Camlin
KOKUYO

The POWER OF FOCUS

KOKUYO CAMLIN LIMITED

71st ANNUAL REPORT 2017-18

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The Indian stationery and art-materials space is on a strong growth trajectory. With strong tailwinds in the form of increasing incomes, rise in educational spends and overall favourable demographics, the industry is expected to accelerate its growth momentum. The marketplace in India is also getting more competitive with new players and new products, requiring existing and established players to counter with apt responses.

Retaining momentum and market share is not only critical, but crucial for continued growth and sustained value-creation.

At Kokuyo Camlin, our response has been a sharper and stronger focus.

We have ensured that there is a strong alignment of our strengths and proposition with our strategy and plans. The result has been focussed priorities of our business.

We firmly believe that it is this strategy that will enable us to provide multiple benefits to our customers and retain our momentum and market share with improved proposition and improved performance, as we overcome every challenge with

THE POWER OF FOCUS

THE POWER OF FOCUS

“The Sun’s energy warms the world. But when you focus it through a magnifying glass, it can start a fire. Focus is so powerful!”

At Kokuyo Camlin, our strategic direction resonates with and emanates from focus. As a multi-category, and a multi-product organisation, we have structured our mid and long-term business around strengthening the Power of Focus.

The Power of Focus creates a clear blueprint of where our efforts, energies and resources will be concentrated. Our business plan has a strong focus of key categories and innovative products. Our integrated plant has enhanced our capacities to meet the increasing consumer demand, which will contribute significantly to our top and bottom-line.

Inside our Patalganga Plant

Our future growth strategy is based on a sharper and narrower focus, enabling us to channelise our attention and resources with a view to widen reach and penetration, better customer service and thereby, unlock higher value. Every initiative will focus on customer satisfaction, leading to higher market share and improved performance. With rising income, customers are shifting to premium products. Accordingly, we are re-adjusting our focus to premium products. Internally, focus on categories and products will also ensure we have more relevant and pertinent operating strategy. Externally, it will result in higher customer and consumer satisfaction as well as an increased market share.

प्रधान मंत्री

Prime Minister

MESSAGE

I am happy to know that Kokuyo Camlin Limited has opened a manufacturing plant at Additional Patalganga Industrial Area (MIDC) in Raigad District, Maharashtra. It is a recognition of the infrastructure and investment climate of Maharashtra that the firm has chosen this site to open one of their largest plants.

'MAKE IN INDIA' initiative along with the improving 'Ease of Doing Business' is showing its results in the form of enhanced investment across India.

I laud Kokuyo Camlin for this venture in Raigad, which will surely provide a boost to the employment opportunities for the youth in the region. I also convey my best wishes to the group for its future endeavours.

(Narendra Modi)

New Delhi
25 October, 2017

PRODUCT LAUNCHES IN 2017-18


SKETCH PENS
Camlin
SKETCH PENS
24
Camlin
CHAMP


Camel
TRIANGULAR
Camlin
Camel
Finger Crayons


Camlin
NOTEBOOKS
Camlin
NOTEBOOKS
Camlin
NOTEBOOKS
Camlin
NOTEBOOKS
Harry Potter

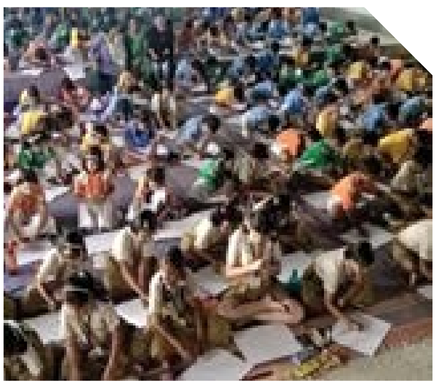
EVENTS, ACTIVITIES AND RECOGNITION

We associated with the ISHA Foundation to support Rally For Rivers, a nationwide initiative to rejuvenate India's rivers.

Honourable Dignitaries felicitating the Winners of Creative Writing Competition on the subject : "Saving Rivers - India's Lifelines" conducted by Kokuyo Camlin Limited & Isha Foundation in schools pan-India

Children taking part in Creative Writing Competition

Lürzer's Archive is a bi-monthly magazine for the advertising industry which features advertising campaigns for Print and TV from around the world



Children actively participating in Camel Art Contest 2017

General Bipin Rawat, Chief of Army Staff is gracing the award function for Contribution of Hand Painted Greetings Cards by Kokuyo Camlin to soldiers

CORPORATE INFORMATION

Chairman Emeritus
Mr. Subhash Dandekar

Board of Directors
Mr. Dilip Dandekar
(Chairman & Executive Director)

Mr. Takuya Morikawa
(Sr. Vice Chairman & Non-Executive Director)

Mr. Shriram Dandekar
(Vice Chairman & Executive Director)

Mr. Nobuchika Doi
(Managing Director)

Mr. Takeo Iguchi
(Executive Director)

Mr. Kazuo Kubo
(Additional Non-Executive Director)

Independent Directors
Mr. Shishir Desai
Mr. Ramanathan Sriram
Mr. Devendra Kumar Arora
Mr. Hisamaro Garugu
Mr. Venkataraman Sriram
Ms. Nandini Chopra

Chief Executive Officer
Mr. Satish Veerappa

Chief Financial Officer
Mr. Chetan Badal

Vice President (Corporate) & Company Secretary
Mr. Ravindra Damle

Registered Office
Hilton House, 48/2, Central Road,
M.I.D.C., Andheri (East),
Mumbai - 400 093.
CIN : L24223MH1946PLC005434

Works
Patalganga : Plot No. F/8,
Additional Patalganga MIDC,
Village - Chavane, Taluka - Panvel,
Dist. - Raigad - 410 220.

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

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

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

Auditors
M/s. BSR & Co. LLP
Chartered Accountants
Mumbai

Bankers
Mizuho Bank Ltd.
The Bank of Tokyo-Mitsubishi UFJ Ltd.
Sumitomo Mitsui Banking Corporation

Registrar & Transfer Agents
Link Intime India Pvt Ltd.
C-101, 247 Park,
LBS Marg, Vikhroli (West),
Mumbai - 400 083.

Tel : 91-022-4918 6270
Fax : 91-022-4918 6060
Email : rnt.helpdesk@linkintime.co.in

Audit Committee
Mr. Shishir Desai
Chairman

Mr. Venkataraman Sriram
Member

Mr. Ramanathan Sriram
Member

Mr. Takuya Morikawa
Member

Stakeholders' Relationship Committee
Mr. Ramanathan Sriram
Chairman

Mr. Hisamaro Garugu
Member

Mr. Shriram Dandekar
Member

Remuneration & Nomination Committee
Mr. Shishir Desai
Chairman

Mr. Devendra Kumar Arora
Member

Mr. Dilip Dandekar
Member

Ms. Nandini Chopra
Member

Corporate Social Responsibility Committee
Ms. Nandini Chopra
Chairperson

Mr. Nobuchika Doi
Member

Mr. Shriram Dandekar
Member

Notice

NOTICE is hereby given that the 71st Annual General Meeting of the Members of KOKUYO CAMLIN LIMITED, will be held on Wednesday the 8th August, 2018 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 audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March 2018 and the Reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Takeo Iguchi (DIN 03599826), who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a Director in place of Mr. Takuya Morikawa (DIN 03599830), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 202, and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (hereinafter referred to as "Act") and the approval of the Company be and is hereby accorded to the appointment of Mr. Dilip D. Dandekar (DIN 00846901) as a Director in the Whole-time employment, designated as Chairman & Executive Director of the Company (whose term of office shall not be liable to retirement by rotation) for a period of one (1) year with effect from 1st February, 2018 and he shall be entitled to receive a monthly salary of ₹ 7,97,935/- plus house rent allowance, perquisites and other allowances and benefits (collectively called "Total Remuneration") as recommended by the Remuneration and Nomination Committee and set out in the explanatory statement annexed hereto and also as set out in the agreement executed between the Company and Mr. Dilip D. Dandekar, with liberty to the Board of Directors to alter and/or vary the terms and conditions of the said appointment and/or agreement in such manner, as may be agreed to between the Board of Directors and Mr. Dilip D. Dandekar.

   RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in financial year of the Company during the term of Mr. Dilip D. Dandekar, the remuneration mentioned in the preceding part of the resolution and the said agreement shall be paid to Mr. Dilip D. Dandekar, as minimum remuneration and same shall be subject to limits as set out in Section II and Section IV of Part II of Schedule V of the Act.

   RESOLVED LASTLY THAT any one of the Directors namely, Mr. Nobuchika Doi, Managing Director or Mr. Shriram S. Dandekar, Vice-Chairman & Executive Director or Mr. Ravindra V. Damle, Vice President (Corporate) & Company Secretary be and are hereby severally authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 202, and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (hereinafter referred to as "Act") the approval of the Company be and is hereby accorded to the appointment of Mr. Shriram S. Dandekar (DIN 01056318) as Director in the Whole-time employment, designated as Vice-Chairman and Executive Director (whose term of office shall not be liable to retirement by rotation) for a period of one (1) year with effect from 1st February, 2018 and he shall be entitled to receive a monthly salary of ₹ 6,73,486/- plus house rent allowance, perquisites and other allowances and benefits (collectively called "Total Remuneration") as recommended by the Remuneration and Nomination Committee and set out in the explanatory statement annexed hereto and also as set out in the agreement executed between the Company and Mr. Shriram S. Dandekar, with liberty to the Board of Directors to alter and/or vary the terms and conditions of the said appointment and/or agreement in such manner, as may be agreed to between the Board of Directors and Mr. Shriram S. Dandekar.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in financial year of the Company during the term of Mr. Shriram S. Dandekar, the remuneration mentioned in the preceding part of the resolution and the said agreement shall be paid to Mr. Shriram S. Dandekar, as minimum remuneration and same shall be subject to limits as set out in Section II and Section IV of Part II of Schedule V of the Act.

RESOLVED LASTLY THAT anyone of the Directors namely, Mr. Dilip D. Dandekar, Chairman & Executive Director, Mr. Nobuchika Doi, Managing Director or Mr. Ravindra V. Damle, Vice President (Corporate) & Company Secretary be and are hereby severally authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 161 and such other applicable provisions, if any of the Companies Act, 2013 ("Act") and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to recommendation of the Remuneration and Nomination Committee, Mr. Kazuo Kubo (DIN 08125242), who was appointed as an Additional Non-Executive Director of the Company by the Board of Directors with effect from 9th May, 2018 and who holds the office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and that his term of office shall be liable to retirement by rotation."

By Order of the Board

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

Regd. Office:

Kokuyo Camlin Limited
CIN : L24223MH1946PLC005434
48/2, Hilton House,
Central Road, M.I.D.C,
Andheri (East),
Mumbai-400 093.
Dated: 23rd May, 2018.

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. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than 10% of total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for another person or shareholder.

3. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

4. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of the business referred to under Item Nos. 4 to 6 (both numbers inclusive) is annexed hereto.

5. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with effect from 7th May, 2018, vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed for the period of five (5) years in the 70th Annual General Meeting held on 28th June, 2017.

6. The Register of Members and Share Transfer Books will remain closed from 6th August, 2018 to 8th August, 2018 (both days inclusive).

7. Members holding shares in physical form are requested to communicate any change in address immediately to Company's Registrars and Share Transfer (R&T) Agents M/s Link Intime India Private Limited.

8. In compliance with Section 125 of the Companies Act, 2013 the unclaimed dividend for the year ended 31st March, 2010, has been transferred to the "Investor Education and Protection Fund" (IEPF) established by the Central Government. Members are requested to claim the said unpaid dividend by making an application to IEPF Authority in Form IEPF-5 available on www.iepf.gov.in.

9. Pursuant to provisions of section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounts, Audit, Transfer and Refund) Rules 2016 as amended from time to time, the Company is in the process of transferring shares to IEPF account whose dividend remains unclaimed for the financial year 2010-11. The members are requested to claim the said dividend at the earliest so as to avoid the transfer of shares to IEPF account. Separate communication has already been sent to each member who has not claimed the above mentioned unclaimed dividend and as per IEPF rules the Notice in this regard was also published in the newspapers Financial Express and Loksatta.

   As per the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2014, the Company has placed on its website (www.kokuyocamlin.com) the information on dividend which remains unclaimed with the Company for the financial year ended 31st March, 2009 and thereafter. The information is also available on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

10. Once the shares are transferred to IEPF based on unclaimed dividend for the financial year 2010-11, those members who have exercised their votes subsequent to the transfer of their shares to IEPF, their votes will not be considered under e-voting, postal ballot and voting through ballot papers on the date of Annual General Meeting (AGM).

11. The Company in compliance with Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") has sent three reminders to the members in respect of shares which are lying unclaimed with the Company. The Company has identified the members and initiated the process of transferring their shares to Unclaimed Suspense Account.

12. As per Regulation 26(4) and 36(3) of the Listing Regulations and Secretarial Standard-2 details in respect of the Directors seeking appointment or re-appointment at the Annual General Meeting forms integral part of the notice and is given in the Corporate Governance Report.

13. 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 at least seven working days prior to the meeting, so that the required information can be made available at the meeting.

14. 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.

15. The Securities and Exchange Board of India (SEBI) vide circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has directed all the listed Companies to record PAN and Bank Account details of all their securities holders holding securities in physical mode through their Registrar & Share Transfer Agent (RTA).

    Accordingly our RTA will be sending a letter along with KYC form to the concerned members for submitting the aforesaid information. Members holding shares in physical form are requested to provide their details as per KYC form enclosed to the letter.

16. In compliance with the provisions of Section 108 of the Companies Act, 2013, and the rules framed thereunder and Regulation 44 of the Listing Regulations, the members are provided with the facility to cast their votes electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this notice. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the notice of AGM and holding shares as on the cut-off date 1st August, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. In order to enable its members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this notice, the Company is enclosing a ballot form with the notice. Instructions for voting through ballot and e-voting are given in the said forms. Resolution(s) passed by the members through ballot forms/ e-voting is/ are deemed to have been passed if they have been passed at the AGM.

17. The facility for voting through Ballot paper shall be made available at the AGM and the members attending the meeting, who have not cast their vote by remote e-voting or ballot form shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting or ballot form prior to the AGM may also attend the AGM but shall not be entitled to cast their vote.

18. The Annual Report 2017-18 along with the Notice is being sent by electronic mode to those members whose email addresses are registered with the depository participants/ Company's R & T Agent unless any member has specifically requested for a physical copy are been sent in the permitted mode. Further even after registering for e-communication, members are entitled to receive

such communication in physical form upon making request for the same by post free of cost.

19. The Annual Report 2017-18 and Notice of the 71st AGM of the Company circulated to the Members of the Company will be made available on the Company's website www.kokuyocamlin.com and also on the website of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on any working day upto the date of AGM. For any communication the members may also send request to the Company's investor relations email Id: investorrelations@kokuyocamlin.com.

By Order of the Board

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

Regd. Office:
Kokuyo Camlin Limited
CIN : L24223MH1946PLC005434
48/2, Hilton House, Central Road, M.I.D.C,
Andheri (East), Mumbai-400 093.
Dated: 23rd May, 2018.

ANNEXURE FORMING PART OF THE NOTICE EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

ITEM NOS. 4 AND 5:

The Company had appointed Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar as Directors in whole-time employment designated as Chairman & Executive Director and Vice Chairman & Executive Director respectively for the period of two (2) years with effect from 1st February, 2016 by passing a Special Resolution through postal ballot on 28th March, 2016 which expired on 31st January, 2018. The Company had also taken approval from Central Government for the payment of remuneration to Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar.

The Company now proposes to re-appoint Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar as Directors in whole-time employment designated as Chairman & Executive Director and Vice Chairman & Executive Director respectively for the further period of one (1) year with effect from 1st February, 2018. The said appointment and their remuneration were also approved by the Remuneration and Nomination Committee, at it's meeting held on 23rd January, 2018 and by the Audit Committee and the Board of Directors at their meeting held on 25th January, 2018.

The material terms of appointment and remuneration as contained in the agreement executed between the Company with the Whole-time Directors namely Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar are given below;

I. SALARY:

Sr. No	Name & Designation of the Whole-Time Directors	Salary Per Month (₹)
1	Mr. Dilip D. Dandekar- Chairman & Executive Director	797935
2	Mr. Shriram S. Dandekar- Vice Chairman & Executive Director	673486

II. HOUSE RENT ALLOWANCE(HRA):

Sr. No	Name & Designation of the Whole-Time Directors	HRA Per Month (₹)
1	Mr. Dilip D. Dandekar- Chairman & Executive Director	162500
2	Mr. Shriram S. Dandekar- - Vice Chairman & Executive Director	137500

III. PERQUISITES AND OTHER ALLOWANCES:

Sr. No	Name & Designation of the Whole-Time Directors	Perquisites and other Allowances per annum (₹)
1	Mr. Dilip D. Dandekar - Chairman & Executive Director	1750000
2	Mr. Shriram S. Dandekar - Vice Chairman & Executive Director	1470000

In addition to salary and house rent allowance, they shall be entitled to perquisites and other allowances such as gas, electricity, water, furnishing 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 Nomination Committee and the Whole-time Directors.

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

IV. PROVIDENT FUND, SUPERANNUATION, GRATUITY FUND AND LEAVE ENCASHMENT:

In addition to salary, house rent allowance and perquisites and other allowances, they shall be entitled to Company's contribution to Provident Fund, Employee Pension Scheme, 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.

V. TOTAL REMUNERATION:

The aggregate of the remuneration including contribution towards Provident Fund, Employee Pension Scheme, Superannuation and Gratuity Fund, payable to each of the Whole time Directors of the Company taken together shall be calculated in accordance with the provisions of Section 197of the Companies Act, 2013 ("Act") read with Schedule V thereof amended from time to time.

VI. MINIMUM REMUNERATION:

In the event of inadequacy or absence of profit in financial year of the Company during the term of Whole-time Directors, the minimum remuneration payable respectively to each of them shall be by way of salary, house rent allowance, perquisites and other allowances as set above subject to the provisions of Section 197 of the Act and subject to compliances required under Schedule V of the Act and in addition thereto they shall also be respectively eligible to the perquisites provided in Section IV of Schedule V of the Act as may be amended from time to time.

None of the Directors/ Key Managerial Personnel (KMP) of the Company and their relatives except the appointees are concerned or interested in these resolutions. The relatives of appointees may be deemed to be interested in the resolutions of the Notice to the extent of thier shareholing, if any, in the Company.

In view of inadequate profit for the financial year ended 31st March, 2018, the above mentioned remuneration paid/ payable to Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar requires approval of members under Schedule V read with the provisions of the Act. Accordingly, the information as required under Schedule V of the Act with reference to the special resolutions is given below as Annexure.

The details regarding the proposed appointment of Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar as Whole-time Director and their brief resume has been given in the Corporate Governance Report for the information to the members.

The Directors recommend the Special Resolutions for your approval.

Annexure

The information relevant to the appointment of Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar as Whole-time Directors as required as per Part II Section II of Schedule V of the Companies Act, 2013.

I. GENERAL INFORMATION:

i. Nature of Industry:

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

ii. Date or expected 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.

iii. Financial Performance based on given indicators –

(₹ in Lakhs)

Sr. No.	Particulars	2017-18	2016-17	2015-16
1	Revenue from operations (Gross)	70153.17	68780.28	64314.09
2	Profit before tax	1490.49	225.25	731.05
3	Profit after tax	982.17	149.52	525.90

The figures for the financial years 2017-18 and 2016-17 are as per IND-AS.

iv. Foreign Investments or Collaborations, if any.

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

Kokuyo Co., Ltd, Japan, Promoter and also our Holding Company has invested ₹ 16,168.00 Lakhs by way of equity shares. These FDI Investments were made against preferential allotment and rights issue.

II. INFORMATION ABOUT THE APPOINTEE:

i. Background Details:

Mr. Dilip D. Dandekar (66) G.C.D is one of the promoter of the Company. He is associated with the Company since 1977 and was later appointed as Whole-time Director in the year 1979 and as Chairman & Managing Director of the Company, from 1st June, 2002. The Board of Directors in its meeting held on 1st February, 2013 has appointed Mr. Dilip D. Dandekar as Chairman & Executive Director of the Company.

