Dandekar
Deepak Dandekar
Ashish Dandekar
Shishir Shirgaokar
Deepak Ghaisas
Vijay Paranjpe
Shishir Desai
Ramanathan Sriram

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

Consolidated Profit & Loss Account for the year ended 31st March, 2011

	Schedules	Year ended 31.03.2011 (₹ Lacs)	Year ended 31.03.2010 (₹ Lacs)
INCOME			
Net Sales/Income from Operations	14	35,911.63	33,086.81
Other Income	15	8.45	17.38
TOTAL INCOME		35,920.08	33,104.19
EXPENDITURE			
Consumption of Materials & Goods traded-in	16	23,088.92	21,921.86
(Increase)/Decrease in Stocks	17	102.13	(976.81)
Employee Cost	18	3,027.66	2,918.94
Manufacturing & Other Expenses	19	7,071.39	6,373.16
Finance Cost	20	731.14	582.96
Depreciation		667.59	524.26
Amortisation of VRS Cost		—	167.08
TOTAL EXPENDITURE		34,688.83	31,511.45
Net Profit before Exceptional Items		1,231.25	1,592.74
Exceptional Item : Provision for doubtful advances [Refer Note No. 22 E]		54.47	—
Net Profit before Tax		1,176.78	1,592.74
Less : Current Tax		325.00	390.00
: Prior Years (Net)		5.83	20.06
: Deferred		(8.66)	23.94
Profit after Tax		854.61	1,158.74
Share of profits of Associates		2.52	5.00
Profit after Tax and Share of profits of Associates		857.13	1,163.74
Balance brought forward from last year		1,594.04	982.77
Less : Dividend paid for previous year		0.21	—
: Corporate Tax thereon		0.04	—
		2,450.92	2,146.51
APPROPRIATIONS			
Proposed Dividend		152.66	301.27
Corporate Tax on Dividend		25.94	51.20
General Reserve		100.00	200.00
Balance Carried to Balance Sheet		2,172.32	1,594.04
		2,450.92	2,146.51
Earning Per Share of ₹ 1/- Basic (in ₹)		1.41	1.93
Earning Per Share of ₹ 1/- Diluted (in ₹)		1.39	1.92
[Earning per share before exceptional item Basic & Diluted for the year is ₹ 1.50 and ₹ 1.48 respectively]			
Schedules 1 to 23 forming part of Accounts			

As per our report of even date annexed

For B.K. Khare & Co.

Chartered Accountants

Chetan Badal
Chief Financial Officer

Dilip Bapat
Partner
(M. No. 30388)
(Firm Registration No. 105102W)
Mumbai
Dated: 25th May, 2011

Ravindra Damle
V. P. (Corporate) &
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Dilip Dandekar
Shriram Dandekar
Deepak Dandekar
Ashish Dandekar
Shishir Shirgaokar
Deepak Ghaisas
Vijay Paranjpe
Shishir Desai
Ramanathan Sriram

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

Schedules to Consolidated Balance Sheet

	31.03.2011 (₹ Lacs)	31.03.2010 (₹ Lacs)
1. SHARE CAPITAL		
Authorised		
10,00,00,000 Equity Shares of ₹ 1/- each	1,000.00	1,000.00
Issued, Subscribed & Paid-up		
6,10,64,537 Equity Shares of ₹ 1/- each (2009-2010 6,02,53,525 Equity Shares of ₹ 1/- each)	610.65	602.54
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) 10,64,537 Equity Shares allotted under "Camlin Employees Stock Option Scheme 2008".		
2. RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	25.20	25.20
Received during the year	27.50	—
	52.70	25.20
Share Premium Account		
As per last Balance Sheet	2,018.03	1,980.00
Received during the year	121.65	38.03
	2,139.68	2,018.03
General Reserve		
As per last Balance Sheet	1,934.34	1,703.97
Add: Share of accumulated profits of Associate upto 31.03.2009	—	30.37
Transferred from Profit & Loss Account	100.00	200.00
	2,034.34	1,934.34
Surplus in Profit & Loss Account	2,172.32	1,594.04
	6,399.04	5,571.61

Schedules to Consolidated Balance Sheet (Contd.)