Mr. Shriram S. Dandekar (57) M.Sc., M.B.A is one of the promoter of the Company. He joined the Company as 'Management Trainee'. He is associated with the Company since 1983. He was later appointed as 'Executive Director' from 1st January, 1993. The Board of Directors of the Company in its meeting held on 1st February, 2013 has appointed Mr. Shriram S. Dandekar as 'Vice Chairman & Executive Director'.

ii. Past Remuneration:

Sr. No.	Name of Whole-time Directors	₹ In Lakhs
1	Mr. Dilip D. Dandekar – Chairman & Executive Director	162.26
2	Mr. Shriram S. Dandekar – Vice-Chairman & Executive Director	136.88

iii. Job Profile and his suitability:

Mr. Dilip D. Dandekar has wide experience of over 40 years in the field of Marketing, Administration and overall Management of the Company. With his long standing experience and knowledge he has successfully and in a sustained way contributed towards the growth of the Company.

Mr. Shriram S. Dandekar has wide experience of 35 years in the field of Research and Development, Product Development, Business Planning and Marketing. With his long standing experience and knowledge he has successfully and in a sustained way contributed towards the growth of the Company.

Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar are the part of the Senior Management considering their vast experience in the relevant field, the Whole-time Directors are best suited for the responsibilities assigned to them by the Board of Directors.

iv. Remuneration Proposed:

As stated in the Explanatory Statement at Item Nos. 4 and 5.

v. 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 Whole-time Directors, the responsibilities to be 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.

vi. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the contract of employment proposed, Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar do not have any other pecuniary relationship with the Company and its managerial personnel except that of Ms. Aditi D. Dighe daughter of Mr. Dilip D. Dandekar employed with the Company as General Manager (Marketing) and Mr. Rahul D. Dandekar son of Mr. Dilip D. Dandekar employed with Company as Dy. General Manager (Marketing).

Mr. Dilip D. Dandekar holds 200000 equity shares and Mr. Shriram S. Dandekar holds 250000 equity shares of the Company.

Other Directorship:

Mr. Dilip D. Dandekar

Name of the Company	Position
Camlin Fine Sciences Limited	Director Member of Shareholders Grievance Committee
Camlin International Limited (Under the process of striking off)	Director
Triveni Pencils Limited	Director
Nilmac Packaging Industries Limited	Director
Camart Finance Limited	Director
CAFCO Consultants Limited	Director
Datamatics Global Services Limited	Director
DDI Finance Private Limited	Director
Colart Camlin Canvas Private Limited	Director
Alphakids Learning and Activity Centre Limited	Director
Lumina Datamatics Limited	Director
IMC Chamber of Commerce and Industry	Director

Mr. Shriram S. Dandekar

Name of the Company	Position
Camlin International Limited (Under the process of striking off)	Dire.ctor
Dandekar Investments & Consultants Private Limited	Director

III. OTHER INFORMATION:

a) Reasons for loss or inadequate profits:

The pricing pressure impacted the revenue growth of the Company. The Company sustained overall growth only by way of volumes on other hand increased manpower cost, marketing spends and other operating expenses impacted the bottom line of the Company.

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

For improving profitability, the Company has 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. Such steps when adopted will enable the Company to come out from the inadequate profits.

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

The Company's state of art plant at Patalganga will enhance production capacities and enable us to widen Company's product portfolio and take on competition strongly as it benefits from lower production cost.

IV. DISCLOSURES:

The Agreement entered into between the Company and Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar respectively, which set out the terms and conditions of their appointment are available for inspection of the members of the Company at its Registered Office situated at 48/2, Hilton House, Central Road, MIDC, Andheri (East), Mumbai – 400 093 between 11.00 a.m. to 1.00 p.m. on any working day of the Company upto the date of Annual General Meeting i.e. 8th August, 2018.

ITEM NO. 6

The Board of Directors at its meeting held on 9th May, 2018 on the recommendation of Remuneration and Nomination Committee had appointed Mr. Kazuo Kubo as an Additional Non-Executive Director with effect from 9th May, 2018, pursuant to the provisions of Section 161(1) of the Companies Act, 2013, read with Article 128 of Articles of Association of the Company. He holds the office upto conclusion of the ensuing Annual General Meeting and is eligible to be apponted as Director whose term of office shall be liable to retirement by rotation.

The Company has received a notice in writing under the provisions of Section 160 of the Act from a member proposing the candidature of Mr. Kazuo Kubo for the office of Director.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kazuo Kubo as a Director.

The details regarding the proposed appointment of Mr. Kazuo Kubo as a Director and his brief resume has been given in the Corporate Governance Report for the information to the members.

None of the Directors/Key Managerial Personnel (KMP) of the Company and their relatives except the appointee are concerned or interested in the resolution.

The Directors recommend the ordinary resolution for your approval.

By Order of the Board

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

Regd. Office:

Kokuyo Camlin Limited
CIN : L24223MH1946PLC005434
48/2, Hilton House,
Central Road, M.I.D.C,
Andheri (East),
Mumbai-400 093.
Dated: 23rd May, 2018.

Directors' Report

To,

The Shareholders of Kokuyo Camlin Limited

Your Directors have pleasure in presenting the 71st Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2018.

FINANCIAL RESULTS (STANDALONE):

(₹ In Lakhs)

PARTICULARS	2017-2018	2016-2017
Gross Sales/Income from Business Operations	70153.17	68780.28
Less: Discount on Sales	6525.42	2619.72
Add: Other Operating Income	222.28	154.90
Net sales	63850.03	66315.46
Other Income	288.22	306.82
Total Income	64138.25	66622.28
Profit Before Interest and Depreciation	4101.57	2607.52
Less: Interest	960.57	1174.61
Less: Depreciation	1650.51	1207.66
Profit Before Tax	1490.49	225.25
Less: Provision for Tax		
- Current	255.91	-
- Deferred	252.41	76.35
- Prior Years (Net)	-	(0.62)
Net Profit after Tax	982.17	149.52
Balance carried to Balance Sheet	982.17	149.52
Earnings per share (Basic)	0.98	0.15
Earnings per share (Diluted)	0.98	0.15

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1st April, 2017, pursuant to the notification of Companies (Indian Accounting Standard) Rules, 2015 issued by the Ministry of Corporate Affairs. Previous years' figures have been restated and audited by the Statutory Auditors of the Company, namely, M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022).

During the year the Company reported gross sale of ₹ 70153.17 lakhs as compared to ₹ 68780.28 lakhs for the last year representing a growth of 2.00 % over the corresponding period of the previous year. The profit before tax was higher at ₹1490.49 lakhs against ₹ 225.25 lakhs for the corresponding period of the previous year.

The year under review continued to be a challenging year which took a hit on the growth rates. Disruption caused by implementation of GST did impact the Company especially in the first quarter inspite of this the Company could achieve higher profits mainly on account of focus on high margin products, control on overheads and rate negotiation with suppliers. Your Company will continue to strengthen its performance in the coming years with focus on optimum levels of inventory, operating efficiencies and cost saving across the organisation.

DIVIDEND:

Given the growth requirements of the business, your Directors do not recommend any dividend on equity shares for the financial year 2017-2018.

TRANSFER TO RESERVE:

During the year under review, the Company has not transferred any amount towards General Reserve and retained the entire amount of profits in the Profit and Loss Account.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis forms an integral part of this report and is presented separately. It gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's operations and their adequacy, risk management systems and other material developments during the financial year 2017-18.

SHARE CAPITAL:

During the year under review, there was no change in the share capital structure and the paid up capital of the Company as on 31st March, 2018 was ₹ 1003.04 lakhs.

CONSOLIDATED FINANCIALS STATEMENTS:

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the consolidated financial statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report. Pursuant to Section 136 of the Companies Act, 2013, the financial statements of the Subsidiary, Associate and Joint Venture Companies are kept for inspection by the shareholders at the Registered Office of the Company. The Company shall provide free of cost, the copy of the financial statements of its Subsidiary, Associate and Joint Venture Companies to the shareholders upon their request. The statements are also available on the website of the Company www.kokuyocamlin.com under the Investor Relations section.

SUBSIDIARIRES:

At present, the Company does not have any material subsidiary. No new subsidiary was incorporated or acquired by the Company during the year under review.

M/s. Camlin International Limited, wholly owned subsidiary of Kokuyo Camlin Limited was not engaged in any business operations for over 10 years. Hence, it has made an application on 30th March, 2018 to the Registrar of Companies for striking off the Company by removal of name from the Register of Companies. The final approval from the Registrar of Companies is awaited.

Pursuant to the provisions of Section 129(3) of Companies Act, 2013, a statement containing salient features of the financial statements of Subsidiary/Associate Company in Form AOC-1 is attached to the financial statements of the Company.

In accordance with the section 136 of the Companies Act, 2013, the Audited Financial Statements and related information of the Company and Audited Accounts of its Subsidiary are available on the website www.kokuyocamlin.com .

DEPOSITS:

During the year under review, your Company has not accepted any deposits. There are no unclaimed deposits as on date.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no Material changes and Commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate (i.e. 31st March, 2018) and the date of the report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not granted any Loans, Guarantees or Investments during the financial year ended 31st March, 2018.

RELATED PARTY TRANSACTIONS:

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their review/approval on a quarterly basis.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of Related Party Transactions as required under Section 134 (3) (h) of the Companies Act 2013 in Form AOC-2 is not applicable to your Company.

The details of transaction with related parties are provided in the accompanying financial statements. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

CORPORATE GOVERNANCE REPORT:

Corporate Governance is all about ethical conduct, integrity and accountability. Good Corporate Governance involves a commitment of the Company to run the business in a legal, ethical and transparent manner and runs from the top and permeates throughout the organization. It is a key element improving the economic efficiency of Organization.

As per Listing Regulations, a separate section on Corporate Governance forms part of this report. A Certificate from JHR & Associates, Secretarial Auditors confirming compliance of Corporate Governance forms part of this Report.

Certificate of the CEO/CFO, confirming the correctness of the financial statements, compliance with the Company's Code of Conduct and the Audit Committee in terms of Regulation 17 of the Listing Regulations is attached in the Corporate Governance report and forms part of this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In terms of the provisions of the Companies Act, 2013, Mr. Takuya Morikawa and Mr. Takeo Iguchi, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment, you are requested to appoint them.

The Board of Directors at its meeting held on 25th January, 2018 approved the re-appointment of Mr. Dilip D Dandekar as 'Chairman & Executive Director' and Mr. Shriram S. Dandekar as 'Vice-Chairman & Executive Director', whose term expired on 31st January 2018, for the further period of one (1) year with effect from 1st February, 2018. The requisite resolutions for their appointment is being proposed in the notice of the ensuing Annual General Meeting for the approval of the members.

Pursuant to provisions of Section 161 of the Companies Act, 2013 and in terms of Listing Regulations, the Board of Directors at its meeting held on 9th May, 2018, appointed Mr. Kazuo Kubo as an Additional Non- Executive Director of the Company. The requisite resolution for his appointment as a Non- Executive Director, whose term is liable to retire by rotation is being proposed in the notice of the ensuing Annual General Meeting for the approval of the members.

The profile of Directors seeking appointment/ re-appointment forms a part of Corporate Governance Report.

The Company has re-appointed Mr. Nobuchika Doi as 'Managing Director' designated as "Chief Executive Officer & Executive Director", Mr. Takeo Iguchi as 'Executive Director' for the period of three (3) years with effect from 1st November, 2017. Further, Ms. Nandini Chopra has been appointed as an Independent Director of the Company for a period of five (5) years with effect from 3rd August, 2017. The aforesaid appointments were approved by the members by passing ordinary resolutions through postal ballot dated 28th December, 2017.

During the financial year 2017-18, Ms. Aparna Piramal Raje, Independent Director and Ms. Junko Saito, Non-Executive Director resigned with effect from 24th July, 2017 and 26th February, 2018 respectively. The Board has placed on record its appreciation for the contribution made by Ms. Aparna Piramal Raje and Ms. Junko Saito during their tenure of office.

The Board of Directors in its meeting held on 9th May, 2018 appointed Mr. Satish Veerappa as Key Managerial Person designated as Chief Executive Officer and re-designated Mr. Nobuchika Doi as Managing Director of the Company with effect from 9th May, 2018.

None of the Directors are disqualified from being appointed as Directors as specified in section 164 of Companies Act, 2013.

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed thereunder.

1. Mr. Nobuchika Doi – Managing Director
2. Mr. Chetan Badal - Chief Financial Officer
3. Mr. Ravindra Damle – Vice President (Corporate) & Company Secretary
4. Mr. Satish Veerappa – Chief Executive Officer (with effect from 9th May, 2018)

The Disclosure required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as "Annexure – C" forms an integral part of this report.

MEETINGS OF BOARD:

During the financial year 2017-18 five Board Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

In compliance with the requirements of Listing Regulations, the Company has put in place a familiarization program for the Independent Directors to familiarize them with their role, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report. The same is also available on the website of the company and can be accessed by web link https://www.kokuyocamlin.com/company-policies

PERFORMANCE EVALUATION OF THE DIRECTORS:

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, its Committees and individual Directors.

Further, the Independent Directors had met separately without the presence of Non-Independent Directors and the members of management and discussed the performance evaluation of the Board Members as stipulated under the Listing Regulations.

DECLARATION OF INDEPENDENCE:

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16(1) (b) of Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force).

REMUNERATION POLICY:

The Board has, on the recommendation of the Remuneration and Nomination Committee framed a policy for selection, appointment and remuneration of Directors and KMPs. The Remuneration Policy is stated in the Corporate Governance Report.

DIRECTORS RESPONISBILITY STATEMENT:

Pursuant to the requirement under section 134(3) (c) of the Companies Act, 2013, your Directors to the best of their knowledge and belief and according to the information and explanations obtained by them, hereby confirm:

a) That in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) That the Directors had 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, 2018 and of the profit of the Company for the year ended on that date.

c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) That the Directors had prepared the annual accounts on a going concern basis; and

e) That the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & AUDITORS REPORT:

STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/ W100022) were appointed as the Statutory Auditors of the Company for a term of five years, to hold office from the conclusion of 70th Annual General Meeting held on 28th June, 2017 till the conclusion of 75th Annual General Meeting of the Company. They have confirmed that they are not disqualified from continuing as the Auditors of the Company.

AUDITORS REPORT:

The observation of the Auditors in their report read with relevant notes to the accounts are self-explanatory and therefore do not require further explanations.

The Auditors Report to the memebrs on the Standalone and Consolidated Financial Statements of the Company for the the year ended 31st March, 2018 does not contain any qualifications, reservations or adverse remarks.

SECRETARIAL AUDIT:

M/s. JHR & Associates a firm of Company Secretaries were appointed as Secretarial Auditor for the financial year 2017-18 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR-3 is attached as "Annexure – E" and forms part of this report.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2017-18.

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.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control System (IFC) in the Company which should be adequate and shall operate effectively. To ensure effective Internal Financial Controls the Company has its own process driven framework for the year ended 31st March, 2018.

The Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and /or improved controls wherever the effect of such gaps would have a material effect on the Company's operation.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

The Company had transferred a sum of ₹ 4.98 Lakhs during the financial year to the Investor Education and Protection Fund established by the Central Government (IEPF). The said amount represents Unclaimed Dividend for the year 2009-2010 with the Company for a period of 7 years from their respective due dates of payment.

TRANSFER OF SHARES TO IEPF

As required under Section 124 of the Companies Act, 2013, 540599 Equity shares, in respect of which dividend has not been claimed by the members for Seven (7) consecutive years have been transferred by the Company to IEPF during the financial year 2017-18. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Rule 6(3) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 as amended on 28th February, 2017 as IEPF amended Rules 2017, the Company is in the process of transfer of shares either in physical mode or in Demat mode to IEPF authority, whose dividend is unclaimed for the financial year 2010-11 for the period of seven years. The Company has already communicated individually to the concerned shareholders whose shares are liable to be transferred to IEPF account.

SEXUAL HARRSEMENT OF WOMEN AT WORKPLACE:

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. As required under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under, the Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at the workplace. All women, permanent, temporary or contractual including those of service providers are covered under the policy. An Internal Sexual Harassment Committee comprising management staff has been set up at office and factory locations, which includes three women to redress complaints relating to sexual harassment. The Committee also includes an outside woman representative from an NGO. During the year under review no case was reported under the said policy.

SIGNIFICANT AND MATERIAL ORDRES PASSED BY THE REGULATORS OR COURTS:

There are no significant or material orders passed by any regulator, tribunal or court that would impact the going concern status of the Company and its future operations

CORPORATE SOCIAL RESPONISIBILITY:

In terms of Section 135 of the Companies At 2013 read with Companies (Corporate Social Responsibility) Rules 2014 as amended and in accordance with the CSR Policy the Company has spent above 2% of the average net profits of the Company during the three immediately preceding financial years. The details are provided in the Annual Report on CSR activities has been appended as "Annexure – D" which forms an integral part of this report.

Key Initiatives which the Company engaged are:-

Educate the Girl Child

Your Company got associated with K.C. Mahindra Foundation Trust A/c - Nanhi Kali one of the largest community programs imparting education to under privileged girls across India. This partnership provided support to girl children through academic material and social backing by identifying critical centers of education through Nanhi kali project.

Swachh Bharat Kosh

Your Company also contributed to the Swach Bharat Kosh set-up by the Central Government for promotion of sanitation through donation to the above said fund.

Vanavasi Kalyan Ashram (VKA)

Your Company has contributed to Vanavasi Kalyan Ashram (VKA), a social organisation, having presence in all states of India. It has been working for welfare of tribal population of India since last 60 years.

In addition to the above the Company has been implementing other social activities which has not been considered for arriving at the spends as per the CSR rules.

CODE OF ETHICS AND VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has adopted code of ethics and business conduct which lays down principles and standards that should govern the actions of the Company and employees. The Company has a vigil mechanism called "Whistle Blower Policy" with a view to provide a mechanism for employees of the Company to raise concerns of any violations of any legal or regulatory requirement, incorrect or misrepresentation of any financial statements and reports etc. The Company is committed to adhere to the highest standard of ethical, moral and legal conduct of business operations.

The Company has taken steps to establish Vigil Mechanism for Directors and Employees of the Company. The details of the Policy are posted on the website of the Company at www.kokuyocamlin.com.

PREVENTION OF INSIDER TRADING:

The Company has also adopted a code of conduct for prevention of insider trading. All the Directors, senior management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under report, there has been due compliance with the said code of conduct for prevention of insider trading based on the SEBI (Prohibition of Insider Trading) Regulations 2015.

INSURANCE:

The Company's plant, property, equipment's and stocks are adequately insured against major risks. The Company also has appropriate liability insurance covers particularly for product liability. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

RISK MANAGEMENT

The Company recognizes that risk is an integral part of any business activity. The Company is aware of the risks associated with the business and has well defined process in place to ensure appropriate identification and treatment of risk. This 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. There are no risks which in the opinion of the board threatens the existence of the company. However some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

DISCLOSURE ON CONFIRMATION ON THE SECRETARIAL STANDARDS

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India have been duly complied with.

GREEN INTIATIVE IN CORPORATE GOVERNANCE:

In support of the green initiative of the Ministry of Corporate Affairs, the Company has also decided to send the annual report through email to those shareholders who have registered their email id with the depository participant /Company's registrar and share transfer agent, in case a shareholder wishes to receive a printed copy he/she may please send a request to the Company which will send the annual report to the shareholder.

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

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure – A".**

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT- 9 is annexed herewith as **"Annexure - B".**

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

ACKNOWLEDGEMENT:

Your Directors express their gratitude to the members, bankers, customers, financial institutions and other business constituents for their continued faith, assistance and support extended to the Company. Your Directors also sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees at all levels thereby contributing largely to the growth and success of the Company.