		31.03.2011 (₹ Lacs)		31.03.2010 (₹ Lacs)
3. SECURED LOANS				
(i) Term Loans from Banks & Financial Institutions	617.91		879.04	
Interest accrued thereon	6.69	624.60	8.26	887.30
(ii) Bank Overdrafts/Working Capital Demand Loan		3,247.10		1,370.46
(iii) Commercial paper issued - Carved within the overall working capital limits		—		2,000.00
		3,871.70		4,257.76
Term Loans include ₹ 304.02 Lacs repayable within one year (2009-2010 ₹ 299.19 Lacs)				
4. UNSECURED LOANS				
Short Term Loan from Bank		490.52		—
		490.52		—

5. FIXED ASSETS

(₹ Lacs)

PARTICULARS	COST				DEPRECIATION				BALANCE	
	Gross Block	Additions during the year	Disposals/ Adjustments	As at 31.03.2011	Upto 31.03.2010	For the year	Disposals/ Adjustments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Freehold Land	2.73	—	—	2.73	—	—	—	—	2.73	2.73
Leasehold Land	187.29	—	—	187.29	8.73	1.93	—	10.66	176.63	178.56
Site Development	19.70	2.77	—	22.47	2.08	0.34	—	2.42	20.05	17.62
Building & Shed	1,056.11	549.98	1.55	1,604.54	157.15	51.01	1.55	206.61	1,397.93	898.96
Plant, Machinery & Equipment	6,866.52	1,061.25	154.79	7,772.98	2,843.01	524.17	152.10	3,215.08	4,557.90	4,023.51
ERP Hardware/ Software Cost	314.84	—	—	314.84	198.36	41.20	—	239.56	75.28	116.48
Furniture & Fittings	387.02	36.35	—	423.37	148.55	26.84	—	175.39	247.98	238.47
Vehicles	212.45	59.42	36.30	235.57	82.81	22.10	23.12	81.79	153.78	129.64
Total	9,046.66	1,709.77	192.64	10,563.79	3,440.69	667.59	176.77	3,931.51	6,632.28	5,605.97
Previous Year	7,833.94	1,564.00	351.28	9,046.66	3,234.98	524.26	318.55	3,440.69	5,605.97	

Schedules to Consolidated Balance Sheet (Contd.)

	31.03.2011 (₹ Lacs)	31.03.2010 (₹ Lacs)
6. INVESTMENTS - LONG TERM		
I. Quoted (Trade)		
80,000 Shares (2009-2010 50,000 Shares) of ₹ 10/- each in Camlin Fine Chemicals Ltd. [Market Value ₹ 54.40 Lacs (2009-2010 ₹ 45.00 Lacs)]	9.73	5.00
II. Unquoted		
A. Associates		
(a) 4,000 Equity Shares of ₹ 100/- each in Triveni Pencils Ltd. \$	—	—
(b) 2,150 Equity Shares of ₹ 100/- each in Excella Pencils Ltd	2.15	2.15
Add: Share of post acquisition profit	37.89	35.37
(c) 5,22,000 Equity Shares of ₹ 10/- each in \$ ColArt Camlin Canvas Pvt. Ltd.	—	—
B. Trade		
10,000 Equity Shares of ₹ 10/- each in Sicom Ltd.	8.00	8.00
	57.77	50.52
\$ Valued at ₹ NIL as accumulated losses as on 31 st March, 2011 exceed the net worth of the Companies.		
7. INVENTORIES		
Raw Materials	777.84	550.63
Packing Materials	1,394.00	1,323.37
Work-in-Process	764.55	574.26
Goods-in-Transit	81.25	114.59
Finished Goods	3,039.17	3,298.25
	6,056.81	5,861.10

Schedules to Consolidated Balance Sheet (Contd.)