Your Directors also wish to place on record their appreciation for the support and guidance provided by its parent Company Kokuyo Co., Ltd. Japan.

For and on behalf of the Board

DILIP DANDEKAR
Chairman & Executive Director

Place: Mumbai
Date: 9th May 2018

Annexure 'A' to the Board's Report

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

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

A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

- Usage of Servo motors in Machines.
- Installation of energy savers on air conditioners.
- Use of Solar Energy for process water heating.
- Install Turbo ventilator on Roofs operated on wind to reduce heat and also improve shop floor ventilation.
- In all factories we are not discharging treated effluents from ETP but it is recycled and reused, resulting in saving of 20% of water consumption.
- Use of gravity in some process has reduced electricity for transfer of material.
- Use of LED lights across all factory locations.
- Usage of natural lights in manufacturing area to reduce power consumption.

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

Use of electric injection moulding machines in place of hydraulic machines which has reduced substantial enegy consumption.

(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 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 up gradation, 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.

(₹ In Lakhs)

4.	Expenditure on R&D	2017-2018	2016-2017
a)	Capital	-	-
b)	Recurring	365.97	342.78
c)	Total	365.97	342.78
d)	Total R&D Expenditure as a Percentage of total turnover	0.57	0.67

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Major countries of export are SAARC Countries, Middle East, Far East, CIS Regions and USA. The Company is aggressively focusing in OEM business in CIS countries and branded business in Middle East, SAARC and Far East Countries for Hobby and Fine Art products.

(b) Total Foreign Exchange used and earned:

(₹ In Lakhs)

	2017-2018	2016-2017
Foreign exchange used	5649.89	5923.55
Foreign exchange earned	798.57	1559.05

For & on behalf of the Board

DILIP DANDEKAR
Chairman & Executive Director

Place : Mumbai
Dated : 9th May, 2018

Annexure 'B' to the Board's Report

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L24223MH1946PLC005434
ii)	Registration Date	24th December,1946
iii)	Name of the Company	Kokuyo Camlin Limited
iv)	Category / Sub-Category of the Company	Company Limited by shares Indian Non- Government Company
v)	Address of the Registered office and contact details	48/2, Hilton House, Central Road M.I.D.C, Andheri (East), Mumbai – 400093 Tel: 022-66557000 Website: www.kokuyocamlin.com
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C – 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083 Tel.: 91-22- 49186270 Fax: 91-22- 49186060 Email id: rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of	NIC Code of the Product/service	% to total turnover of the company
1	Artists Colours	303.60	47.60

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Kokuyo Co., Ltd.		Holding	74.44	2(46)
2.	Camlin International Ltd. (Under the process of Striking Off)	U51900MH1993PLC075140	Subsidiary	100	2(87)
3.	Colart Camlin Canvas Pvt. Ltd.	U17290MH2005PTC155976	Associate	40	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
	Individual/HUF	1244200	-	1244200	1.24	550000	-	550000	0.55	(0.69)
	Central Govt.	-	-	-	-	-	-	-	-	-
	State Govt(s).	-	-	-	-	-	-	-	-	-
	Bodies Corp.	-	-	-	-	-	-	-	-	-
	Bank/ FI	-	-	-	-	-	-	-	-	-
	Any other	-	-	-	-	-	-	-	-	-
	SUB TOTAL - (A) (1)	**1244200**	**-**	**1244200**	**1.24**	**550000**	**-**	**550000**	**0.55**	**(0.69)**
(2)	**Foreign**	**-**	**-**	**-**	**-**					**-**
	NRI - Individuals	-	-	-	-	-	-	-	-	-
	Other - Individuals	-	-	-	-	-	-	-	-	-
	Bodies Corp.	73971750	-	73971750	73.75	74665950	-	74665950	74.44	0.69
	Banks/FI	-	-		-	-	-	-	-	-
	Any other	-	-	-	-	-	-	-	-	-
	SUB TOTAL - (A) (2)	**73971750**	**-**	**73971750**	**73.75**	**74665950**	**-**	**74665950**	**74.44**	**0.69**
	Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	**75215950**		**75215950**	**74.99**	**75215950**	**-**	**75215950**	**74.99**	**-**
B.	**PUBLIC SHAREHOLDING**									
(1)	**Institutions**									
	Mutual Funds	-	-	-	-	-	-	-	-	-
	Banks/FI	63560	3000	66560	0.06	49756	3000	52756	0.05	(0.01)
	Central Govt. - Investor Education and Protection Fund	-	-	-	-	540599	-	540599	0.54	0.54
	State Govt(s).	-	-	-	-	-	-	-	-	-
	Venture Capital Fund	-	-	-	-	-	-	-	-	-
	Insurance Companies	-	-	-	-	-	-	-	-	-
	FIIs	-	-	-	-	-	-	-	-	-
	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	Others (specify):	-	-	-	-	-	-	-	-	-
	Foreign Portfolio Investor	-	-	-	-	75000	-	75000	0.07	0.07
	SUB TOTAL (B)(1):	**63560**	**3000**	**66560**	**0.06**	**665355**	**3000**	**668355**	**0.66**	**0.60**
(2)	**Non Institutions**									
a)	Bodies Corp.	2971988	-	2971988	2.96	3629673	-	3629673	3.62	0.66
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 2 lakhs	14935632	2193090	17128722	17.08	13495634	1623922	15119556	15.07	(2.01)
ii)	Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	2779707	-	2779707	2.77	3098890	-	3098890	3.10	0.33
c)	Others (Specify)									
i)	NRI (Non-Rep)	252836	-	252836	0.25	374847	-	374847	0.37	0.12
ii)	NRI (Rep)	904286	2000	906286	0.91	1387879	-	1387879	1.38	0.47
iii)	Trust	2000	-	2000	-	2000	-	2000	-	-
iv)	Foreign Portfolio Investor (Individual)	23175	-	23175	0.02	-	-	-	-	(0.02)
v)	Hindu Undivided Family	699493	-	699493	0.70	599184	-	599184	0.60	(0.10)
vi)	Clearing Member	257089	-	257089	0.26	207472	-	207472	0.21	(0.05)
	SUB TOTAL (B)(2):	**22826206**	**2195090**	**25021296**	**24.95**	**22795579**	**1623922**	**24419501**	**24.35**	**(0.60)**
	Total Public Shareholding (B)= (B)(1) + (B)(2)	**22889766**	**2198090**	**25087856**	**25.01**	**23460934**	**1626922**	**25087856**	**25.01**	**-**
C.	**Shares held by Custodian for GDRs & ADRs**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Grand Total (A+B+C)	**98105716**	**2198090**	**100303806**	**100**	**98676884**	**1626922**	**100303806**	**100**	**-**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Kokuyo Co., Ltd.	73971750	73.75	-	74665950	74.44	-	0.69
2	Shriram Sharad Dandekar	250000	0.25	-	250000	0.25	-	-
3	Dilip Digambar Dandekar	768200	0.76	-	200000	0.20	-	(0.56)
4	D D Dandekar HUF	126000	0.13	-	-	-	-	(0.13)
5	Subhash Digambar Dandekar	100000	0.10	-	100000	0.10	-	-
	TOTAL	**75215950**	**74.99**	**-**	**75215950**	**74.99**	**-**	**-**

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

Sr. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	**Kokuyo Co., Ltd.**				
	At the beginning of the year	73971750	73.75	73971750	73.75
	Purchase/Sale during the year	694200	0.69	74665950	74.44
	At the end of the year	-	-	74665950	74.44
2.	**Shriram Sharad Dandekar**				
	At the beginning of the year	250000	0.25	250000	0.25
	Purchase/ Sale during the year	-	-	250000	0.25
	At the end of the year	-	-	250000	0.25
3.	**Dilip Digamber Dandekar**				
	At the beginning of the year	768200	0.76	768200	0.76
	Purchase/ Sale during the year	(568200)	(0.56)	200000	0.20
	At the end of the year	-	-	200000	0.20
4.	**D D Dandekar HUF**				
	At the beginning of the year	126000	0.13	126000	0.13
	Purchase/ Sale during the year	(126000)	(0.13)	-	-
	At the end of the year	-	-	-	-
5.	**Subhash Digambar Dandekar**				
	At the beginning of the year	100000	0.1	100000	0.1
	Purchase/ Sale during the year	-		100000	0.1
	At the end of the year			100000	0.1

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	**Edelweiss Broking Ltd**				
	At the beginning of the year	2113	-	2113	-
	Increase/ Decrease upto 31st March, 2018	999997	1.00	1002110	1.00
	At the end of the year	1002110	1.00	1002110	1.00
2.	**Girish S. Apte**				
	At the beginning of the year	848190	0.85	848190	0.85
	Increase/ Decrease upto 31st March, 2018	(4317)	0	843873	0.84
	At the end of the year	843873	0.84	843873	0.84
3.	**Ramesh Damani**				
	At the beginning of the year	375000	0.37	375000	0.37
	Increase/ Decrease upto 31st March, 2018	-	-	375000	0.37
	At the end of the year			375000	0.37
4.	**Benu Gopal Bangur**				
	At the beginning of the year	312600	0.31	312600	0.31
	Increase/ Decrease upto 31st March, 2018	60000	0.06	372600	0.37
	At the end of the year	372600	0.37	372600	0.37
5.	**Nalini N. Sekhsaria**				
	At the beginning of the year	350000	0.35	350000	0.35
	Increase/ Decrease upto 31st March, 2018	-	-	350000	0.35
	At the end of the year	-	-	350000	0.35
6.	**Shree Capital Services Limited**				
	At the beginning of the year	345430	0.34	345430	0.34
	Increase/ Decrease upto 31st March, 2018	-	-	345430	0.34
	At the end of the year	-	-	345430	0.34
7.	**Kalpana Rajiv Dandekar**				
	At the beginning of the year	332917	0.33	332917	0.33
	Increase/ Decrease upto 31st March, 2018	-	-	332917	0.33
	At the end of the year	-	-	332917	0.33
8.	**Ganesh Srinivasan**				
	At the beginning of the year	300000	0.30	300000	0.30
	Increase/ Decrease upto 31st March, 2018	-	-	300000	0.30
	At the end of the year	-	-	300000	0.30
9.	**Harimohan Boangur**				
	At the beginning of the year	193500	0.19	193500	0.19
	Increase/ Decrease upto 31st March, 2018	70000	0.07	263500	0.26
	At the end of the year	263500	0.26	263500	0.26
10.	**Vijay V. Wadhwa**				
	At the beginning of the year	261000	0.26	261000	0.26
	Increase/ Decrease upto 31st March, 2018	-	-	261000	0.26
	At the end of the year	-	-	261000	0.26

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	**Mr. Dilip D. Dandekar**				
	At the beginning of the year	768200	0.76	768200	0.76
	increase/ decrease in shareholding during the year	(568200)	(0.56)	200000	0.20
	At the end of the year	200000	0.20	200000	0.20
2.	**D D Dandekar (HUF)**				
	At the beginning of the year	126000	0.13	126000	0.13
	increase/ decrease in shareholding during the year	(126000)	(0.13)	-	-
	At the end of the year	-	-	-	-
3.	**Mr. Shriram S. Dandekar**				
	At the beginning of the year	250000	0.25	250000	0.25
	increase/ decrease in shareholding during the year	-	-	250000	0.25
	At the end of the year	-	-	250000	0.25
4.	**Mr. Takuya Morikawa**				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
5.	**Mr. Nobuchika Doi**				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
6.	**Mr. Takeo Iguchi**				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7.	**Mr. Shishir B. Desai**				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
8.	**Mr. Ramanathan Sriram**				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
9.	**Mr. Hisamaro Garugu**				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
10.	**Mr. Devendra Kumar Arora**				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

Sr. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
11.	**Mr. Venkataraman Sriram**				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
12.	**Ms. Aparna Piramal Raje***				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
13.	**Ms. Nandini Chopra****				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
14.	**Ms. Junko Saito*****				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
15.	**Mr. Chetan Badal**				
	At the beginning of the year	23030	0.02	23030	0.02
	increase/ decrease in shareholding during the year	-	-	23030	0.02
	At the end of the year	-	-	23030	0.02
16.	**Mr. Ravindra V. Damle**				
	At the beginning of the year	28677	0.03	28677	0.03
	increase/ decrease in shareholding during the year	-	-	28677	0.03
	At the end of the year	-	-	28677	0.03

*Ceased to be Director w.e.f. 24th July, 2017.

**Appointed as a Director w.e.f. 3rd August, 2017.

***Ceased as a Director w.e.f. 26th February, 2018.

V. INDEBTEDNESS:

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

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	9.46	9843.91	-	9853.37
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	21.45	-	21.45
Total (i+ii+iii)	**9.46**	**9865.36**	**-**	**9874.82**
Change in Indebtedness during the financial year				
Addition	27.90	-	-	27.90
Reduction	5.93	537.15	-	543.08
Net Change	**21.97**	**537.15**	**-**	**570.98**
Indebtedness at the end of the financial year				
i) Principal Amount	31.43	9306.76	-	9338.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	6.49	-	6.49
Total (i+ii+iii)	**31.43**	**9313.25**	**-**	**9344.68**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total
		Dilip D. Dandekar	Shriram S. Dandekar	Nobuchika Doi	Takeo Iguchi	Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1)of the Income-tax Act,1961	115.25	97.32	46.99	46.99	306.55
	(b) Value of perquisites u/s. 17(2) of the Income-tax Act,1961	47.01	39.56	40.76	39.39	166.72
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit					
	- others, specify…					
	Others	-	-	-	-	-
	Total (A)	**162.26**	**136.88**	**87.75**	**86.38**	**473.27**

B. Remuneration to other directors:

1. Independent Directors:

Particulars of Remuneration	Name of Directors							Total Amount
	R. Sriram	Hisamaro Garugu	Shishir Desai	Aparna Piramal Raje	Devendra Kumar Arora	V. Sriram	Nandini Chopra	
Fee for attending board/ committee meetings	5.50	2.10	5.10	0.50	3.30	4.50	1.60	22.60
Commission	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total (1)	**5.50**	**2.10**	**5.10**	**0.50**	**3.30**	**4.50**	**1.60**	**22.60**

2. Other Non-Executive Directors:

Particulars of Remuneration	Name of Directors		Total Amount
	Takuya Morikawa	Junko Saito	
Fee for attending board/ committee meetings	-	-	-
Commission	-	-	-
Others	-	-	-
Total (2)	-	-	-
TOTAL B = (1+2)	-	-	**22.60**

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Ravindra Damle	Chetan Badal	
		VP (Corporate) & CS	CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29.62	52.70	82.32
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	11.77	16.90	28.67
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5.	Others	-	-	-
	Total (A)	**41.39**	**69.60**	**110.99**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

For & on behalf of the Board

DILIP DANDEKAR
Chairman & Executive Director

Place : Mumbai
Dated : 9th May, 2018

Annexure - C

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Designation	Ratio to median remuneration
Mr. Dilip Dandekar	Chairman and Executive Director	70.55
Mr. Shriram Dandekar	Vice Chairman and Executive Director	59.51
Mr. Nobuchika Doi	CEO & Executive Director	38.15
Mr. Takeo Iguchi	Executive Director	37.56

- The median remuneration of employees of the Company was ₹ 2.30 lakhs.
- For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:

Name of the Director/KMP	Designation	% increase in remuneration
Mr. Dilip Dandekar	Chairman and Executive Director	8.02
Mr. Shriram Dandekar	Vice Chairman and Executive Director	8.41
Mr. Nobuchika Doi	CEO & Executive Director	-5.15
Mr. Takeo Iguchi	Executive Director	-6.69
Mr. Chetan Badal	Chief Financial Officer	2.73
Mr. Ravindra Damle	Vice President (Corporate) & Company Secretary	0.28

- The above increase is on the basis of actual remuneration paid for both the years.

3. The percentage increase in the median remuneration of employees in the financial year: 4.5 %
4. The number of permanent employees on the rolls of company: 1217
5. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

   Average increase in remuneration is 5.7% for Employees other than Managerial Personnel and 5.6 % for Managerial Personnel.
6. Affirmation that the remuneration is as per the remuneration policy of the Company.

   The Company affirms remuneration is as per the remuneration policy of the Company.

For & on behalf of the Board

DILIP DANDEKAR
Chairman & Executive Director

Place : Mumbai
Dated : 9th May, 2018

Annexure - D

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   The Company proposes to undertake the relevant activities on priority basis in the following focused areas:

   a. Promoting health care including preventive health care and sanitation including undertaking of activities related to the Government's Swachh Bharat Abhiyaan programmer & contribution to the Swachh Bharat Kosh set-up by the Central Government for promotion of sanitation and making available safe drinking water

   b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled, and livelihood enhancement projects;

   c. Contribution to the Prime Minister's National Relief Fund or any other Fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

   Kokuyo Camlin Ltd. CSR Policy weblink:-
   https://www.kokuyocamlin.com/pdf/CSR-Policy.pdf

2. The Composition of the CSR Committee:

SR.NO.	NAME	POSITION
1	Ms. Nandini Chopra	Chairperson
2	Mr. Nobuchika Doi	Member
3	Mr. Shriram S. Dandekar	Member

3. Average net profit of the Company for last three financial years: ₹ **502.80 Lakhs**

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ **10.06 Lakhs**

5. Details of CSR spent during the financial year 2017-18.

   (a) Total amount to be spent for the financial year : ₹ **10.06 Lakhs**

   (b) Amount unspent, if any; **Nil**

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SI No.	CSR Project or activity Identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the state or district where the Projects or programs under taken	Amount outlay spent on Project or Program wise (In ₹)	Amount Spent on Project / Programmes (In ₹)	Cumulative expenditure up to the reporting period (In ₹)	Amount Spent: Direct or through implementing Agency
1	K. C. Mahindra Foundation Trust A/c. Nanhi Kali	EDUCATION	Maharashtra	6,00,000/-	6,00,000/-	6,00,000/-	IMPLEMENTING AGENCY
2	Swachh Bharat Kosh	SANITATION	Maharashtra	2,00,000/-	2,00,000/-	2,00,000/-	IMPLEMENTING AGENCY
3	Vanavasi Kalyan Ashram	HEALTHCARE EDUCATION SKILLS DEVELOPMENT & SELF-EMPLOYMENT CULTURAL AWARENESS	Maharashtra	2,25,000/-	2,25,000/-	2,25,000/-	IMPLEMENTING AGENCY
Total				**10,25,000**	**10,25,000**	**10,25,000**	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

   Not Applicable

7. DETAILS OF CSR PROGRAMMES:

Educate the Girl Child:

Your Company got associated with Nanhi Kali one of the largest community programs imparting education to under privileged girls across India. This partnership provided support to girl children through academic material and social backing by identifying critical centers of education through Nanhi Kali project.

Swachh Bharat Kosh:

Your Company also contributed to the Swach Bharat Kosh set-up by the Central Government for promotion of sanitation through donation to the above said fund.

Vanavasi Kalyan Ashram (VKA)

Your Company has contributed to Vanavasi Kalyan Ashram (VKA), a social organisation, having presence in all states of India. It has been working for welfare of tribal population of India since last 60 years.

8. CSR Committee Responsibility Statement:

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company is in compliance with the CSR objective and the CSR policy of the Company.

Ms. Nandini Chopra
Chairperson - CSR Committee
On behalf of the Board of Directors

Mr. Dilip Dandekar – Chairman & Executive Director

Place: Mumbai
Date : 9th May, 2018

Annexure - E

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

The Members,
Kokuyo Camlin Limited
48/2, Hilton House, Central road M.I.D.C
Andheri (East), Mumbai 400093

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kokuyo Camlin Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during audit period);

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during audit period);

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period);

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during audit period);

i. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi. There are no laws which specifically apply to the type of activities undertaken by the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India as in force from time to time.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, etc. as mentioned above.

We further report that: -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice of at least seven days is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

  We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period, consents of the members by postal ballot were accorded to the Board under Section:

- 180 (1) (c) of the Act, for approving borrowing Limits from Bank(s), Financial Institution(s), any other lending institutions, Bodies Corporate or such other persons/individuals to the extent of ₹ 300.00 Crores.
- 180 (1) (a) of the Act, for approving limits for Mortgaging and/or charging all immovable/movable properties of the Company for securing loans/borrowings upto ₹ 300.00 Crores.

For JHR & Associates
Company Secretaries

J. H. Ranade
(Partner)
FCS: 4317, CP: 2520

Place: Thane
Date: 9th May, 2018

The Members,

Kokuyo Camlin Limited

48/2, Hilton House, Central road M.I.D.C

Andheri (East), Mumbai 400093

Our Secretarial Audit Report of even date for the Financial Year 2017-18 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.

3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For JHR & Associates
Company Secretaries

J. H. Ranade
(Partner)
FCS: 4317, CP: 2520

Place: Thane
Date: 9th May, 2018

Management Discussion And Analysis

ECONOMIC OVERVIEW

A strong domestic demand growth in advanced economies coupled with a rebound of the Chinese economy and an improved performance in other large emerging market economies, the global economy continued to gather steam in 2017 taking que from 2016. Recording its best performance in the past six years, the global economy clocked a growth rate of 3.7% in 2017, well above 2016's 2.5% and is expected to sustain the solid growth in 2018.

Among advanced economies, domestic demand and output grew faster in the first half of 2017 than in the second half of 2016. In the United States, weakness in consumption in the first quarter turned out to be temporary, while business investment continued to strengthen, partly reflecting a recovery in the energy sector. In Europe and Japan, stronger private consumption, investment, and external demand bolstered overall growth momentum in the first half of the year. Growth in most of the other advanced economies, with the notable exception of the UK, picked up in the first half of 2017 from its pace in the second half of 2016, with both domestic and external demand contributing. Among emerging market and developing economies, higher domestic demand in China and continued recovery in key emerging market economies supported growth in the first half of 2017.

The emerging Asia region continued to deliver strong growth, in the face of widespread concerns about growing protectionism, a rapidly ageing society, and slow productivity growth. Emerging Asia witnessed a GDP growth of 6.4% in 2017 following a rebound in trade and domestic consumption volumes.

OUTLOOK

The outlook for advanced economies has improved, notably for the Europe, but in many countries inflation remains weak, indicating that slack has yet to be eliminated, and prospects for growth in GDP per capita are held back by weak productivity growth and rising old-age dependency ratios. Prospects for many emerging market and developing economies in sub-Saharan Africa, the Middle East, and Latin America are lackluster, with several experiencing stagnant per capita incomes. Fuel exporters are particularly hard hit by the protracted adjustment to lower commodity revenues. Global growth forecasts for 2018 and 2019 have been revised upward by 20 bps to 3.9%, reflecting improved momentum and impact of tax policy changes in the US.

INDIAN ECONOMIC OVERVIEW

India regained its status as the world's fastest-growing major economy in the October-December quarter, surpassing China's growth after a gap of one year, boosted by higher government spending and a pick-up in manufacturing and services. The GDP growth rate for the third quarter (October-December) of the current fiscal (2017-18) stood at 7.2%. Favourable economic factors like low inflation rate, growing consumption, improved current account balance and a reduction in the fiscal deficit-to-GDP ratio helped the economy clock this growth.

In addition to the introduction of GST, the year also witnessed significant steps being undertaken towards resolution of problems associated with NPA among others. Export growth strengthened in 2017-18 and foreign exchange reserves grew to reach US$ 414 billion, as on 12th January 2018. Despite all the positives, the dark cloud of rising oil prices had some negative impact on the economy, as the average crude oil prices rose by 14% (mid-January 2018) vis-à-vis 2016-17. However, with global growth likely to witness a moderate improvement in 2018, expectations of a greater stability in GST, likely recovery in investment levels, and ongoing structural reforms, among others, should support higher growth.

The number of indirect taxpayers in the country witnessed a growth to reach 9.8 million unique GST registrants, as of December 2017.

THE INDIAN ADVANTAGE

The newly-introduced GST is expected to boost efficiency, growth, and India's tax take. Disruptions caused by demonetisation may have dampened GDP growth in the short-term, but it could also prove to have long-term benefits. It increased the number of digital transactions being conducted within India's economy, which are easier to track and to tax. Broadening its tax base should enable India to make much-needed progress in increasing the inclusivity of its economic growth. India has shown improvements in terms of internet bandwidth per user, mobile phone and broadband subscriptions and internet access in schools. India is also making a conscious effort to translate its growing economic clout into 'soft power' on the world stage.

KEY GOVERNMENTAL INITIATIVES AND THEIR IMPACT ON THE ECONOMY

Bank recapitalisation scheme: The Central Government announced capital infusion of ₹ 2.1 lakhs crore in public sector banks. The measure entailed a budgetary allocation of ₹ 76,000 crore by the Central Government, while the remaining amount is to be raised by the sale of recapitalisation bonds.

Expanding road network: To boost road infrastructure in the country and foster job creation, the Government of India announced a ₹ 6.9 lakhs crore investment outlay to construct 83,677 kilometers of road network, over a period of five years.

Improving business ecosystem: The country was ranked at the 100th position, registering an improvement of 30 places, in the World Bank's **Ease of Doing Business 2017** report. The significant jump was a result of the Central Government's pro-reform agenda, comprising measures such as passing of Insolvency and Bankruptcy Code, simplifying tax computation and merging applications for PAN and TAN. In addition, Aadhaar based identification approach could further help streamline challenges pertaining to the regulatory regime.

Goods and Services Tax: The Government of India carried out a significant overhaul of the indirect tax regime and launched the GST in July 2017, with the vision of creating a unified market. Post-GST implementation, India's tax net expanded, as a 50% increase was recorded in unique indirect taxpayers.

OUTLOOK

Strong private consumption and services are expected to continue to support economic activity. Private investment is expected to revive as the corporate sector adjusts to the GST. Over the medium-term, the GST is expected to benefit economic activity and fiscal sustainability by reducing the cost of complying with multiple state tax systems, drawing informal activity into the formal sector, and expanding the tax base. The recent recapitalisation package for public sector banks announced by the Government of India is expected to help resolve banking sector balance sheets, support credit to the private sector, and spur investment. The global trade recovery is expected to increase exports.

INDUSTRY OVERVIEW

The Indian stationery industry is expected to hold great growth potential as the school and college going population of the nation is on a rise. Nearly 22-24 crore students studying in schools and colleges, require notebooks and other stationery materials. Further, the office going population is also one of the biggest contributor to the sector. With the rise in the economic prosperity of the nation, more and more jobs are expected to be created in the days ahead, thus in turn would increase the demand of the office stationery and would contribute significantly in the growth of the sector.

Although the current Indian stationery market is highly unorganised, recent moves on the part of the government like the demonetization policy and the introduction of GST in 2017, has brought a number of unorganised players under the organised ambit and this is expected to benefit the industry and consumers over the coming years.

Pen and paper are the two most important components of the industry followed by products like pencils, scales, writing pads, erasers along with paper stationery comprising exercise books, notebooks, glues and diaries, writing pads among others which play an active role and are relevant items useful for commercial and office use.

Increasing number of schools and offices, improved standard of living as well as shift in focus from inexpensive to premium quality products on account of rapidly growing economy are some of the crucial factors which would drive the demand for stationery products in India over the next few years. Impetus on the part of government in terms of favourable policies like 'Sarva Shiksha Abhiyan' and other different measures is really expected to help the industry sustain the growth momentum in the days ahead.

With a number of factors working in the favour of the industry, it's expected to grow its revenue at a CAGR of around 10% during 2018-24. The education application segment, one of the major contributors in its total revenue mix, would also continue to hold its dominant position of the next few years as the government's focus on the education sector is on a high.

BUSINESS OVERVIEW

Kokuyo Camlin Limited is one of the oldest and reputed players of the stationery market in India. The Company traces its origin to pre-independence when it started its operations in 1931 by manufacturing and marketing of inks under the brand CAMEL and CAMLIN. Over the years, both these brands have become synonymous with generation for art, scholastic, school stationery and general stationery products in India. The Company has been organising Camel Art Contest (earlier known as All India Camel Colour Contest) since 1998. It became the world's largest Art Competition in 2011-12 and was recognised by the Guinness Book of World Records.

The Company was acquired by Kokuyo Co., Ltd. – a leading Japanese stationery manufacturer in 2011 and was renamed Kokuyo Camlin Limited.

The Company embarked on an ambitious integration strategy in 2013 when it started work on building its integrated manufacturing plant at Patalganga, MIDC, with an investment of approximately ₹ 100 crores. Spread over 14 acres, the Patalganga plant is one of the biggest stationery plant in the Kokuyo Group and is a completely 'Green' plant. The plant was inaugurated by the Hon'ble Chief Minister of Maharashtra in April 2017 and is now operational in full swing, manufacturing over 200 SKUs. The Prime Minister of India has also sent his wishes for the Patalganga plant as a shining example of the Make in India initiative.

KEY DEVELOPMENTS DURING THE YEAR

Our Patalganga plant is now operational. Over 200 SKUs are now being manufactured at this single-manufacturing unit. This integrated manufacturing has resulted in definite synergies and advantages with economies of scale and size. R&D and innovation efforts are also now centralized at the plant. New technology from Kokuyo Co., Ltd., Japan is also now being brought to the Patalganga plant. The plant will eventually provide direct and indirect employment to around 900 people.

During the year, a key initiative taken by the Company was to sharpen its focus on priority products with a view to unlock more potential for growth and expansion. This sharper focus on priority products will become the key driver for future growth and expansion. The focus will also ensure optimal allocation and use of the Company's resources, assets and infrastructure.

GST was implemented from 1st July 2017. This has been one of the boldest structural reforms in recent times and promises tremendous opportunities as India finally becomes a single-market. However, GST also had its share of challenges, particularly in the initial months of introduction. Every aspect of the Company's business was impacted – from manufacturing to logistics to marketing and sales. At Kokuyo Camlin Ltd., the GST challenge was successfully overcome with in-house effort. From IT to Accounts and from Finance to Sales, every department worked seamlessly and cohesively to revamp and reshape systems and processes in line with the new GST requirement. It was an exemplary effort and resulted from perfect teamwork at the Company.

During the year, the Company continued to launch new products in all categories. What makes Kokuyo Camlin product launches stand apart are its innovative products like the brush pen – which was launched for the first time in India. Such innovative products are in line with the Company's larger purpose of developing and launching products that address key needs of customers and are just right for their requirements. Brush pens, for example, do away with the mess and clutter associated with water colours, palettes, water bowls and cleaning cloth. Another example of such innovative product launch is the Heavy Body Acrylic colours.

The Company also introduced products in categories like Pens and Notebooks to strengthen its market presence.

MARKET DEVELOPMENT

The stationery market in India continues to be a mix of both challenges and opportunities. With a young population and the government's focus on education, especially primary education, there is a massive opportunity for the short and long-term. However, challenges in the form of increasing competition, especially from China, continues to have a strong impact for the stationery market. Quality is fast emerging as a key attribute and critical success factor in the market place not only for product but for service, relationship and brand strength as well.

REVIEW OF PERFORMANCE OF THE COMPANY

The year 2017-18 continued to have its share of challenges. The disruption caused by the implementation of GST did impact the Company especially in the first quarter. To compound the GST disruption, competition both from small and unorganised players as well as from China continued to remain intense. Prices came under pressure again due to competitive forces as well as post GST wherein Company's selling prices got reduced by average around 7.5%. Post GST, the Company renegotiated with the suppliers and reduced the purchase price of several input materials. The Company also maintained a strict control over operating expenses. The trade discounts increased from 3.81% in 2016-17 to 9.30% in 2017-18. This was over and above the selling price reduction the Company took post GST.

In such operating context, the Net Revenue of the Company was ₹ 63850.03 lacs compared to ₹ 66315.46 lakhs. It is important to note here that the decline of 3.72% in net revenue was due to the price decrease and discounts. There was a healthy volume growth post GST.

REVIEW OF FINANCIAL PERFORMANCE

Your company continued to focus on optimum levels of inventory, operating efficiencies and cost saving across the organisation.

The analysis of major items of the financial statements is shown below.

Revenue from operations:

(₹ In Lakhs)

	FY 2018	FY 2017	Change %
Revenue from operations	63850.03	66315.46	-3.72
Foreign exchange earned	798.57	1559.05	-48.78

Other Income:

(₹ In Lakhs)

	FY 2018	FY 2017	Change %
Other Income	288.22	306.82	-6.06

Cost of Material:

(₹ In Lakhs)

	FY 2018	FY 2017	Change %
Cost of Material	23676.41	24929.21	-5%

Employee benefit expenses:

(₹ In Lakhs)

	FY 2018	FY 2017	Change %
Employee benefit expenses	8019.13	6806.32	17.82

Increase in employee cost is mainly due to increments and new recruitments in Patalganga.

Finance cost:

(₹ In Lakhs)

	FY 2018	FY 2017	Change %
Finance cost	960.57	1174.61	-18.22

Decrease in finance cost was mainly due to decrease in interest rate and repayment of loans.

Depreciation:

(₹ In Lakhs)

	FY 2018	FY 2017	Change %
Depreciation	1650.51	1207.66	36.67

Increase in depreciation is due to addition in fixed assets worth ₹ 74.48 crs in FY 17-18

Other expenses:

(₹ In Lakhs)

	FY 2018	FY 2017	Change %
Other expenses	13112.35	13927.18	-5.85

OUTLOOK OF THE BUSINESS

With the majority of the market moving from the unbranded to the branded segment coupled with the government's demonetisation and GST regime, the outlook for the stationery industry in India continues to remain positive and the total market share of the organised players are expected to rise substantially in the years ahead.

Factors that are expected to catalyse the consumption of stationery products in India:

Favourable demographics: India, with 1.28 billion people, is the second most populous country in the world and it accounts for nearly 17% per cent of the world population. More than 50 per cent of India's current population is below the age of 25 years and over 65% below the age of 35. It is estimated that by 2020, India will consist of 25% of the global workforce. The potential market for companies providing educational services is thus immense, compared with other nations. Since the Indian stationery market is closely related to literacy in general and the education sector in particular, these factors will lead to an increase in the demand for stationery products and act as a major catalyst for the growth of the writing instruments industry.

Increased spending on the education sector on the part of the government: India has come a long way in terms of its education expenditure. Alongside Russia, Brazil and China, it falls into the category of countries spending 2-4% of its GDP on education. Education spending in India has been lower than the world average. Globally, around 4.9% of the GDP was spent on education while India spends only 3.4%. India's vast youth population requires the support of a significant increase in expenditure to turn it into a resource-driven force. The government in its Union Budget 2017-18, increased the allocation in the education sector by nearly 9.9%. With the government planning to further increase its education expenditure from the current 3%

to 5% of GDP further growth of the stationery industry is expected

Rising literacy rate: With the rise in the number of students, stationery companies will see more consumers for its products. The last five decades have seen the number of students enrolling for higher education recording a 6.5% CAGR and the literacy rate has gone up six-fold since 1947, from 12% to around 75%, according to the Census of India, and is on its path to increase further with the help of government and private initiatives.

GOVERNMENT INITIATIVES TO BOOST EDUCATION IN INDIA

Sarva Shiksha Abhiyan (SSA): Launched in 2001, Sarva Shiksha Abhiyan (SSA) is the Government of India's flagship elementary education programme. The program was initiated with an aim to provide universal education to children between the ages of 6 to 14 years. In Financial Year (FY) 2018-19, the Government of India allocated ₹ 26,129 crore for SSA, a 11% increase over the previous year.

While there are significant challenges on the horizon, so are the opportunities. Your Company is prepared and poised to both face the challenges as well as leverage on the opportunities. With the integrated plant now at Patalganga, the Company believes it enjoys definite competitive and comparative advantages. The marketing division of the Company is deploying both traditional media as well as digital media to further reach and engagement of the Company. The Company's various brands continue to enjoy strong preference and connect with customers. The Company is confident of continuing with track-record of steady and strong performance.

RISKS & CONCERNS

Business cyclicality risk: The Company's primary business segment includes products which have a higher acceptance in schools and colleges. Thus a major chunk of the revenue generated is exposed to the cyclicality risk as demand for the products peak during the beginning of a new school season while demand remains flat for the rest of the year. Thus any set back on the part of the Company during the peak period could seriously dent the company's profit.

Mitigation: The Company diligently tracks the school session timings across various parts of the country and accordingly launches new products, plans production and re-stocks the distribution channel and the retailers. Thus the company not only ensures adequate supply of its product during the peak period but also ensures that its product are within the hands reach. Further the Company has also enhanced its presence in the office stationery segment over the years, which have a round the year steady demand, thus reducing its dependence on only one segment.

Product portfolio risk: Though the company has large number of SKU's across various customer segments, an aggressive market environment may erode the competitiveness of the Company.

Mitigation: The Company is one of the largest manufacturer and seller of stationery products in India. With a rich industry experience of over 80 years, the Company has successfully positioned itself as a one-stop shop for one's all office and school stationery related needs by adding a number of products under its name.

Raw material risk: Non-timely availability of raw materials may impact the production and which in turn may have an impact on the sales and profitability of the Company. At the same time high cost of raw materials may also impact the bottom-line.

Mitigation: We have started the process of multiple vendor development to avoid non timely availability of raw material. Further we have also started to look for alternate/substitute material to overcome high cost of raw material.

Brand risk: In a highly crowded and competitive marketplace, Camlin's brand might lose recall, resulting in sluggish offtake, lower realisations and reduced profitability.

Mitigation: With an industry presence of more than 80 years, the Company has been highly successful in creating a strong brand image for itself and today the name "Camlin" is synonymous with office and school stationery product. The Company growing market share over the years is an apt example of its growing brand image.

Network risk: A weak marketing team and a fragile distribution network could seriously impact the Company's profitability. Untimely delivery of orders because of a weak distribution system can hamper the brand name of the Company.

Mitigation: The Company has in place a wide spread network through its association with more than 1,500 active dealers and distributors who in turn supplies Camlin's product to more than 300,000 retailers across the country. The deep-rooted distribution network of the Company covers all the states of India and Union territories.

Production risk: The stationery industry is predominantly a mass market business marked by high production volumes and low margins. The Company's inability to produce sufficiently to meets its demand in the market might lead to not just loss in profitability but also a reputational damage.

Mitigation: The Company over the years has also made a strong manufacturing presence within the industry and is one of the largest producers of the stationery products in India. With four state-of-the-art manufacturing facilities in India the Company has a production capacity to mitigate such risk .The recently added Patalganga plant of the Company has further enhanced its production capacity thus placing it in a leadership position in terms of production.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place structured and well-defined internal control systems commensurate with the size and nature of business it operates in. These systems, policies, procedures and guidelines cover various operational aspects. Your Company stringently follows all procedures, ensures accuracy of financial information and compliance at all levels, and adheres to the laws, rules and statutes of the land. It periodically undertakes internal audit, which is under the review of its Audit Committee. Your Company's well-defined MIS system further ensures that all expenses are within the budgetary allocations and immediately flags off any mismatch for attention and corrective measures.

SIGNIFICANT DEVELOPMENT IN HUMAN RESOURCES

Digitization was one of the major steps undertaken by HR to enhance the efficiency of their HR processes. We implemented a HRMS platform, "iHR" with an objective to bring in HR processes & data closer to employees. The platform has an "Employee Self Service" Module, on which employees can access their data easily with a few clicks. This platform bridged the gap between HR and our field employees, who can now have easy & quick access to all HR related data. On completion of the implementation, employees Pan-India were orientated on using the iHR platform.

The importance of quality, be it in product or service, cannot be over-emphasized. The company believes in this adage and has over the years taken many initiatives towards enhancing quality of our products as well as processes. We have successfully implemented 5S at our Tarapur & Taloja factories and witnessed great benefits in improving the workplace efficiency. We have planned to replicate our success with 5S at our Samba & Gangyal manufacturing units this year. The project kicked off in July 2017 and since then all the employees, including contract workers have been oriented on the 5S framework. Employees were enthusiastic about the same & have come forth in sharing various initiatives for 5S. The results of these initiatives will be visible to us in the coming year.