	31.03.2011 (₹ Lacs)	31.03.2010 (₹ Lacs)
8. SUNDRY DEBTORS (UNSECURED)		
(i) Outstanding over six months		
(a) Considered Good	160.12	111.93
(b) Considered Doubtful	90.43	97.81
(ii) Other Debts – Considered Good	5,261.46	4,717.93
	5,512.01	4,927.67
Less: Provision for doubtful debts	90.43	97.81
	5,421.58	4,829.86
9. CASH AND BANK BALANCES		
(i) Cash on Hand	8.80	6.97
(ii) With Scheduled Banks		
(a) In Fixed Deposit Accounts	4.70	0.30
(b) In Current Accounts	102.74	182.98
(c) Staff Security Deposit Account	7.58	7.32
(d) In Current Account for the payment of Dividend and F. D. Interest	16.49	13.16
(iii) With Others		
In Current Account with Municipal Co-operative Bank Ltd. [Maximum balance during 2010-2011 ₹ 0.42 Lacs (2009-2010 ₹ 0.47 Lacs)]	—	0.42
	140.31	211.15
10. LOANS AND ADVANCES		
UNSECURED		
(i) Advances recoverable in cash or in kind or for the value to be received	769.73	851.81
(ii) Staff Advances	4.77	4.06
(iii) Deposits	383.18	369.67
	1,157.68	1,225.54
Less: Provision for doubtful advances	54.47	—
	1,103.21	1,225.54

Schedules to Consolidated Balance Sheet (Contd.)

	31.03.2011 (₹ Lacs)	31.03.2010 (₹ Lacs)
11. LIABILITIES		
(i) Sundry Creditors and Letters of acceptances	5,765.08	5,194.83
(ii) Security Deposits	775.64	692.65
(iii) Unclaimed Dividend	14.91	11.37
(iv) Other Liabilities	1,001.45	978.55
	7,557.08	6,877.40
12. PROVISIONS		
(i) Provision for Employees' Benefits	172.73	159.13
(ii) Excise Duty on bonded warehouse stocks	23.50	29.32
(iii) Provision net of taxes paid	13.84	1.63
(iv) Proposed Dividend	152.66	301.27
(v) Corporate Tax on Dividend	25.94	51.20
	388.67	542.55
13. MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Voluntary Retirement Scheme (VRS)		
As per last Balance Sheet	—	167.08
Less: Written off during the year	—	167.08
	—	—

Schedules to Consolidated Profit & Loss Account

	31.03.2011 (₹ Lacs)	31.03.2010 (₹ Lacs)
14. SALES/INCOME FROM OPERATIONS		
Gross Sales	36,735.12	33,990.17
Add: Insurance Claim	8.36	2.31
Less: Trade Discount	69.31	108.66
Less: Excise Duty [Net of rebate of ₹ 341.33 Lacs (2009-2010 ₹ 82.08 Lacs)] [Refer Note No. 22 G (v)]	864.65	850.06
Net Sales	35,809.52	33,033.76
Other Income from Operations	102.11	53.05
	35,911.63	33,086.81
15. OTHER INCOME		
Interest [Tax deducted at source ₹ 0.56 Lacs (2009-2010 ₹ 0.32 Lacs)]	6.32	9.74
Dividend-On Trade Investments [Tax deducted at source NIL]	1.70	1.60
Profit on Sale of Assets	—	0.40
Miscellaneous Receipts	0.43	5.64
	8.45	17.38
16. CONSUMPTION OF MATERIALS AND GOODS TRADED-IN		
(i) Raw Materials		
Stock of Raw Materials as per last Balance Sheet	550.63	375.92
Add: Purchases	4,260.29	4,013.10
	4,810.92	4,389.02
Less: Stock of Raw Materials as at year end	777.84	550.63
	4,033.08	3,838.39
(ii) Packing Materials and Components	8,586.55	7,243.72
(iii) Purchase of Finished Goods for resale	10,469.29	10,839.75
	23,088.92	21,921.86
17. (INCREASE)/DECREASE IN STOCK OF WORK IN PROCESS & FINISHED GOODS		
(Produced & Purchased for Resale)		
Stocks as per last Balance Sheet		
Work in Process	574.26	486.07
Goods in Transit	114.59	19.98
Finished Goods	3,298.25	2,504.24
	3,987.10	3,010.29
Less: Closing Stock as at year end		
Work in process	764.55	574.26
Goods in Transit	81.25	114.59
Finished Goods	3,039.17	3,298.25
	3,884.97	3,987.10
	102.13	(976.81)

Schedules to Consolidated Profit & Loss Account (Contd.)

	31.03.2011 (₹ Lacs)	31.03.2010 (₹ Lacs)
18. EMPLOYEE COST		
Salaries, Wages and Bonus	2,585.41	2,428.31
Contribution to Provident & other funds [Refer Note no.22 G (iv)]	304.81	372.94
Staff and Labour Welfare	137.44	117.69
	3,027.66	2,918.94
19. MANUFACTURING & OTHER EXPENSES		
Power and Fuel	289.31	275.85
Job work charges	540.58	579.77
Repairs:		
— Building	6.16	9.09
— Machinery	50.88	53.40
— Others	121.75	120.83
Rent	545.67	525.72
Rates and Taxes	17.47	10.23
Excise duty provided on finished goods (net)	(5.82)	4.52
Insurance	59.64	59.71
Advertisement and Sales Promotion	1,480.00	1,159.13
Transport & Forwarding Charges	1,205.14	1,266.30
Commission/Discount/Service Charges on Sales	557.26	461.95
Travelling & Conveyance	589.44	486.28
Auditors Remuneration [Refer Note no. 22 F]	20.70	23.93
Provision for Doubtful Debts/Advances	25.16	59.49
Bad Debts Written Off	32.55	42.31
Less: Provision write back	32.55	42.31
Directors' Meeting Fees/Commission	5.86	19.30
Miscellaneous Expenses	1,556.29	1,238.41
Loss on Sale of Assets	5.90	19.26
	7,071.39	6,373.16
20. FINANCE COST		
On fixed period loans	168.12	211.38
On other borrowings	563.02	371.58
	731.14	582.96

Schedules to Consolidated Accounts

21. STATEMENT OF ACCOUNTING POLICIES AND PRACTICES

A. Principles of consolidation

- (i) The consolidated financial statements relate to Camlin Limited (the company), its Subsidiary and Associate Companies. The consolidated financial statements have been prepared on the following basis.

The consolidated financial statements of the company, its subsidiaries and associates are based on the respective financial statements duly certified by the Auditors/Management estimates of the respective companies. Line by line like items of assets, liabilities, income and expense of the respective financial statements have been added to draw up the consolidated financial statements. Intra-group balances, intra-group transactions and the unrealised profits on stocks arising out of intra-group transactions if any, have been eliminated.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's individual financial statements.

The excess/lower of costs to the company and its subsidiaries of their investments in their subsidiaries/fellow subsidiaries is recognised in the financial statements as goodwill/capital reserve.

The subsidiary companies considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	% of voting power held on 31 st March 2011
Camlin International Ltd.	India	100%
Camlin Alphakids Ltd.	India	100%

The subsidiary company Camlin North America INC, U.S.A. is not considered for consolidation, since it is in the process of being wound up. The carrying value of the cost of the investment in the said subsidiary company has been fully provided for in the accounts of the holding company.

B. 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 Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. 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.

Schedules to Consolidated Accounts (Contd.)

- (iv) In case of Camlin Alphkids Ltd., subsidiary company depreciation on all assets of the Company is provided on a pro-rata basis on straight line method over the useful lives of the assets estimated/determined as follows:

Leasehold Improvement	Over lease period.
Furniture Fixtures & Electrical Fittings	Over lease period.
All other assets	Rates prescribed under schedule XIV to the Companies Act, 1956.

C. Investments

Long term investments are stated at cost and provision is made when there is a decline, other than temporary, in the value thereon. Current investments are stated at cost or fair value whichever is lower.

D. Valuation of Inventories

(i)	Raw Materials and, Packing Materials	At moving weighted average cost, written down to realisable value if the costs of related finished goods exceed net realisable value.
(ii)	Work in process	At lower of moving weighted average cost or net realisable value.
(iii)	Finished Goods	At lower of moving weighted average cost or net realisable value.

E. 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.

F. Foreign Currency Transactions

- 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.
- 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.
- Gains or losses on cancellation/settlement of forward exchange contracts are recognised as income or expense.

G. 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.

H. Employee Benefits

- 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.
- 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.

I. 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.

Schedules to Consolidated Accounts (Contd.)

- (iii) Remission of Excise Duty in respect of Jammu operations pertaining to incremental value additions will be recognised on the processing and admission of claim.
- (iv) Expenses are accounted for on accrual basis.
- (v) Provisions are recognised when a present legal or constructive obligation exists and the payment is probable and can be reliably estimated.
- (vi) 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.