The company has also been taking initiatives towards enhancing the skills of our employees. We also organised Workshops on Selling Skills for our field employees, pan-India.

Our new factory at Patalganga was inaugurated on 28th April 2017 by our honourable Chief Minister, Mr. Devendra Fadnavis. Patalganga Plant is one of the biggest state-of-art manufacturing unit for Kokuyo Camlin & Kokuyo stationery group. The factory is now fully operational & will manufacture more than 200 different product SKUs.

As on 31st March, 2018, your Company had total strength of 1217 employees.

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.

Report On Corporate Governance

Your Director's present the Company's report on Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the year ended 31st March, 2018.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes that Corporate Governance is a prerequisite for attaining sustainable growth in this competitive world. Transparency and accountability are the two basic tenets of Corporate Governance. It involves a set of relationships between a Company's Management, its Board, Shareholders and Stakeholders. It is one of the key elements in improving the economic efficiency of the enterprise. Credibility generated by sound Corporate Governance enables an enterprise in enhancing the confidence of the investors – both domestic and foreign, and in establishing productive and lasting business relationship with all stakeholders.

It is your Company's unending mission to regularly nurture and develop steadfast professionalism, astute accountability and increased disclosures by taking all steps necessary towards superior growth in its value for its stakeholders.

The Board of Directors ('The Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short term and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

2. BOARD OF DIRECTORS:

At Kokuyo Camlin, the Board is at the core of the Corporate Governance practice. Your Company has an optimum mix of eminent personalities on the Board of Directors with members from diverse experience and expertise.

The Composition of the Board as on 31st March, 2018 is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013. The Board of Directors is chaired by Executive Promoter Chairman and has an optimum combination of Executive, Non- Executive and Independent Directors.

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

DIRECTORS' ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIPS:

As mandated by Listing Regulations none of the Directors is a member of more than ten Board level Committees or Chairman of more than five Committees across companies in which he/she is Director. Relevant details of the Board as on 31st March, 2018 are given as follows:

Name, Designation & DIN of Directors	Category	No. of Board Meetings Attended	No. of Directorships held in other Companies (+)	Atten-dance at last AGM	No. of Committee positions held in other Companies.	
					Chairman of Committee	Member of Committee
Mr. Dilip D. Dandekar Chairman & Executive Director (00846901)	ED(P)	5	12	Yes	Nil	1
Mr. Takuya Morikawa Sr. Vice-Chairman (03599830)	NED	5	1	Yes	Nil	Nil
Mr. Shriram S. Dandekar Vice-Chairman & Executive Director (01056318)	ED(P)	4	2	Yes	Nil	Nil
$Mr. Nobuchika Doi Executive Director & CEO (03599835)	MD	5	2	Yes	Nil	Nil
$Mr. Takeo Iguchi Executive Director (03599826)	ED	5	1	Yes	Nil	Nil
Mr. Shishir B. Desai (01453410)	NED (I)	5	3	Yes	Nil	Nil
Mr. Ramanathan Sriram (00065069)	NED (I)	5	Nil	Yes	Nil	Nil
Mr. Hisamaro Garugu (00579089)	NED (I)	3	2	Yes	Nil	Nil
Mr. Devendra Kumar Arora (05160734)	NED (I)	5	Nil	Yes	Nil	Nil
Mr. Venkataraman Sriram (06790179)	NED (I)	5	Nil	Yes	Nil	Nil
*Ms. Aparna Piramal Raje (01667835)	NED (I)	1	3	No	Nil	Nil
**Ms. Junko Saito (07726473)	NED	5	Nil	Yes	Nil	Nil
***Ms. Nandini Chopra (07891312)	NED (I)	2	Nil	N.A	Nil	Nil

$ Mr. Nobuchika Doi has been appointed as 'Managing Director' designated as "Chief Executive Officer & Executive Director" and Mr. Takeo Iguchi has been appointed as Executive Director for a period of (3) three years with effect from 1st November, 2017.

* Resigned with effect from 24th July, 2017

**Resigned with effect from 26th February, 2018

*** Appointed with effect from 3rd August, 2017

ED - Executive Director / ED (P) – Executive Director (Promoter) / MD – Managing Director/ NED – Non-Executive Director / NED (I) – Non-Executive Director (Independent).

+ Includes Directorship in Private Limited Companies, Companies under section 8 , Foreign Companies and Alternate Directorship.

As on 31st March 2018, none of the Directors are related inter-se.

The Non-Executive/ Independent Directors are not holding any shares of the Company as on 31st March, 2018.

NUMBER OF BOARD MEETINGS:

During the financial year 2017-18, 5 (Five) Meetings were held and details are given below and the maximum gap between two meetings did not exceed one hundred and twenty days:

Sr.No	Date of Meeting	Board Strength	No. of Directors present
1	27th April, 2017	12	11
2	28th June, 2017	12	11
3	3rd August, 2017	12	11
4	8th November, 2017	12	11
5	25th January, 2018	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 website of the Company at www.kokuyocamlin.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 Managing Director has been obtained.

Profile of members of the Board of Directors being appointed / re-appointed:

i. Mr. Takeo Iguchi

Mr. Takeo Iguchi (49) is an Executive Director of the Company. He has degree in Bachelors of Arts from the Meiji University, Tokyo, Japan. He joined Kokuyo Co., Ltd., Japan in the year 1991 and was the department manager of business planning department of Kokuyo S&T, Asia Pacific Marketing Division. He has approximately 24 years of work experience in the field of Production, Planning and Control in the stationery business. He has been instrumental in setting up stationery manufacturing plants of Kokuyo S&T in Vietnam and China as well as expanding the existing stationery manufacturing operations in Thailand. Also, he played a major role for setting up the manufacturing plant at Patalganga. Mr. Iguchi looks after the business aspects with respect to production, planning and control of the Company.

Other Directorship-1

Name Of Company	Position
Kokuyo Riddhi Paper Products Private Limited	Director

ii. Mr. Takuya Morikawa

Mr. Takuya Morikawa (58) is a Sr. Vice Chairman & Non-Executive Director of the Company. He has a degree in Bachelor of Economics from Kawansei Gakuin University. He is associated with Kokuyo Group since 1982. He has vide experience in the field of Projects, Research and Development and Corporate Strategy. Presently he is a Director and Senior Corporate Officer of Kokuyo Company Limited.

Other Directorship-1

Name Of Company	Position
Kokuyo Co., Ltd. (Japan)	Director and Senior Corporate Officer

iii. Mr. Dilip D. Dandekar

Mr. Dilip D. Dandekar (66) G.C.D is one of the promoter of the Company. He is associated with the Company since 1977 and was later appointed as Whole-time Director in the year 1979 and as Chairman & Managing Director of the Company, from 1st June, 2002. The Board of Directors in its meeting held on 1st February, 2013 has appointed Mr. Dilip D. Dandekar as Chairman & Executive Director of the Company.

Other Directorship-11

Name Of Company	Position
Triveni Pencils Limited	Director
Cafco Consultants Limited	Director
Nilmac Packaging Industries Limited	Director
DDI Finance Private Limited	Director
Camart Finance Limited	Director
Camlin International Limited (Under the process of striking-off)	Director
Colart Camlin Canvas Private Limited	Director
Camlin Fine Sciences Limited	Director Member of Shareholder Grievance Committee
Alphakids Learning And Activity Centre Limited	Director
Datamatics Global Services Limited	Director
Lumina DataMatics Limited	Director
IMC Chamber of Commerce and Industry	Director

Mr. Dilip D. Dandekar is holding 200000 equity shares of ₹ 1 each in the Company as on 31st March, 2018.

iv. Mr. Shriram S. Dandekar

Mr. Shriram S. Dandekar (57) M.Sc., M.B.A is one of the promoter of the Company. He joined the Company as 'Management Trainee'. He is associated with the Company since 1983. He was later appointed as 'Executive Director' from 1st January, 1993. The Board of Directors of the Company in its meeting held on 1st February, 2013 has re-designated Mr. Shriram S. Dandekar as 'Vice Chairman & Executive Director'.

Other Directorship-2

Name Of Company	Position
Camlin International Limited (Under the process of striking-off)	Director
Dandekar Investments And Consultants Private Limited	Director

Mr. Shriram S. Dandekar is holding 250000 equity shares of Re. 1 each in the Company as on 31st March, 2018.

v. Mr. Kazuo Kubo.

Mr. Kazuo Kubo (49) was appointed as Additional Non-Executive Director on the Board with effect from 9th May, 2018. He is Bachelor of Law from Waseda University, Japan and Master of Law from Boston University, USA. He had joined Kokuyo Co. Ltd., Japan in the year 2014 and presently he is a General Manager (Legal). He has approximately 25 years of wide experience in the area of legal and compliance in retail and manufacturing industries.

Other Directorship-2

Name Of Company	Position
Kokuyo (Shanghai) Management Co., Ltd.	Director
Kokuyo-IK (Thailand) Co., Ltd.	Director

Chairman/Member in other Committees - Nil

Shareholding in the Company - Nil

INDUCTION AND FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

The Company organizes an induction programme for new Directors and an ongoing familiarization programme for Independent Directors with respect to the business/ working of the Company. On appointment of a Director, the concerned Director is issued a letter of appointment setting out in detail, the terms of appointment, duties, roles, rights and responsibilities. The Director is also explained the compliances required to be done by him/ her under various Acts, shown a presentation on organizational set up of the Company, functioning of various divisions/ departments, company's market share, governance and internal control processes.

As an ongoing process, the Board of Directors are updated on a quarterly basis on overall economic trends, business performance and the initiatives taken/ proposed to be taken to bring about an overall improvement in the performance of the Company. Further, training programmes are held and presentations are given to the Directors, updating them with statutory changes and compliances applicable to the Company.

The details of the familiarization program can be accessed from the website www.kokuyocamlin.com.

3. COMMITTEES OF THE BOARD:

The committees constituted by the Board play an important role on the governance structure of the Company. The committees are in line with the Listing Regulations and Companies Act, 2013. The minutes of the Committee meetings are tabled at the Board Meetings and the chairperson of each Committee brief the members about the important deliberations and discussion.

The Minutes of Board Meeting and other committees are captured in accordance with the provisions of the Companies Act, 2013.

COMPOSITION OF COMMITTEES OF DIRECTORS AND THEIR ATTENDANCE AT THE MEETINGS:

Kokuyo Camlin has the following Board Level Committees:

A) Audit Committee

B) Remuneration and Nomination Committee

C) Stakeholder Relationship Committee

D) Corporate Social Responsibility Committee

Various Committees of Directors have been appointed by the Board for taking informed decisions in the best interest of the Company. These Committees monitor the activities falling within their respective terms of reference. The Board's Committees are as follows:

A. AUDIT COMMITTEE

The Audit Committee has played an important role in ensuring the financial integrity of the Company. The Audit Committee's role includes the financial reporting process, Audit process, Related Party Transactions and other applicable laws.

The composition of the Audit Committee is in line with the provisions of section 177 of Companies Act, 2013 and Listing Regulations. Further the Committee invites the Managing Director, Whole time Directors, Chief Executive Officer, Chief Financial Officer, Statutory and Internal Auditor to attend the Audit Committee Meetings. Minutes of the Audit Committee are placed and discussed in the next meeting of the Board.

The composition of the Audit Committee along with the details of the meetings held and attended during the financial year as on 31st March, 2018, are given below.

Meetings, Members and Attendance

During the financial year 2017-18 the Audit Committee held 4 (four) meetings on 27th April 2017, 3rd August 2017, 8th November 2017 and 25th January, 2018. The time gap between any two meetings was less than four months. The details of attendance of Audit Committee meetings are as under:

Name of Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Shishir Desai	NED (I)	Chairman	4	4
Mr. Venkataraman Sriram	NED (I)	Member	4	4
Mr. Ramanathan Sriram	NED (I)	Member	4	4
Mr. Takuya Morikawa	NED	Member	4	4

The Board has designated Mr. Ravindra Damle, Vice president (Corporate) & Company Secretary to act as Secretary to the Committee.

Members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the AGM held on 28th June, 2017 to answer the shareholders` queries.

The role of Audit Committee, the powers exercised by it pursuant to the terms of reference, and the information reviewed by it are in accordance with the requirements as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

Terms of reference:

The terms of reference to this committee, interalia covers all the matters specified under Regulation 18 of Listing Regulations, as well as in Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors, from time to time. These broadly include (i) review of financial reporting processes, risk management, internal control and governance processes, (ii) develop an Audit plan for committee, (iii) risk management framework concerning critical operations of the Company, (iv) discussion on quarterly, half yearly and Annual financial statements and the auditor's report, (v) interaction with statutory, internal auditors to ascertain their independence and effectiveness of audit process, (vi) recommendation for appointment, remuneration and terms of appointment of auditors (vii) related party transactions. The Audit Committee has also powers interalia to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

B. REMUNERATION AND NOMINATION COMMITTEE:

As on 31st March, 2018 the Remuneration & Nomination Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations.

Meetings, Members and Attendance

During the Financial Year 2017-18, the Remuneration & Nomination Committee held 3 (three) meetings on 27th July 2017, 26th October, 2017, and 23rd January, 2018.

The details of attendance of the Members are as under:

Name of Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Shishir Desai	NED (I)	Chairman	3	3
*Ms. Aparna Piramal Raje	NED (I)	Member	3	-
**Ms. Nandini Chopra	NED (I)	Member	3	2
***Mr. Hisamaro Garugu	NED (I)	Member	3	1
Mr. Dilip D. Dandekar	ED (P)	Member	3	1
****Mr. Devendra Kumar Arora	NED (I)	Member	3	3

* Resigned with effect from 24th July, 2017

** Appointed as a Member with effect from 3rd August, 2017

*** Ceased to be a Member with effect from 3rd August, 2017

**** Appointed as a Member with effect from 3rd August, 2017

The Board has designated Mr. Ravindra Damle, Vice president (Corporate) & Company Secretary to act as Secretary to the Committee.

Terms of reference:

The terms of reference to this committee, interalia covers all the matters specified under Regulation 19 of Listing Regulations, as well as in Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors, from time to time. These include:

i. Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;

ii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

iii. Devising a policy on diversity of Board of Directors;

iv. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

v. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Performance Evaluation

The criteria for performance evaluation cover the areas relevant to the performance, participation, conduct, effectiveness etc. The performance evaluation of Independent Directors was done by the entire Board of Directors and the Directors subject to evaluation had not participated in the same. The Independent Directors evaluated the performance of Non-Independent Directors and Board as a whole.

Policy for Remuneration to Director/ Key Managerial Personnel

1. Remuneration to Managing/ Whole-time Directors:

a) The Remuneration etc. to be paid to Managing/ Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Remuneration and Nomination Committee shall make such recommendation to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing/ Whole-time Directors.

2. Remuneration to Non-Executive/ Independent Directors:

a. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Remuneration and Nomination Committee and approved by the Board of Directors.

b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Remuneration and Nomination Committee and approved by the Board of Directors or shareholders, as the case may be.

c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

   i. The Services are rendered by such Director in his capacity as the professional; and

   ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3. Remuneration to key managerial personnel:

a) The Remuneration to Key Managerial Personnel shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time in accordance with the Company's Policy.

c) The incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel, to be decided annually or at such intervals as may be considered appropriate.

The details of remuneration are given in form MGT-9 which forms part of the Directors Report. A brief of the Remuneration paid to Directors is given below:

A. Directors:

(₹ In Lakhs)

Name of Director	Sitting Fees	Salary Including HRA*	Perquisite#	Total
Mr. Dilip Dandekar	N.A.	115.25	47.01	162.26
Mr. Shriram Dandekar	N.A.	97.32	39.56	136.88
Mr. Nobuchika Doi	N.A.	46.99	40.76	87.75
Mr. Takeo Iguchi	N.A.	46.99	39.39	86.38
Mr. Shishir Desai	5.10	N.A.	N.A.	5.10
Mr. Hisamaro Garugu	2.10	N.A.	N.A.	2.10
Mr. Devendra Kumar Arora	3.30	N.A.	N.A.	3.30
Ms. Aparna Piramal Raje	0.50	N.A.	N.A.	0.50
Mr. Ramanathan Sriram	5.50	N.A.	N.A.	5.50
Mr. Venkataraman Sriram	4.50	N.A.	N.A.	4.50
Ms. Nandini Chopra	1.60	N.A	N.A	1.60

*salary including HRA.

#Perquisites interalia, include reimbursement of expenses/ allowance for utilizes 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 the Executive Directors and Managing Director are entitled to gratuity and encashment of leave as per the rules of the Company. Further, some of the Executive Directors are also entitled to Company's contribution to provident fund and superannuation.

The Company has re-appointed Mr. Nobuchika Doi as Managing Director designated as "Chief Executive Officer & Executive Director" and Mr. Takeo Iguchi as "Executive Director" for a period of 3 (Three) years with effect from 1st November, 2017 by passing ordinary resolutions through Postal ballot dated 28th December, 2017. The said appointment has also been approved by the Remuneration and Nomination Committee and Board of Directors at their meeting held on 27th July, 2017. The necessary Agreements have been executed with Mr. Nobuchika Doi and Mr. Takeo Iguchi on 22nd September, 2017.

The Board of Directors at their meeting held on 25th January, 2018 have re-appointed Mr. Dilip D. Dandekar as Director in Whole-time employment designated as "Chairman and Executive Director" and Mr. Shriram S. Dandekar as Director in Whole-time employment designated as "Vice Chairman and Executive Director" for a further period of 1 (One) year with effect from 1st February, 2018, subject to the approval of members at the ensuing Annual General Meeting. The necessary agreements have been executed with Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar on 21st February, 2018.

The Company had paid legal fees of ₹ 2,87,415/- for the financial year 2017-18 to M/s Desai & Chinoy, a firm of Solicitors & Advocates in which Mr. Shishir 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 does not form a significant portion of the revenue of M/s Desai & Chinoy and thus is not considered material enough to impinge upon the independence of Mr. Shishir Desai. Accordingly there are no pecuniary relationship or transactions of Independent Director vis-a-vis the Company which has potential conflict with the interest of the Company at large.

C. STAKEHOLDER RELATIONSHIP COMMITTEE:

Meetings, Members and Attendance

During the Financial Year 2017-18 the Committee held 4 (four) meetings on 27th April, 2017, 3rd August, 2017, 6th October, 2017 and 25th January, 2018.

The details of attendance of Members are as under:

Name of Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Ramanathan Sriram	NED (I)	Chairman	4	4
*Mr. Devendra Kumar Arora	NED (I)	Member	4	2
Mr. Shriram S. Dandekar	ED (P)	Member	4	4
**Mr. Hisamaro Garugu	NED (I)	Member	4	2

* Ceased to be a Member with effect from 3rd August, 2017

** Appointed as a Member with effect from 3rd August, 2017

The Board has designated Mr. Ravindra Damle, Vice president (Corporate) & Company Secretary to act as Secretary to the Committee.

Complaints received and redressed by the Company during the financial year 2017-18.

During the financial year 2017-18, no complaint was received from the shareholders.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

Meetings, Members and Attendance

During the Financial Year 2017-18 the Committee held 3 (three) meetings on 28th June, 2017, 3rd August, 2017 and 26th March, 2018.

The details of attendance of Members are given below:

Name of Member	Category	Status	No. of Meetings	
			Held	Attended
**Ms. Nandini Chopra	NED (I)	Chariperson	3	1
*Mr. Ramanathan Sriram	NED (I)	Erstwhile Chairman	3	2
Mr. Nobuchika Doi	MD	Member	3	3
Mr. Shriram S. Dandekar	ED (P)	Member	3	3

* Ceased to be a Member with effect from 3rd August, 2017.

** Appointed as a Member with effect from 3rd August, 2017.

The Board has designated Mr. Ravindra Damle, Vice president (Corporate) & Company Secretary to act as Secretary to the Committee.

Terms of Reference:

Formulate and recommend the CSR policy to the Board which shall indicate the activities to be undertaken by the Company, recommend the amount of expenditure to be incurred on the activity and monitor the CSR policy of the Company from time to time. The Company has formulated the CSR Policy in line with Schedule VII of the Companies Act, 2013.