J. 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.

K. 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.

L. 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.

M. 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.

N. Voluntary Retirement Scheme

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

22. NOTES TO ACCOUNTS

A. Contingent Liabilities:

- (i) In respect of Guarantees issued on behalf of the Company by its Bankers to the extent of ₹ 16.00 Lacs (2009 - 2010 - ₹ 2.10 Lacs).
- (ii) Corporate Guarantees given to ColArt Camlin Canvas Pvt. Ltd. ₹ 150.00 Lacs (2009-2010 ₹ 150.00 Lacs).
- (iii) Demands against the Company, either disputed or not acknowledged as debts and not provided for:

		(₹ Lacs)	
Particulars		2010-11	2009-10
a.	Income Tax	112.61	136.29
b.	Sales Tax	126.98	69.54
c.	Excise/Custom Duty	77.37	74.06
d.	Service Tax	1.89	1.89
e.	Labour Matters	10.05	8.13
f.	Others	7.63	0.63

- (iv) Incremental wage demands in respect of Tarapur plant following the expiry of the earlier settlement-amount unascertainable.

Schedules to Consolidated Accounts (Contd.)

B. Unhedged Foreign Exchange Exposure:

The unhedged exposure of foreign currency transactions is as follows:

		(in Lacs)		
On Account of	Currency	2010-11	2009-10	
(a) Sundry Debtors	(USD)	8.26	5.50	
(b) Sundry Creditors	(USD)	1.12	0.86	
	(GBP)	0.13	0.04	
	(YEN)	135.38	80.85	
	(EUR)	0.07	0.11	

C. Commitments

Value of contracts (net of advance) remaining to be executed on capital account not provided for ₹ 256.28 Lacs (2009-2010 ₹ 185.02 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. Advance to Associate Company

The Company has given advance of ₹ 54.47 lacs (including interest accrued thereon) to ColArt Camlin Canvas Pvt. Ltd. The net worth of the said company stands eroded by accumulated losses. The turnaround business plans have failed to bear fruition. Therefore, provision is made for the apprehended non-realisation of the advance. Accordingly, an amount of ₹ 54.47 lacs is provided in the Profit and Loss Account and shown as an exceptional item therein.

F. Auditors Remuneration

		(₹ Lacs)	
Particulars	2010-11	2009-10	
a. Audit Fees for standalone accounts	9.12	9.12	
b. Audit Fees for consolidated accounts	2.50	2.50	
c. Tax Audit	2.00	2.00	
d. VAT Audit	3.80	3.20	
e. Certification	2.01	3.66	
f. Consultancy Services	1.00	3.00	
g. Out of pocket Expenses	0.27	0.45	
Total	20.70	23.93	

G. Disclosures Pursuant to the Requirements of Accounting Standards

(i) Total Lease Rentals on account of operating leases payable are as follows:

		(₹ Lacs)
(a) Payable not later than 1 year		358.99
(b) Payable later than 1 year and not later than 5 years		345.54
(c) Payable Later than 5 years		1.50

Schedules to Consolidated Accounts (Contd.)

(ii) Deferred Taxes:

Major items of Deferred Tax Liabilities and Deferred Tax Assets

(₹ Lacs)			
Particulars	Opening Balance as on 01.04.2010	Increase/ (Decrease) During the year	Closing Balance as on 31.03.2011
Liabilities:			
Depreciation	399.01	35.29	434.30
Sub-total	399.01	35.29	434.30
Assets:			
Provision for doubtful debts/Leave Encashment	99.51	(1.94)	97.57
Expenses Allowable	128.68	29.12	157.80
Unabsorbed Depreciation	2.01	6.42	8.43
Unabsorbed business loss	17.16	18.44	35.60
Others	8.09	(8.09)	—
Sub-total	255.46	43.95	299.40
Net Deferred Tax Liability/(Asset)	143.55	(8.66)	134.89

(iii) Earning Per Share (Basic & Diluted)

	2010-11	2009-10
Net Profit after Tax – ₹ Lacs	857.13	1,163.74
Issued and Paid-up Equity Shares (Nos.)	6,10,64,537	6,02,53,525
Weighted average of Number of Equity Shares used in computing basic earnings per share. (Nos.)	6,06,37,189	6,00,93,530
Weighted average of Number of Equity Shares used in computing diluted earnings per share. (Nos.)	6,15,57,547	6,06,46,872
Earnings per Share – Basic ₹	1.41	1.93
Earnings per Share – Diluted ₹	1.39	1.92

(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

Schedules to Consolidated Accounts (Contd.)