E. INDEPENDENT DIRECTORS MEETING:

In accordance with provisions of the Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors of the Company was held on 28th June, 2017 without the attendance of Non Independent Directors and Members of the Management.

F. GENERAL BODY MEETINGS:

I. DETAILS OF THE ANNUAL GENERAL MEETING HELD DURING THE PRECEDING 3 YEARS AND SPECIAL RESOLUTIONS PASSED THEREAT GIVEN BELOW:

Financial Year	Venue	Date & Time	Details Of Special Resolution Passed
2016-17	Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai-400 020	28th June, 2017 at 3.00 p.m	Appointment of Mr. Nobuchika Doi (DIN: 03599835), as Managing Director designated as 'Chief Executive Officer & Executive Director' for the period from 1st April, 2017 to 31st October, 2017.
2015-16	Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai-400 020	29th July,2016 at 3:00 p.m.	Keeping Register and Return at the place of M/s Link Intime India Pvt. Ltd. (Registrar and Transfer Agent)
2014–15	Textile Committee Building Auditorium, 1st Floor, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025	30th July, 2015 at 3:30 p.m.	Approval for borrowing limits from Bank(s)/ Financial Institution(s) to the extent of ₹ 300.00 Crores.

II. DETAILS OF POSTAL BALLOT AND SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT GIVEN BELOW:

During the year 2017-18, the Company successfully completed the process of obtaining the approval of members by way of postal ballot in respect of the following special resolutions:

No. 1: Approval for Borrowing Limits from Bank(s), Financial Institution(s), any other Lending

Institution(s), Bodies Corporate or such other persons/Individual to the extent of ₹ 300.00 Crores

No. 2: Consent for Mortgaging and/or Charging all immovable/movable properties of the Company up to limit of ₹ 300.00 Crores.

The Company had appointed Mr. J. H. Ranade, Practicing Company Secretary (FCS No. 4317, C.P. No. 2520) of M/s. JHR & Associates as scrutinizer for conducting the postal ballot/ e-voting process in a fair and transparent manner.

Mr. Dilip D. Dandekar, Chairman & Executive Director announced the Postal Ballot results as per the scrutinizers report on 28th December, 2017 and the results were displayed at the Registered Office of the Company, intimated to the Stock Exchanges where the Company's shares are listed and displayed along with the Scrutiniser's report on the Company's website, www.kokuyocamlin.com.

Details of the Voting pattern in respect of Special Resolutions are as under:

Resolution Required : Special			**1. Approval for Borrowing Limits from Bank(s), Financial Institution(s), Any Other Lending Institution(s), Bodies Corporate or such other Persons/Individual to the extent of Rs. 300.00 crores.**					
Whether promoter/ promoter group are interested in the agenda / resolution?			**NO**					
Category	**Mode of Voting**	**No. of shares held**	**No. of votes polled**	**% of Votes Polled on outstanding shares**	**No. of Votes – in favour**	**No. of Votes –Against**	**% of Votes in favour on votes polled**	**% of Votes against on votes polled**
		[1]	**[2]**	**[3]={[2]/[1]}*100**	**[4]**	**[5]**	**[6]={[4]/[2]}*100**	**[7]={[5]/[2]}*100**
Promoter and Promoter Group	E-Voting	75215950	74665950	99.27	74665950	0	100	0
	Poll		0	0	0	0	0	0
	Postal Ballot		550000	0.73	550000	0	100	0
	Total		**75215950**	**100**	**75215950**	**0**	**100**	**0**
Public Institutions	E-Voting	137354	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total		**0**	**0**	**0**	**0**	**0**	**0**
Public Non Institutions	E-Voting	24950502	127336	0.51	125457	1879	98.52	1.47
	Poll		0	0	0	0	0	0
	Postal Ballot		1048970	4.2	1043337	5633	99.46	0.53
	Total		**1176306**	**4.71**	**1168794**	**7512**	**99.36**	**0.63**
Total		**100303806**	**76392256**	**76.16**	**76384744**	**7512**	**99.99**	**0.01**

Resolution Required : Special			2. Consent for mortgaging and/or charging all Immovable and Movable properties of the Company upto the limit of Rs. 300.00 Crores.					
Whether promoter/ promoter group are interested in the agenda / resolution?			NO					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	E-Voting	75215950	74665950	99.27	74665950	0	100	0
	Poll		0	0	0	0	0	0
	Postal Ballot		550000	0.73	550000	0	100	0
	Total		75215950	100	75215950	0	100	0
Public Institutions	E-Voting	137354	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total		0	0	0	0	0	0
Public Non Institutions	E-Voting	24950502	126836	0.50	122646	4190	96.69	3.30
	Poll		0	0	0	0	0	0
	Postal Ballot		1047461	4.20	1043341	4120	99.60	0.39
	Total		1174297	4.70	1165987	8310	99.29	0.70
Total		100303806	76390247	76.15	76381937	8310	99.99	0.01

There is no special resolution proposed to be conducted through postal ballot.

Procedure for Postal Ballot:

After receiving the approval of the Board of Directors, the Postal Ballot notice and form along with the explanatory statement, self-addressed business reply envelope were dispatched to the members on 24th November, 2017 to enable them to vote within a period of 30 days, starting from Monday, 27th November, 2017 at 9:00 a.m. (IST) to Tuesday, 26th December, 2017 at 5:00 p.m. (IST). After the last date of receipt of postal Ballots, the scrutinizer after due verification submitted his report on 28th December, 2017. Thereafter, the result of Postal Ballot was declared by the Chairman on 28th December, 2017 and the same was intimated to the stock exchanges, put up on the Notice Board at the Registered Office and on the website of the Company.

G. MEANS OF COMMUNICATION

Kokuyo Camlin recognizes communication as a key element of the overall Corporate Governance framework and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

i. **WEBSITE:** The Company's website www.kokuyocamlin.com contains a separate section "Investor" for use of investors. The Quarterly, half yearly and Annual Financial Results are promptly and prominently displayed on website. Notices, Annual Report, Quarterly Shareholding Pattern and other Communication are also available on the website.

ii. **FINANCIAL RESULTS:** The Quarterly, Half yearly and Annual Results are regularly posted by the Company on its website. These are also submitted to the Stock Exchanges i.e. NSE through NEAPS (NSE Electronic Application Processing System) and BSE (Corporate Compliance and Listing Centre) in accordance with Listing Regulations.

The Quarterly, Half Yearly and Annual Results are normally published in Financial Express (English) and Loksattta (Marathi) within 48 hours of approval.

iii. **ANNUAL REPORT:** Annual Report containing inter-alia, salient features of the Audited Financial Statements, Director's Report (Including Management Discussion and Analysis), Corporate Governance Report and other important information is circulated to members and others entitled thereof.

iv. **CORPORATE FILING:** Announcements, Quarterly Results, Shareholding Pattern etc of the Company are regularly filed by the Company with BSE Ltd. and National Stock Exchange of India Ltd. and are also available on the website of the Company.

v. There were no presentations made to the institutional investor analysts during the year.

H. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting (Day, Date, Time and Venue)	Wednesday, 8th August 2018, 3:00 p.m at Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai-400 020
Financial Year	1st April,2017 – 31st March, 2018
Date of Book Closure	6th August 2018 to 8th August 2018 (both days inclusive)
Financial Results Calendar	First Quarter Results: by 14th August,2018
	Second Quarter Results: by 14th November, 2018
	Third Quarter Results: by 14th February, 2019.
	Fourth Quarter Results: by 30th May, 2019
Listing on Stock Exchanges	BSE Ltd. (Scrip Code: 523207)
	National Stock Exchange of India Ltd. (Symbol: KOKUYOCMLN)
International Securities Identification Number (ISIN)	INE760A01029
Corporate Identification Number (CIN)	L24223MH1946PLC005434

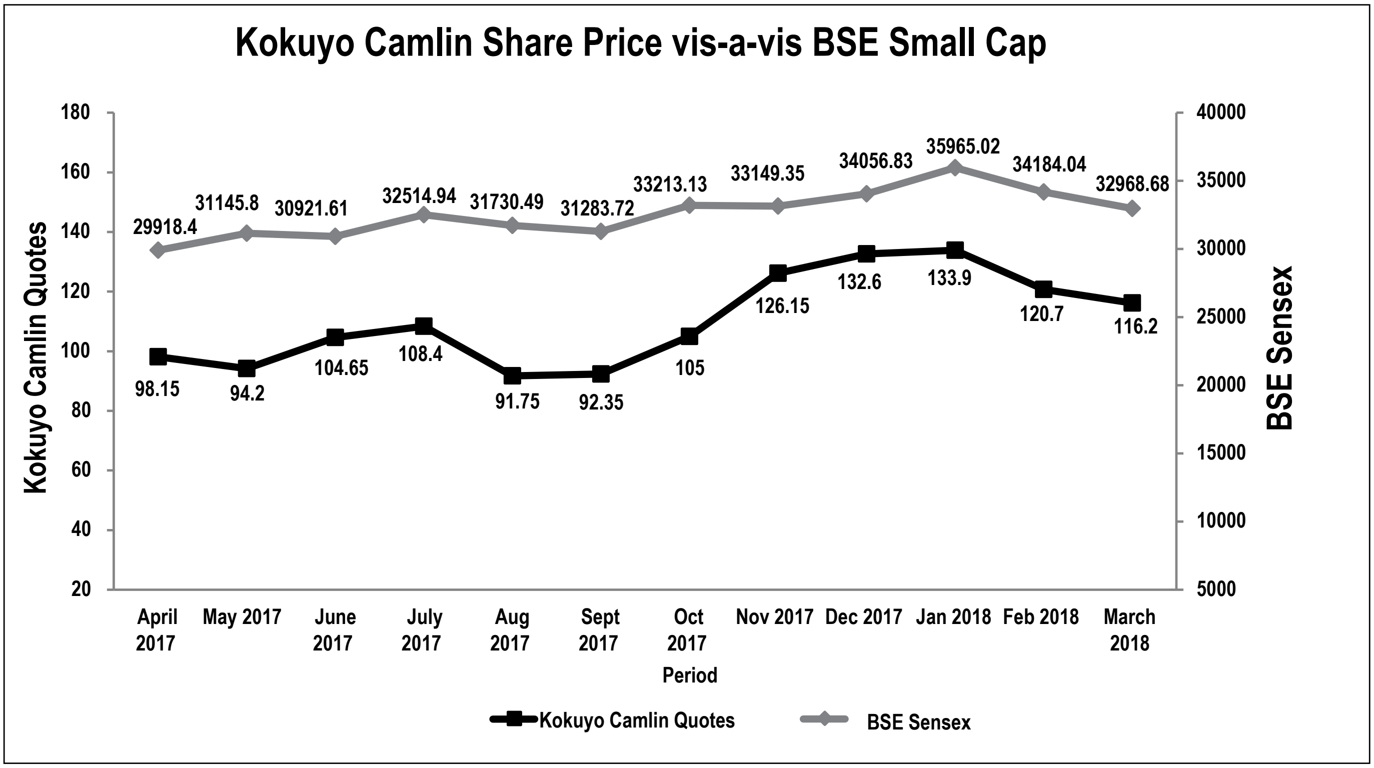
Note: The Annual Listing Fees for the year 2018-19 has been paid to BSE & NSE.

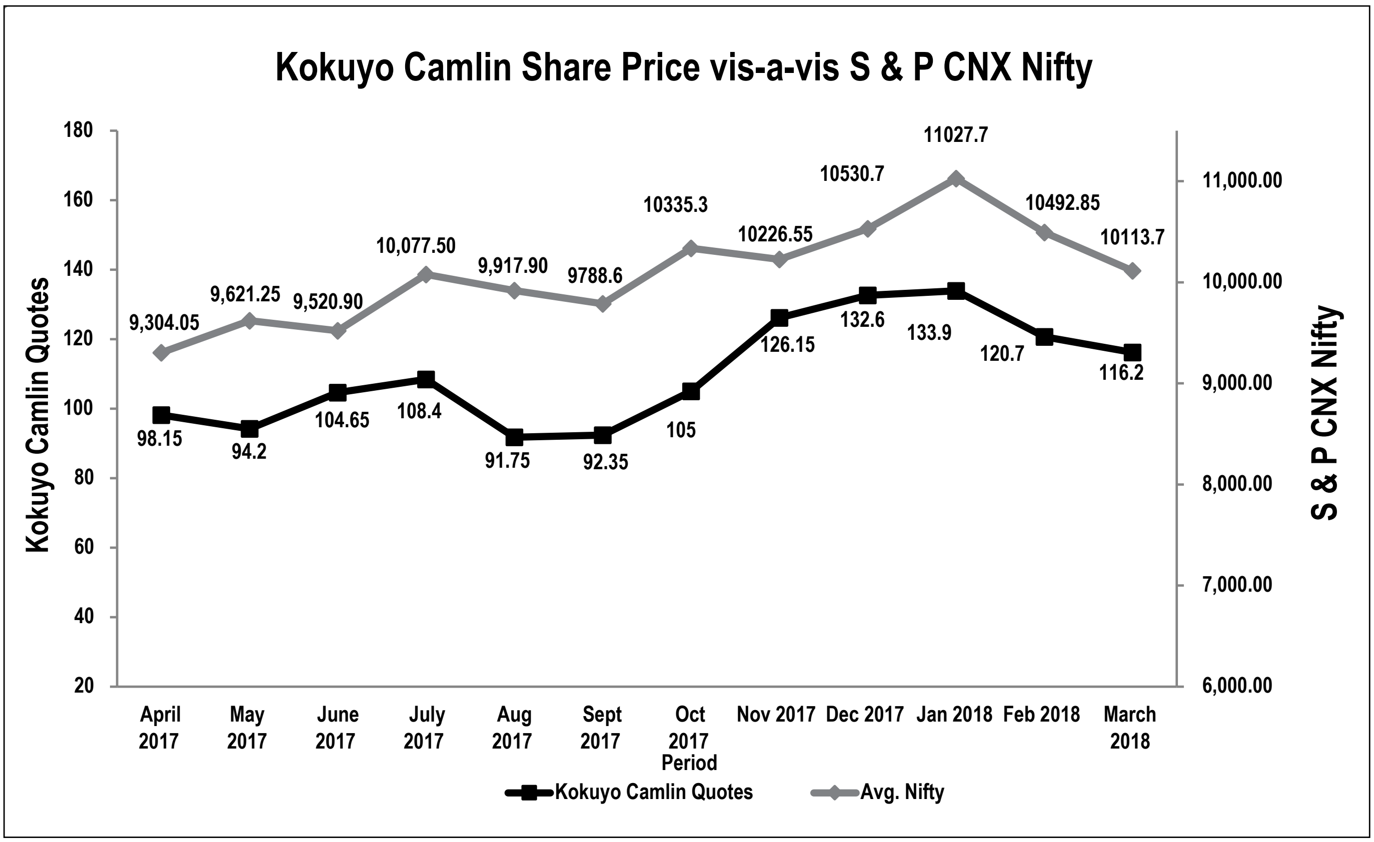
I. STOCK MARKET DATA:

Share Prices (High/Low) for the year at BSE and NSE are as follows:

Month	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
April, 2017	103.50	84.50	103.50	84.40
May, 2017	108.25	91.50	108.35	91.00
June, 2017	111.25	94.35	111.75	93.90
July, 2017	119.80	103.00	119.75	102.95
August, 2017	112.40	84.50	112.95	84.40
September, 2017	101.00	86.50	98.85	86.80
October, 2017	110.00	88.20	108.80	89.20
November, 2017	134.05	97.70	134.30	97.50
December, 2017	156.55	119.50	157.00	119.15
January, 2018	156.75	127.60	157.00	127.50
February, 2018	137.65	113.50	137.60	112.50
March, 2018	132.25	107.40	131.90	107.55

J. STOCK PERFORMANCE:





K. REGISTRARS AND SHARE TRANSER AGENT FOR SHARES:

M/s Link Intime India Private Limited C-101,247 Park, L.B.S. Marg Vikhroli (West) Mumbai-400083, Tel: (022) 49186270, Fax: (022) 49186060 email id: rnt.helpdesk@linkintime.co.in are acting as Registrar & Transfer Agents (RTA) for handling the shares related matters both in Physical & Dematerialized mode.

Shareholders are advised to send all the correspondence to the RTA. However for the convenience of shareholders, documents relating to shares received by the Company are forwarded to the RTA for necessary actions thereon.

L. SHARE TRANSFER SYSTEM:

Presently, the Share Transfers which are received in physical form are processed by the Registrars and Share Transfer Agents (RTA) 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 stipulated time from the date of lodgment, subject to the transfer instrument being valid and complete in all respects.

M. RECONCILIATION OF SHARE CAPITAL AUDIT:

A Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

N. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018:

No. of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
Up to 5000	18552	96.99	11018991	10.99
5001-10000	316	1.65	2348992	2.34
10001-20000	136	0.71	1944433	1.94
20001-30000	46	0.25	1157298	1.15
30001-40000	27	0.14	965034	0.96
40001-50000	11	0.06	505832	0.51
50001-100000	19	0.10	1378359	1.37
100001 and above	20	0.10	80984867	80.74
Total	19127	100.00	100303806	100.00

O. CATEGORY OF SHAREHOLDING AS ON 31ST MARCH, 2018:

Category of Shareholder	Total No. of Shares	Percentage of Total Shares
Promoter and Promoter Group (A)	75215950	74.99
Public Shareholding (B)		
Financial Institutions / Banks	52756	0.05
Foreign Portfolio Investors	75000	0.08
Investor Education and Protection Fund	540599	0.54
Bodies Corporate	3629673	3.62
Clearing Member	207472	0.21
Individuals	18218446	18.16
Non – Resident (Non-Rep.)	374847	0.37
Non – Resident (Rep.)	1387879	1.38
Hindu Undivided Family	599184	0.60
Trust	2000	-
Total Public Shareholding (B)	25087856	25.01
Total Shareholding = (A) + (B)	100303806	100.00

P. 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, 2018, 98.38% of the total shares of the Company have been dematerialised.

The shareholders holding shares in physical form are requested to dematerialize their shares as the Company's shares are required to be compulsorily traded at the stock exchanges in dematerialized form only. The shares of the Company are regularly traded at the National Stock Exchange of India Limited and the BSE Limited.

Q. UNCLAIMED SUSPENSE ACCOUNT:

Pursuant to the Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company's Registrar and Share Transfer Agents have already sent three reminders to those shareholders whose certificates were returned undelivered and remain unclamed so far.

Company has indentified the shareholders and is now in the process of trasfering these shares to a seprerate Account to one folio in the name of "Kokuyo Camlin Limited. - Unclaimed Suspense Account". Post the transfer of these shares to the aforesaid account, the voting rights thereon will be fronzen till the shares are claimed by the rightful owners.

R. SUBSIDIARY COMPANY:

The Company does not have any materially unlisted Indian Subsidiary. The minutes of the subsidiary company are placed before the Board of Directors of the Company.

M/s. Camlin International Limited, wholly owned subsidiary of Kokuyo Camlin Limited was not engaged in any business operations for over 10 years. Hence, it has made an application on 30th March, 2018 to the Registrar of Companies for striking off the Company by removal of name from the Register of Companies. The final approval from the Registrar of Companies is awaited.

S. 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.
Patalganga	:	Plot No. F/8, Additional Patalganga, MIDC, Village Chavane, Tal. Panvel, Dist Raigad, Pin – 410 220

T. ADDRESS FOR CORRESPONDENCE

Registered Office	:	Hilton House, 48/2, Central Road, MIDC, Andheri (East), Mumbai-400093.
Tel. No.	:	022-6655 7000
Fax No.	:	022- 2836 6579
Email	:	investorrelations@kokuyocamlin.com.

U. SECRETARIAL DEPARTMENT:

The Company's Secretarial Department headed by the Vice President (Corporate) & Company Secretary is situated at the Registered Office mentioned above. Shareholders/Investors may contact the Company Secretary for any assistance they may need.

Name of the Compliance officer	:	Mr. Ravindra Damle
Designation	:	Vice President (Corporate) & Company Secretary
Telephone	:	022- 6655 7000
Fax No.	:	022- 2836 6579
Email	:	investorrelations@kokuyocamlin.com

V. DISCLOSURES:

i. Strictures and Penalties:

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines of SEBI and other regulatory authorities. Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges or any other statutory authorities on any matter relating to capital markets during the last 3 years.

ii. Compliance with Accounting Standards:

In preparation of the Financial Statements, the Company has followed the Accounting standards applicable to the Company.

iii. CEO/ CFO Certification:

The Chief Executive Officer and Chief Financial Officer of the Company have furnished the requisite Certificates to the Board of Directors as per Listing Regulations.

iv. Internal Control system and their adequacy:

The Company has adequate internal control procedures commensurate with its size and nature of business. The Company has appointed Internal Auditors who audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements.

The Audit Committee of the Board of Directors periodically reviews the audit plans, internal audit reports and adequacy of internal controls and risk management.

v. 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 related party transactions entered into with the related parties as defined under the Companies Act, 2013 and as per Listing Regulations during the financial year were in the ordinary course of business and the same have been approved by the Audit Committee/ Board of Directors.

Transactions with the related parties are disclosed under Schedule 28 to the financial statements in the Annual Report. The Board of Directors has approved a policy of related party transactions which has been uploaded on the website of the Company www.kokuyocamlin.com.

vi. Risk Management :

The Company recognizes that risk is an integral part of any business activity. The Company is aware of the risks associated with the business and has well defined process in place to ensure appropriate identification and treatment of risk. This 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. There are no risks which in the opinion of the board threatens the existence of the company. However some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

vii. Vigil Mechanism (Whistle Blower Policy):

The Company has a vigil mechanism called "Whistle Blower Policy" with a view to provide a mechanism for Directors and employees of the Company to raise concerns of any violations of any legal or regulatory requirement, incorrect or misrepresentation of any financial statement and reports etc. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

All employees have been provided direct access to the Audit committee. Further, the details of the policy are also posted on the website of the Company www.kokuyocamlin.com.

The Company has complied with all the mandatory requirements specified in regulation 17 to 27 regulation 46 of Listing Regulations.

The Corporate Governance Report of the Company for the year ended 31st March, 2018 are in compliance with the requirements of Corporate Governance under Listing Regulations.

The status of adoption of the discretionary requirements as specified in Part E of Schedule II is as under:-

- **Non-Executive Chairman's Office:**

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

- **Shareholders Rights:**

  Extract of 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 www.kokuyocamlin.com. The complete Annual Report is sent to each and every Shareholder of the Company.

- **Modified opinion in Auditors Report**

  The Company's financial statement for the year ended 31st March, 2018 does not contain any modified Audit opinion.

- **Separate posts of Chairperson and Chief Executive Officer:**

  The Chairman on the Board is an Executive Director. The Company has also appointed Managing Director designated as the Chief Executive Officer and Executive Director.

- **Reporting of Internal Auditor:**

  The Internal Auditor of the Company reports to the CEO and has direct access to the Audit Committee.

For & on behalf of the Board

DILIP DANDEKAR
Chairman & Executive Director

Place : Mumbai
Dated : 9th May, 2018

COMPLIANCE WITH CODE OF BUSINESS CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2018.

For Kokuyo Camlin Limited

Nobuchika Doi
CEO and Executive Director

Place : Mumbai
Date : 9th May, 2018

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

To,
The Board of Directors
Kokuyo Camlin Limited

We have reviewed the financial statements and the cash flow statement of Kokuyo Camlin Ltd. for the year ended 31st March, 2018 and that to the best of our knowledge and belief, we state that;

(a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

(d) we have indicated to the Auditors and the Audit Committee:

(i) significant changes, if any, in the internal control over financial reporting during the year.

(ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

CHETAN BADAL
CHIEF FINANCIAL OFFICER

NOBUCHIKA DOI
CEO & EXECUTIVE DIRECTOR

Place: Mumbai
Date: 9th May, 2018

Certificate

The Members of KOKUYO CAMLIN LIMITED

We have examined the compliance of conditions of Corporate Governance by Kokuyo Camlin Limited ('the Company') for the year ended on 31st March, 2018 as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreements of the said Company with Stock Exchanges (**'the Regulations'**).

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 specified in the Regulations referred above.

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 JHR & Associates
Company Secretaries

J. H. Ranade
Partner
(FCS: 4317, CP: 2520)

Place : Thane
Date : 9th May, 2018

Independent Auditors' Report

To The Members of
Kokuyo Camlin Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Kokuyo Camlin Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (collectively referred to as the "Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor, M/s. B. K. Khare & Co. Chartered Accountants, whose reports for the year ended 31 March 2017 and 31 March 2016 dated 27 April 2017 and 12 May 2016 respectively expressed an unmodified opinion on those standalone financial statements, adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 18 of the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

Annexure A to the Independent Auditors' Report on standalone Ind AS financial statements

(Refered to our reports of even date)

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a programme designed to cover all the items over one year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified all its property, plant and equipment and investment properties during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and buildings and investment properties as disclosed in Note 4 (a) and Note 4 (b) respectively of the standalone Ind AS financial statements, are held in the name of the Company.

ii. The inventories, except goods in transit and stocks lying with third parties, have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, subsequent goods receipt have been verified.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.

iv. In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act with respect to investments made. The Company has not granted any loans or provided any guarantees or security covered under Section 185 and 186 of the Act.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

We have broadly reviewed the books of account relating to manufacture of stationery items maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same with a view to determine whether they are complete or accurate.

vi. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Value added tax, Service Tax, duty of customs, duty of excise, Goods and Service Tax, Income Tax, Cess, Professional tax, Labor welfare fund and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Value added tax, Service Tax, duty of customs, duty of excise, Goods and Service Tax, Income Tax, Cess, Professional tax, Labor welfare fund and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of customs, duty of excise, Goods and Service tax and Value added tax which have not been deposited with the appropriate authorities on account of any dispute, except as follows:

Name of the Statute	Nature of dues	Amount Demanded ₹ in lakhs	Amount Paid ₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending
The Income tax Act, 1961	Income tax	14.66	-	Assessment year 2006-07	Commissioner of Income Tax (Appeal)
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	53.06	32.97	1990-95	Mumbai High Court
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	37.49	2.13	2012-13 and 1992-93	The Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	17.38	1.13	1992-93, 2002-03 and 2014-15	Commissioner of Central Excise (Appeal)
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	1,492.17	219.59	1995-96 to 2015-16	First appellate authority
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	39.70	37.92	2000-01	Sales tax tribunal

vii. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank during the year. The Company did not have any loans or borrowings during the year from debenture holders or from the government.

viii. According to the information and explanations given to us, the Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

ix. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

x. According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xi. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the stand alone Ind AS financial statements as required by the applicable accounting standards.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

Annexure B to the Independent Auditor's Report on standalone Ind AS financial statements

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

We have audited the internal financial controls over financial reporting of Kokuyo Camlin Limited ('the Company') as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

Balance Sheet
as at 31 March, 2018

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
(a) Property,plant and equipment	4a	15,702.25	9,987.69	8,100.26
(b) Capital work-in-progress		-	4,956.79	2,497.93
(c) Investment property	4b	2.73	2.73	2.73
(d) Other intangible assets	4a	150.38	172.41	241.40
(e) Financial assets	4c			
(i) Investments		1,053.55	977.62	716.36
(ii) Loans		194.36	279.95	331.48
(iii) Other financial assets		45.99	138.71	206.81
(f) Deferred tax assets (net)	4d	162.25	401.18	510.40
(i) Income tax assets (net)	4e	-	113.31	211.27
(h) Other non-current assets	4f	2,259.01	3,459.22	3,206.95
Total non - current assets		**19,570.52**	**20,489.61**	**16,025.59**
Current assets				
(a) Inventories	5a	15,875.53	14,084.75	12,437.19
(b) Financial assets	5b			
(i) Trade receivables		10,950.67	10,634.01	9,099.55
(ii) Cash and cash equivalents		438.67	1,199.57	4,011.18
(iii) Bank balances other than (ii) above		16.67	209.66	2,716.32
(iv) Loans and advances		10.62	26.81	131.42
(c) Other current assets	5c	1,622.22	1,416.68	1,276.42
Total current assets		**28,914.38**	**27,571.48**	**29,672.08**
TOTAL ASSETS		**48,484.90**	**48,061.09**	**45,697.67**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	6a	1,003.04	1,003.04	1,003.04
(b) Other equity	6b	22,826.99	21,786.37	21,478.02
Total equity		**23,830.03**	**22,789.41**	**22,481.06**
Liabilities				
Non-current liabilities				
(a) Financial liabilities	7a			
(i) Borrowings		1,044.10	1,544.89	2,646.55
(ii) Other financial liabilities		137.34	195.86	142.14
(b) Provisions	7b	413.16	199.86	317.41
Total Non - current liabilities		**1,594.60**	**1,940.61**	**3,106.10**
Current liabilities				
(a) Financial Liabilities	8a			
(i) Short term borrowings		12,264.65	11,250.01	10,301.36
(ii) Trade payables		7,886.33	7,948.95	6,499.95
(iii) Other financial liabilities		2,483.72	3,073.48	2,404.90
(b) Other current liabilities	8b	366.52	841.55	689.26
(c) Provisions	8c	59.05	217.08	215.04
Total current liabilities		**23,060.27**	**23,331.07**	**20,110.51**
TOTAL EQUITY AND LIABILITIES		**48,484.90**	**48,061.09**	**45,697.67**

Notes to the Standalone Financial statements 1 to 33

The notes referred above form an integral part of these standalone IndAS financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

For and on behalf of the Board of Directors of
Kokuyo Camlin Limited
CIN : L24223MH1946PLC005434

Chetan Badal
Chief Financial Officer

Ravindra Damle
V P (Corporate) and Company Secretary

Mumbai
9 May 2018

Dilip Dandekar - Chairman and Executive Director
(DIN-00846901)

Shriram Dandekar - Vice Chairman & Executive Director
(DIN-01056318)

Nobuchika Doi - Chief Excecutive Officer and Executive Director
(DIN-03599835)

Takeo Iguchi - Executive Director
(DIN-03599826)

Shishir B. Desai - Director
(DIN-01453410)

Statement of Profit and Loss

For the year ended 31 March 2018

(₹ in Lakhs)

	Particulars	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
REVENUE				
I	Revenue from operations	9	63,850.03	66,315.46
II	Other income	10	288.22	306.82
III	**Total Income (I + II)**		**64,138.25**	**66,622.28**
IV	**EXPENSES**			
	(a) Cost of materials consumed	11	23,676.41	24,929.21
	(b) Excise duty	17	885.85	3,349.59
	(c) Purchases of stock-in-trade	12	15,352.10	16,139.00
	(d) Changes in stock of finished goods, work-in-progress and stock-in-trade	13	(1,009.16)	(1,136.54)
	(e) Employee benefits expense	14	8,019.13	6,806.32
	(f) Finance costs	15	960.57	1,174.61
	(g) Depreciation and amortization expense	4a,b	1,650.51	1,207.66
	(h) Other expenses	16	13,112.35	13,927.18
	Total Expenses (IV)		**62,647.76**	**66,397.03**
V	**Profit before tax (III - IV)**		**1,490.49**	**225.25**
VI	**Tax Expense**	23		
	(1) Current tax		255.91	-
	(2) Deferred tax [Including MAT credit entitlement for the year INR 255.91 Lakhs(2016-17-Nil)]		252.41	76.35
	(3) Prior years - Income tax		-	(0.62)
	Total tax expense (VI)		**508.32**	**75.73**
VII	**Profit after tax (V -VI)**		**982.17**	**149.52**
VIII	**Other comprehensive income**		**58.44**	**158.83**
	(i) Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of the defined benefit plans		(35.97)	(69.56)
	(b) Fair value changes on equity instruments		80.93	261.26
	(ii) Income tax relating to items that will not be reclassified to profit or loss		13.48	(32.87)
IX	**Total comprehensive income for the year**		**1,040.61**	**308.35**
X	**Earnings per share (Face value INR Re. 1/- each):**			
	(1) Basic earnings per share	26	0.98	0.15
	(2) Diluted earnings per share		0.98	0.15

Notes to the Standalone Financial statements 1 to 33

The notes referred above form an integral part of these standalone IndAS financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

For and on behalf of the Board of Directors of
Kokuyo Camlin Limited
CIN : L24223MH1946PLC005434

Chetan Badal
Chief Financial Officer

Ravindra Damle
V P (Corporate) and Company Secretary

Mumbai
9 May 2018

Dilip Dandekar - Chairman and Executive Director
(DIN-00846901)

Shriram Dandekar - Vice Chairman & Executive Director
(DIN-01056318)

Nobuchika Doi - Chief Excecutive Officer and Executive Director
(DIN-03599835)

Takeo Iguchi - Executive Director
(DIN-03599826)

Shishir B. Desai - Director
(DIN-01453410)

Statement of Cash Flows

For the year ended 31 March 2018

(₹ in Lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the year	1,490.49	225.25
Adjustments for :		
Depreciation and amortisation	1,650.51	1,207.66
Provision for diminution in the value of investments	5.00	-
Unrealised foreign exchange gain	(16.90)	(7.84)
Finance costs	960.57	1,174.61
Interest income	(38.17)	(302.38)
Dividend	-	(3.60)
Provision for doubtful debts	48.46	35.04
Provision for doubtful advances	16.75	2.11
Loss on sale/disposal of property, plant and equipment(net)	83.50	48.80
Operating profit before working capital changes	**4,200.21**	**2,379.65**
Changes in working capital		
- (Increase) in trade receivables	(365.11)	(1,569.50)
- (Increase) in other current assets	(205.54)	(140.26)
- (Increase) in Inventories	(1,790.78)	(1,647.56)
- Decrease /(Increase) in Other non current assets	84.78	(6.30)
- Decrease in security deposits	85.59	51.53
- (Decrease)/ Increase in trade payables	(45.72)	1,456.84
- (Decrease) in provisions	(157.36)	(185.07)
- (Decrease)/ Increase in other current liabilities	(397.43)	172.71
	(2,791.57)	**(1,867.61)**
Cash from operating activities	1,408.64	512.04
Tax (paid)/refund (Net)	34.06	98.58
Net Cash from operating activities	**1,442.70**	**610.62**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,559.42)	(5,474.15)
Proceeds from sale of property, plant and equipment	68.23	7.80
Proceeds from bank deposits(having maturity of more than 3 months)	199.90	2,467.23
Unpaid dividend account	5.04	2.67
Interest received	54.36	406.99
Dividend received	-	3.60
Net Cash used in Investing activities	**(1,231.89)**	**(2,585.86)**

Statement of Cash Flows

For the year ended 31 March 2018

(₹ in Lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,014.64	948.65
Dividend Paid	(5.04)	(2.67)
Interest and other finance cost paid	(975.53)	(1,181.71)
Repayment of short term borrowings	(1,005.78)	(600.64)
Net Cash used in Financing activities	**(971.71)**	**(836.37)**
Net increase/ (decrease) in cash and cash equivalents	**(760.90)**	**(2,811.61)**
Cash and cash equivalents at the beginning of the year	**1,199.57**	**4,011.18**
Cash and cash equivalents at the end of the year	**438.67**	**1,199.57**

Notes :-

1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS) 7 - "Statement of Cash Flows "

2) Cash and cash equivalents at the end of the year

	As at 31 March 2018	As at 31 March 2017
Balance with banks		
in current accounts	386.71	275.55
in EEFC accounts	12.45	113.36
Deposits with original maturity of less than three months	28.40	801.63
Cash on hand	11.11	9.03
	438.67	**1,199.57**

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

For and on behalf of the Board of Directors of
Kokuyo Camlin Limited
CIN : L24223MH1946PLC005434

Chetan Badal
Chief Financial Officer

Ravindra Damle
V P (Corporate) and Company Secretary

Mumbai
9 May 2018

Dilip Dandekar - Chairman and Executive Director
(DIN-00846901)

Shriram Dandekar - Vice Chairman & Executive Director
(DIN-01056318)

Nobuchika Doi - Chief Excecutive Officer and Executive Director
(DIN-03599835)

Takeo Iguchi - Executive Director
(DIN-03599826)

Shishir B. Desai - Director
(DIN-01453410)

Statement of Changes in Equity
for the year ended 31 March 2018

(a) Equity Share Capital

(₹ In Lakhs)

Particulars	Note No.	31 March 2018	31 March 2017	1 April 2016
Balance at the beginning of the year	6a	1,003.04	1,003.04	1,003.04
Changes in equity share capital during the year	6a	-	-	-
Balance at the end of the year		**1,003.04**	**1,003.04**	**1,003.04**

(b) Other equity

Particulars	Reserves and surplus				Items of Other comprehensive income	Total equity
	Capital reserve	Share premium	General reserve	Retained earnings		
Balance at 1 April 2016	52.70	17,901.56	1,966.30	857.98	699.48	21,478.02
Profit for the year				149.52		149.52
Other comprehensive income for the year					205.39	205.39
Equity Instruments through Other Comprehensive Income (net of tax)					205.39	205.39
Remeasurements of defined benefit plan (net of tax)				(46.56)		(46.56)
Balance at 31 March 2017	**52.70**	**17,901.56**	**1,966.30**	**960.94**	**904.87**	**21,786.37**
Profit for the year	**-**	**-**	**-**	**982.17**	**-**	**982.17**
Other comprehensive income for the year						
Equity Instruments through Other Comprehensive Income (net of tax)	-	-	-	-	81.96	81.96
Remeasurements of defined benefit plan (net of tax)	-	-	-	(23.51)		(23.51)
Balance at 31 March 2018	**52.70**	**17,901.56**	**1,966.30**	**1,919.58**	**986.83**	**22,826.99**

Notes to the Standalone Financial statements 1 to 33
The notes referred above form an integral part of these standalone IndAS financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

For and on behalf of the Board of Directors of
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(DIN-03599826)

Shishir B. Desai - Director
(DIN-01453410)

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

1 BACKGROUND OF THE COMPANY

Kokuyo Camlin Limited (the "Company") was incorporated in India in 1946 as "Camlin Private Limited" under the Indian Companies Act, 1913. Subsequently, the Company was converted into a Public Limited Company in 1988 as Camlin Limited and was listed on BSE Ltd (BSE) and listed on National Stock Exchange of India Ltd (NSE) in the year 2008. In the year 2011, Kokuyo S&T Co. Ltd, (now Kokuyo Company Limited) a Japanese corporation engaged in the business of stationery acquired a majority stake in the Company and presently holds 74.44% shares in the Company.The registered office of the Company is located at 48/2, Hilton House, Central Road, MIDC, Andheri (East), Mumbai, India.

Kokuyo Camlin Limited manufactures, and trades in scholastic products, writing instruments, notebooks, marker pens, inks, fine-art colours and accessories, hobby colours, pencils and other stationery products.

2 BASIS OF PREPARATION

(a) Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

The standalone financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, "First-time Adoption of Indian Accounting Standards" has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 30.

The Standalone financial statements for the year ended 31 March 2018 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 9 May 2018.

Details of the Company's significant accounting policies are disclosed in Note 3.

(b) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are mentioned in lakhs and rounded off to 2 decimals unless, otherwise stated.

(c) Basis of measurement

(i) The standalone financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:

1. Certain financial assets and liabilities (including derivative instruments and equity investments) - measured at fair value

2. Net defined benefit (asset)/liability - fair value of plan assets less present value of defined benefit obligations

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

(d) Use of estimates and judgements

"In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively."

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 3.10 and 25 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 3.14 and 27 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 3.15 and 18 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3.04 & 3.13– impairment of financial and non financial assets.
- Note 3.02 and 3.03 – management estimate for useful life of plant and machinery, electrical installation and intangible assets.
- Note 29 - fair value measurement of financial instruments

(e) Current vs non current classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is held primarily for the purpose of trading;

iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents"

(f) Fair value measurement

The Company measures certain financial instruments, such as derivatives and equity investments, at fair value at each balance sheet date.Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or

B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

A. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

B. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

C. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Further information about the assumption made in measuring fair value is included in the following notes.