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:

	Current Year
Discount rate	8.00%
Rate of Return on Plan Assets	8.25%

Reconciliation of Benefit Obligation:

(₹ Lacs)

Liability at the beginning of the year	682.98
Interest Cost	56.35
Current Service Cost	34.18
Past Service Cost	—
Benefit Paid	(77.67)
Actuarial (Gain)/Loss on Obligations	54.80
Liability at the end of the year	750.64
Value of Plan Assets at the end of the year	730.83

Reconciliation of value of Plan Assets:

(₹ Lacs)

Value of Plan Assets at the beginning of the year	698.74
Return on Plan Assets	55.90
Contributions	47.12
Benefit Paid	(77.67)
Actuarial (Gain)/Loss on Obligations	6.74
Value of Plan Assets at the end of the year	730.83

Expenses recognised in the Profit and Loss Account under the head Employee Expenses:

(₹ Lacs)

Current Service Cost	34.18
Past Service Cost	—
Interest Cost	56.35
Return on Plan Assets	(55.90)
Net Actuarial (Gain)/Loss recognised	48.06
Expenses recognised in Profit and Loss Account	82.68

- (v) The Hon'ble Jammu and Kashmir High Court delivered a judgement dated December 23, 2010 quashing the Excise Notification, applicable to the undertakings set up in Jammu, which restricted the quantum of excise duty remission and upheld the entitlement to total exemption from excise duty. In view of the legal advice conforming the Company's right to such total exemption on the grounds laid down in the judgement of the High Court, incremental remission of excise duty of ₹ 221.76 Lacs is recognised as revenue in this year including ₹ 84.61 Lacs relating to earlier years and accrued as income from the operations.

A writ petition was also filed by the Company praying the quashing of the impugned notification in its case. Pending the final disposal of the petition filed by the Company, the Hon'ble High Court has directed the authorities to refrain from giving effect to the said notification in its case.

Schedules to Consolidated Accounts (Contd.)

(vi) Related Parties Disclosures: (as certified by the management)
(a) Associate Companies:

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

(b) Key Management Personnel and their Relatives:

Name of the Person	Nature of Relationship
Key Management Personnel	
Mr. D. D. Dandekar	Chairman & Managing Director (C.M.D)
Mr. R. M. Dandekar	Joint Managing Director
Mr. S. S. Dandekar	Executive Director
Mr. D. M. Dandekar	Executive Director
Relatives	
Mr. S. D. Dandekar	Chairman Emeritus and brother of C.M.D.
Mrs. A. D. Dighe	General Manager Marketing and daughter of C.M.D.
Mr. R. D. Dandekar	Officer (School Activity Team & Business Development) son of C.M.D.

Schedules to Consolidated Accounts (Contd.)

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

(c) Transactions with Related Parties:

(₹ Lacs)

Particulars	Related Parties	2010-11
Purchase of goods	Excella Pencils Ltd.	1,957.58
	Others	108.13
	Total	2,065.71
		(2,403.74)
Sale of goods	Excella Pencils Ltd.	73.34
	Triveni Pencils Ltd.	44.28
	Others	2.29
	Total	119.91
		(245.60)
Purchase of Fixed Assets		—
	Total	—
		(155.04)
Receiving Services	Mayur Colours Limited	167.68
	Triveni Pencils Ltd.	74.41
	Nilmac Packaging Industries Ltd.	69.29
	Total	311.38
		(319.42)

Payments to Key Management Personnel and their Relatives

a. Remuneration	Mr. D. D. Dandekar	61.45
	Mr. R. M. Dandekar	51.66
	Mr. S. S. Dandekar	51.46
	Mr. D. M. Dandekar	50.88
	Others	17.12
b. Dividend		31.81
	Total	264.38
		(253.37)
Rendering Services	Excella Pencils Ltd.	0.15
	Triveni Pencils Ltd.	0.15
	Mayur Colours Limited	0.15
	Others	0.42
	Total	0.87
		(1.23)
Net Amount Payable	Excella Pencils Ltd.	319.51
	Others	18.36
	Total	337.87
		(513.81)
Net Amount Receivable	Triveni Pencils Ltd.	122.96
	Mayur Colours Ltd.	29.18
	Camlin Fine Chemicals Ltd.	19.17
	Others	0.51
	Total	171.82
		(46.33)

Schedules to Consolidated Accounts (Contd.)

(vi) Related Parties Disclosures: (as certified by the management) (contd.)
(c) Transactions with Related Parties:

(₹ Lacs)

Particulars	Related Parties	2010-11
Loans Given(including interest accrued thereon)	ColArt Camlin Canvas Pvt. Ltd. (Fully Provided for)	54.47
	Total	54.47
		(50.61)
Interest Received	ColArt Camlin Canvas Pvt. Ltd.	3.86
	Mayur Colours Limited	2.18
	Total	6.04
		(6.04)
Interest payable		—
	Total	—
		(6.20)
Dividend paid	Camart Industries Ltd.	16.62
	Cafco Consultants Ltd.	4.68
	Others	10.51
	Total	31.81
		(19.09)
Dividend Received	Camlin Fine Chemicals Ltd.	1.00
	Excella Pencils Ltd.	0.65
	Total	1.65
		(1.40)
Investment made	Camlin Fine Chemicals Ltd.	4.72
		4.72
		(—)

Figures in brackets are for the previous year.

(vii) The following are the details of the investments in Associates made by the Company

Name of the Associates	Principal Activities	Ownership Interest and voting power	Original cost of Investment	Amount of Goodwill/ (Capital Reserve) included in original cost	Accumulated profit/(loss) at the year end	Carrying amount of Investments at the year end
Excella Pencils Ltd.	Manufacturing of writing/ drawing instruments	14.33%	2.15	Nil	37.89	40.04
Triveni Pencils Ltd.	Manufacturing of writing/ drawing instruments	24.43%	4.00	(15.52)	(4.00)	Nil
Colart Camlin Canvas Pvt. Ltd.	Manufacturing and export of Canvas Products	40.00%	52.20	Nil	(52.20)	Nil

- H.** The holding company, its subsidiary Camlin International Ltd. and all associates are engaged in the business of dealing in "Consumer Products". Though the subsidiary viz., Camlin Alphakids Ltd. is engaged in the business of operating educational institution, the volume of operations and the assets deployed are not significant in the context of Consolidated Financial Statement. Hence, separate segment reporting has not been made under Accounting Standard (AS) 17 - "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI).
- I.** Previous year's figures are recast/regrouped wherever necessary.

Schedules to Consolidated Accounts (Contd.)

23. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended 31.03.2011 (₹ Lacs)	Year ended 31.03.2010 (₹ Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before non-recurring items	1,179.30	1,597.74
Adjustments for:		
Depreciation	667.59	524.26
Foreign Exchange (Unrealised)	4.86	(1.37)
(Profit)/Loss on Sale of Fixed Assets	5.90	18.86
Interest Expenses	731.14	582.96
Interest/Dividend Received	(8.02)	(11.34)
Provision for doubtful advances	54.47	—
Amortisation of Expenses	—	167.08
Operating Profit before Working Capital changes	2,635.24	2,878.19
Adjustments for:		
Trade and other Receivables	(523.86)	(1,508.70)
Inventories	(195.71)	(1,466.98)
Trade Payables	570.25	1,970.75
Other Payables	113.67	376.97
Share of Income of Associates	(2.52)	(5.00)
Cash generated from Operations	2,597.07	2,245.22
Direct taxes paid	(369.86)	(352.48)
Net cash from Operating Activities	2,227.21	1,892.74
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1,539.09)	(1,550.49)
Sale of Fixed Assets	9.97	13.87
(Purchase)/Sale of Investments	(4.73)	1.00
Interest received	6.32	9.74
Dividend received	1.70	1.60
Net cash used in Investing Activities	(1,525.83)	(1,524.28)

Schedules to Consolidated Accounts (Contd.)

	Year ended 31.03.2011 (₹ Lacs)	Year ended 31.03.2010 (₹ Lacs)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowing/debentures (Net of repayments)	104.46	320.38
Increase in Share Capital/Premium	129.76	40.57
Capital Subsidy Received	27.50	—
Interest Paid	(731.14)	(582.96)
Dividend Paid	(297.94)	(178.21)
Net cash used in Financing Activities	(767.36)	(400.22)
D. UNREALISED FOREIGN EXCHANGE FLUCTUATION ON CASH EQUIVALENTS	(4.86)	1.37
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(70.84)	(30.39)
Cash and Cash Equivalents (Opening Balance)	211.15	241.54
Cash and Cash Equivalents (Closing Balance)	140.31	211.15

As per our report of even date annexed

For B.K. Khare & Co.

Chartered Accountants

Chetan Badal

Chief Financial Officer

Dilip Bapat

Partner

(M. No. 30388)

(Firm Registration No. 105102W)

Mumbai

Dated: 25th May, 2011

Ravindra Damle

V. P. (Corporate) &

Company Secretary

Dilip Dandekar

Shriram Dandekar

Deepak Dandekar

Ashish Dandekar

Shishir Shirgaokar

Deepak Ghaisas

Vijay Paranjpe

Shishir Desai

Ramanathan Sriram

Chairman & Mg. Director

Executive Director

Executive Director

Director

Director

Director

Director

Director

Director

FINANCIAL HIGHLIGHTS

₹ Lacs

Year Ended 31 st March	2011	2010	2009	2008	2007	2006	2005	2004
A. Assets Employed								
1. Net Fixed Assets	6,545	5,745	4,824	2,625	1,953	4,904	4,169	3,563
2. Net Current Assets	4,843	4,787	4,335	3,888	1,603	2,009	1,865	3,301
3. Others	229	126	244	434	602	705	804	62
Total	11,617	10,659	9,403	6,947	4,158	7,617	6,838	6,926
B. Financed By								
1. Equity Share Capital	611	603	600	600	480	480	480	480
2. Reserves & Surplus	6,465	5,636	4,746	4,268	2,108	1,047	1,206	1,701
3. Shareholder's Funds	7,076	6,238	5,346	4,868	2,588	1,527	1,686	2,181
4. Loan Funds	4,362	4,258	3,937	2,044	1,532	5,977	4,970	4,303
5. Deferred Tax Liability (Net)	179	163	120	34	37	114	182	442
Total	11,617	10,659	9,403	6,947	4,158	7,617	6,838	6,926
C. Net Sales (Net of Trade Discount & Excise)	35,723	33,034	28,311	21,377	18,765	19,213	19,764	18,269
D. Profit and Appropriations								
1. Operating Profit (Pbdt) (Before Extra Ordinary Item & Sale of Land)	2,691	2,924	2,088	1,456	1,137	1,167	328	1,119
2. Interest	731	583	529	261	372	670	584	372
3. Profit/(Loss) before Depreciation Tax & Extra Ordinary item	1,960	2,341	1,559	1,195	766	497	(256)	746
4. Depreciation	648	517	435	377	385	519	456	437
5. Profit/(Loss) before Tax & Extra Ordinary item	1,312	1,824	1,123	818	381	(22)	(713)	309
6. Extra Ordinary Item & Sale of Land	107	167	168	168	(4,185)	152	19	-
7. Profit/(Loss) before Tax	1,206	1,657	955	650	4,566	(175)	(732)	309
8. Tax – Current	325	390	253	280	799	47	-	72
– Deferred	16	43	85	(3)	122	(68)	(260)	33
9. Profit/(Loss) after Tax	865	1,224	617	373	3,645	(153)	(472)	205
10. Earlier years' Adjustments	6	20	6	(10)	38	-	17	(15)
11. Profit/(Loss) after Tax	858	1,204	611	383	3,607	(153)	(489)	190
12. Dividend & Tax on Dividend	179	352	211	175	140	-	-	81
13. Retained Earnings	680	852	401	208	3,467	-	-	108
E. Per Share Information *								
1. Earning per share	#1.42	2.00	*1.02	0.71	@0.30	(0.32)	(1.02)	0.39
2. Book value per share (₹)	11.59	10.35	*8.63	7.56	@4.35	1.47	1.47	4.03
3. Dividend per share (₹) (Excluding tax on Dividend)	0.25	0.50	0.30	2.50	2.50	0.00	0.00	1.50

@ Per share information is adjusted for sub-division of share from face of ₹ 10/- each to face value of ₹ 1/- each.

* Earning per share for FY 2007 is without considering exceptional item of sale of land. With sale of land the EPS is 7.14.

Earning per share for FY 2011 before exceptional item is ₹ 1.59.



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