- Note 4(b) - Investment property
- Note 29 - Financial instruments

(g) Standards issued but not yet effective.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new standards and amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after 1 April, 2018

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The Effect of Changes in Foreign Exchange Rates

Ind AS 115 - Revenue from Contracts with Customers

On 28 March ,2018 the MCA, has notified the Ind AS 115, Revenue from Contracts with Customers.

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when the revenue should be recognised. It replaces existing revenue recognition guidelines, including Ind AS 18 Revenue, Ind AS 11Construction contracts and Guidance note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods begining on or after 1 April, 2018 and will be applied accordingly.

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

The Company is evaluting the impact of this amendment on its standalone financial statements.

Ind AS 21 - The Effect of Changes in Foreign Exchange Rates

The amendement clarifies on the accounting of transactions that include the receipt or payment of advance consideration in foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluting the impact of this amendment on its standalone financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

3.01 Revenue recognition

Revenue from sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed,which is usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade / cash discounts and volume rebates.

Interest income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend:

A dividend is recognised as revenue when the right to receive dividend payment has been established.

3.02 Property, plant and equipment

(i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable taxes (net of Cenvat, VAT and GST), after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) borrowing costs for long-term construction projects if the recognition criteria are met.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipments.

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, if any, over their estimated useful lives using the straight line method in the manner and at the rates prescribed by Part 'C' of Schedule II of the Act. Depreciation is charged on a monthly pro-rata basis for assets purchased or sold during the year.

The Company has used the following rates to provide depreciation on its fixed assets.

	Useful life as Per Schedule II	Useful life as Per Company's Policy	Reasons
Site development	30 years	30 years	
Buildings & sheds	30 years and 60 years	30 years and 60 years	
Plant & Machinery & Electrical Installation	7.5 years to 15 years	7.5 years to 25 years	Management's estimation based on internal technical evaluation
Office equipment	3 to 6 years	3 to 6 years	
ERP Hardware	5 years	5 years	
Furniture & Fittings	10 years	10 years	
Vehicles	8 to 10 years	8 to 10 years	

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

3.03 Intangible assets

Intangible assets comprise application software purchased / developed, which are not an integral part of the related hardware, and are amortized using the straight line method over a period of the software license, which in Management's estimate represents the period during which the economic benefits will be derived from their use.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

The useful lives of intangible assets are as mentioned below:

	Useful life as Per Schedule II	Useful life as Per Company's Policy	Reasons
Licenses and software	5 years	10 years	Management's estimation based on internal technical evaluation
ERP software	5 years	5 years	

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangibles recognised as at 1 April , 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of such intangibles.

3.04 Impairment of non financial assets

The Company's non financial assets are tested for impairment at each reporting date to determine whether there are events or changes in circumstances which indicate that the carrying amount may not be recoverable. Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.

The recoverable amount is higher of the asset's net selling price or value in use, i.e. the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

3.05 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.06 Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

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to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

3.07 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership of the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease on the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Transition to Ind AS

On transition to Ind AS, the Company has reclassified leasehold land from property, plant and equipment to other non current assets and freehold land to Investment property, at its carrying amount on the date of re-classification.

The fair value of investment property is disclosed in the notes.

3.08 Investment in subsidiary and associates

The Company's investment in its subsidiary and associates are carried at cost.

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to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

3.09 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, or for use in the production or supply of goods or services or for administrative purpose. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS the Company has reclassified certain freehold land as investment property measured as per the previous GAAP and used that carrying value as the deemed cost of such investment property. The fair value of investment property is disclosed in note 4(b).

3.10 Income-tax

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is a convincing evidence that the Company will pay normal tax in future. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax relating to items recognised outside profit or loss are recoginised as a part of these items (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

3.11 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on moving weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

3.13 Financial instrument

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

(i) Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

(ii) Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  On initial recognition of an equity investments that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(iii) Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVPTL if it is classified as held for trading or it is derivative or it is designated as

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

such on initial recognition. Financial liabities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gain and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iv) Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk.

(v) Derecognition of financial assets and financial liabilities:

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial assets.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when the contractual obligations are discharged or cancelled, or expire.

The Company also derecognises financial liabilities when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(vi) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value through Statement of Profit and Loss.

(vii)Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Notes

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(₹ in Lakhs)

3.14 Employee benefits

(i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Compensated absences

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(iii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to the retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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(₹ in Lakhs)

(v) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurement are recognised in profit or loss in the period in which they arise.

3.15 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value, wherever the Company can estimate the time of settlement, of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provisions due to passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly with in the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount can not be made. Where the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

3.17 Research and Development

Expenditure on research activities is recognised in profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset.Otherwise, it is recognised in profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment loss.

3.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Chief operating decision maker's function is to allocate the resources of the entity and assess the performance of the operating segment of the Company.

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to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

4.a PROPERTY, PLANT AND EQUIPMENT

Description	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1 April 2017	Additions	Deductions/ Adjustments	As at 31 March 2018	As at 1 April 2017	For the year	On Deductions/ Adjustments	As at 31 March 2018	As at 31 March 2018
Site Development	748.07	218.07	-	966.14	1.96	30.97	-	32.93	933.23
Buildings & Shed	1,554.77	4,613.92		6,168.69	65.43	185.11	-	250.54	5,918.15
Plant & Machinery	8,000.59	2,457.80	202.37	10,256.02	887.40	1,182.11	59.59	2,009.92	8,246.10
Office Equipment	454.02	79.00	1.46	531.56	94.52	102.82	1.32	196.02	335.54
ERP Hardware	82.58	-	-	82.58	22.39	22.39	-	44.78	37.80
Furniture & Fixtures	131.18	41.62	0.67	172.13	35.90	34.38	0.22	70.06	102.07
Motor Vehicles*	145.15	37.87	16.73	166.29	21.07	24.23	8.37	36.93	129.36
	11,116.36	**7,448.28**	**221.23**	**18,343.41**	**1,128.67**	**1,582.01**	**69.50**	**2,641.18**	**15,702.25**

*Motor vehicles with a carrying amount of Rs 82.06 lakhs as at 31 March 2018 (31 March 2017: Rs 44.19 lakhs) are provided as security against loans taken.

Other Intangible assets

Description	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1 April 2017	Additions	Deductions/ Adjustments	As at 31 March 2018	As at 1 April 2017	For the year	On Deductions/ Adjustments	As at 31 March 2018	As at 31 March 2018
ERP Software	247.40	-	-	247.40	74.99	68.25	-	143.24	104.16
Licenses & Software		46.47	-	46.47	-	0.25	-	0.25	46.22
	247.40	46.47	-	293.87	74.99	68.50	-	143.49	150.38
Total	**11,363.76**	**7,494.75**	**221.23**	**18,637.28**	**1,203.66**	**1,650.51**	**69.50**	**2,784.67**	**15,852.63**

4.a PROPERTY, PLANT AND EQUIPMENT

Description	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1 April 2016 (Deemed Cost)	Additions	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016 (Deemed Cost)	For the year	On Deductions/ Adjustments	As at 31 March 2017	As at 31 March 2017
Site Development	36.28	711.79		748.07	-	1.96	-	1.96	746.11
Building & Shed	1,480.63	123.15	49.01	1,554.77	-	67.39	1.96	65.43	1,489.34
Plant & Machinery	5,963.20	2,037.39	-	8,000.59	-	887.40	-	887.40	7,113.19
Office Equipment	330.85	124.98	1.81	454.02	-	94.63	0.11	94.52	359.50
ERP Hardware	82.58	-	-	82.58	-	22.39	-	22.39	60.19
Furniture & Fixture	127.78	3.42	0.02	131.18	-	35.90	-	35.90	95.28
Motor Vehicles*	78.94	75.97	9.76	145.15	-	23.00	1.93	21.07	124.08
	8,100.26	**3,076.70**	**60.60**	**11,116.36**	**-**	**1,132.67**	**4.00**	**1,128.67**	**9,987.69**

*Motor vehicles with a carrying amount of Rs 44.19 lakhs as at 31 March 2017 (1 April 2016: Rs Nil) are provided as security against loans taken.

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(₹ in Lakhs)

Other Intangible assets

Description	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1 April 2016 (Deemed Cost)	Additions	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016 (Deemed Cost)	For the year	On Deductions/ Adjustments	As at 31 March 2017	As at 31 March 2017
ERP Software	241.40	6.00	-	247.40	-	74.99		74.99	172.41
	241.40	6.00	-	247.40	-	74.99	-	74.99	172.41
Total	**8,341.66**	**3,082.70**	**60.60**	**11,363.76**	**-**	**1,207.66**	**4.00**	**1,203.66**	**10,160.10**

4.b NON-CURRENT ASSETS

	31 March 2018	31 March 2017	1 April 2016
Investment Property			
Freehold Land	2.73	2.73	2.73
(Fair Value-			
As at 31 March 2018	INR 33.66 lakhs		
As at 31 March 2017	INR 31.13 lakhs		
As at 1 April 2016	INR 31.13 lakhs		

Fair value hierarchy

The Fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The Fair value measurement of the property has been categorized as Level 3 fair value based on the inputs to the valuation technique used.(refer Note 2(f))

C FINANCIAL ASSETS

		31 March 2018	31 March 2017	1 April 2016
i)	**Investments**			
	Investments in Equity Instruments (fully paid up)			
	Quoted equity shares at fair value through OCI			
	800,000 (31 March 2017 : 800,000; 1 April 2016 : 800,000) equity shares of INR.1 each in Camlin Fine Sciences Limited	810.01	716.01	709.21

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to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Unquoted equity shares

A Subsidiary - At cost

	31 March 2018		31 March 2017		1 April 2016	
a) 5,000 (31 March 2017 : 5,000; 1 April 2016 : 5,000) Equity shares of INR.100/- each in Camlin International Limited*	5.00		5.00		5.00	
Less : Provision for diminution in value of investment	5.00	-	-	5.00	-	5.00

*The company has applied to Registrar of Companies for removing its name from "Register of Companies" on 30 March 2018.

B Associates - At cost

	31 March 2018		31 March 2017		1 April 2016	
522,000 (31 March 2017 : 522,000; 1 April 2016 : 522,000) Equity shares of Rs.10 each in ColArt Camlin Canvas Private. Limited.	52.20		52.20		52.20	
Less : Provision for diminution in value	52.20	-	52.20	-	52.20	-

C

	31 March 2018	31 March 2017	1 April 2016
2,150 (31 March 2017 : 2,150; 1 April 2016 : 2,150) Equity shares of Rs.100/- each in Excella Pencils Limited at fair value through OCI	243.54	256.61	2.15
(Associate upto 30 September 2016)	**1,053.55**	977.62	716.36

Aggregate amount of quoted investments - at cost	9.73	9.73	9.73
Aggregate amount of quoted investments - at market value	810.01	716.01	709.21
Aggregate amount of unquoted investments - at cost	59.35	59.35	59.35
Aggregate amount of impairment in value of investment	57.20	52.20	52.20

		31 March 2018	31 March 2017	1 April 2016
ii)	**Loans**			
	(Unsecured, Considered good)			
	Security deposits	194.36	279.95	331.48
		194.36	279.95	331.48
iii)	**Other financial assets**			
	Fixed Deposits maturing after twelve months	45.99	57.94	21.18
	Derivative asset	-	80.77	185.63
		45.99	138.71	206.81

		31 March 2018	31 March 2017	1 April 2016
d)	**Deferred tax assets (net) [Ref. Note no.25]**	162.25	401.18	510.40

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(₹ in Lakhs)

		31 March 2018	31 March 2017	1 April 2016
e)	**Income Tax (net of provisions)**	-	113.31	211.27

		31 March 2018	31 March 2017	1 April 2016
f)	**Other Non-current assets**			
	Unsecured, considered good			
	Prepaid expenses	2,060.82	2,145.60	2,139.30
	Capital advances	198.19	1,313.62	1,067.65
	Unsecured, considered doubtful			
	Capital advances	18.86	2.11	-
	Provision for doubtful advances	(18.86)	(2.11)	-
		2,259.01	3,459.22	3,206.95

Prepaid expenses includes cost of leasehold land which is amortised over the period of the lease.

5 CURRENT ASSETS

			31 March 2018	31 March 2017	1 April 2016
a		**Inventories**			
		(At lower of cost and net realisable value)			
	i)	Raw materials [includes in transit INR 130.05 lakhs(31 March 2017: INR 76.72 lakhs; 1 April 2016 : INR 83.45 lakhs)]	2,158.29	1,772.47	1,774.47
	ii)	Packing materials [includes in transit INR 62.19 lakhs (31 March 2017: INR 105.40 lakhs; 1 April 2016: INR 122.63 lakhs)]	2,648.42	2,303.84	1,814.94
	iii)	Spares and tools	75.34	24.12	-
	iv)	Work-in-progress	1,368.24	1,120.48	971.34
	v)	Finished goods	6,079.66	4,672.39	3,790.08
	vi)	Stock-in-trade [includes in transit INR Nil(31 March 2017: INR 9.96 lakhs; 1 April 2016: INR 34 lakhs)]	3,545.58	4,191.45	4,086.36
			15,875.53	**14,084.75**	**12,437.19**
b		**Financial Assets**			
	i)	**Trade receivables**			
		Unsecured			
	i)	Considered good	10,950.67	10,634.01	9,099.55
	ii)	Considered doubtful	182.68	171.45	182.07
			11,133.35	10,805.46	9,281.62
		Less: Allowance for doubtful receivables	182.68	171.45	182.07
			10,950.67	**10,634.01**	**9,099.55**

(i) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 29

Notes
to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

			31 March 2018	31 March 2017	1 April 2016
ii)		**Cash and cash equivalents**			
		Balances with banks			
	1)	In Current accounts	386.71	275.55	508.67
	2)	In EEFC accounts	12.45	113.36	129.60
	3)	Deposits with original maturity of less than three months	28.40	801.63	3,360.53
		Cash on hand	11.11	9.03	12.38
			438.67	**1,199.57**	**4,011.18**
iii)		**Other Bank Balances**			
	1)	Deposits with maturity of more than three months but less than twelve months	14.16	202.11	2,706.10
	2)	Unpaid dividend account	2.51	7.55	10.22
			16.67	209.66	2,716.32
			455.34	**1,409.23**	**6,727.50**
iv)		**Loans and advances**			
		Unsecured, considered good			
		Interest accrued on deposits	10.62	26.81	131.42
			10.62	**26.81**	**131.42**
		Other Current Assets			
		Advances to related parties	0.03	0.01	0.51
		Advances to suppliers	269.96	424.87	464.11
		Prepaid Expenses	239.52	218.72	190.56
		Deposits, balances and input credits for other taxes and duties	1,047.21	648.63	510.92
		Gratuity fund	14.37	-	-
		Other advances	51.13	124.45	110.32
			1,622.22	**1,416.68**	**1,276.42**

6 EQUITY SHARE CAPITAL

		31 March 2018	31 March 2017	1 April 2016
	Authorised			
	200,000,000 (31 March 2017: 200,000,000; 1 April 2016: 200,000,000) Equity Shares of INR. 1/- each	2,000.00	2,000.00	2,000.00
a	**Issued, Subscribed & Paid-up**			
	100,303,806 (31 March 2017: 100,303,806; 1 April 2016: 100,303,806) Equity Shares of INR 1/- each, fully paid	1,003.04	1,003.04	1,003.04

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	31 March 2018		31 March 2017		1 April 2016	
	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs
At the beginning of the year	100,303,806	1,003.04	100,303,806	1,003.04	100,303,806	1,003.04
Outstanding at the end of the year	100,303,806	1,003.04	100,303,806	1,003.04	100,303,806	1,003.04

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

i) Terms/rights attached to equity shares

The Company has only one class of equity shares with a par value of INR. 1/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to number of equity shares held by the shareholders.

ii) Shares held by the Holding/ultimate Holding Company and/or their Subsidiaries/ Associates.

Out of the equity shares issued by the company, shares held by its Holding Company are as under

	31 March 2018		31 March 2017		1 April 2016	
Name of the Holding Company	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
KOKUYO CO., Limited. Japan (a company incorporated in Japan)	74,665,950	74.44%	73,971,750	73.75%	73,971,750	73.75%

iii) Details of shareholders holding more than 5% shares in the company

Other than Kokuyo Co. Ltd, there are no shareholders holding more than 5% shares in the Company.

			31 March 2018	31 March 2017	1 April 2016
b		**OTHER EQUITY**			
	i)	**Capital reserve**			
		Balance, beginning and end of the year	52.70	52.70	52.70
	ii)	**Share premium account**			
		Balance, beginning and end of the year	17,901.56	17,901.56	17,901.56
	iii)	**General reserve**			
		Balance beginning of the year	1,966.30	1,966.30	1,966.30
	iv)	**Surplus in the statement of profit and loss**			
		Balance beginning of the year	960.94	857.98	857.98
		Add : Profit for the year	982.17	149.52	-
		Add: Remeasurement of defined benefit plan during the year	(23.51)	(46.56)	-
		Balance, end of the year	1,919.60	960.94	857.98
	v)	**Other comprehensive income**			
		Balance beginning of the year	904.87	699.48	699.48
		Add: Fair value gain on equity instruments	81.96	205.39	0.00
		Balance, end of the year	986.83	904.87	699.48
			22,826.99	**21,786.37**	**21,478.02**

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer.

Share premium

Share premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve

Capital reserve represents the grant received from government for set up of plant in specific area.

Capital management

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

	31 March 2018	31 March 2017	1 April 2016
Total Debt (Bank and other borrowings)	13,824.60	13,830.70	13,489.79
Less :Liquid Investments including bank deposits	455.34	1,409.23	6,727.50
	13,369.26	12,421.47	6,762.29
Equity	22,826.99	21,786.37	21,478.02
Debt to Equity (Net)	0.59	0.57	0.31

7 NON-CURRENT LIABILITIES

		31 March 2018	31 March 2017	1 April 2016
a)	**Financial Liabilities**			
	Term Loan			
	i) Non-current borrowings from bank			
	a) Unsecured	1,021.18	1,538.68	2,637.09
	b) Secured	22.92	6.21	9.46
	Total non-current borrowings	**1,044.10**	**1,544.89**	**2,646.55**
	Current borrowings from bank			
	Unsecured	507.34	1,032.55	538.95
	Secured	8.51	3.25	2.93
	Total current borrowings	515.85	1,035.80	541.88
	Total borrowings from bank	1,559.95	2,580.69	3,188.43
	Less: Amount included under other financial liabilities	(515.85)	(1,035.80)	(541.88)
		1,044.10	**1,544.89**	**2,646.55**

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Long term borrowing comprise

a) i) External Commercial borrowing (ECB) from Bank of Tokyo-Mitsubishi UFJ,Ltd. Singapore with carrying amount of INR Nil (31 March 2017 - INR 542.21, 1 April 2016- INR 1101.62)

The terms of the loan are as follows:

1. Rate of Interest is based on LIBOR plus agreed spread.
2. Repayable in 8 equal half yearly installments starting from 22 April 2014 with last installment payable on 18th October 2017

ii) External Commercial borrowing (ECB) from Sumitomo Mitsui Banking Corporation with carrying amount of INR 1528.52 (31 March 2017 - INR 2,029.01, 1 April 2016 - INR 2074.42)

The terms of the loan are as follows:

1. Rate of Interest is based on LIBOR plus agreed spread.
2. Repayable in 8 equal half yearly installments starting from 2 September 2017 with last installment payable on 2 March 2021.

b) i) The secured loan from HDFC bank is a vehicle loan with carrying amount of INR 6.21 (31 March 2017 - INR 9.46, 1 April 2016 - INR 12.39)

1. Rate of Interest is 10.25 %p.a.
2. Repayable in monthly installments starting from December 2014 with last installment payable on 7 November 2019.
3. Secured against hypothecation of vehicle.

ii) The secured loan from HDFC bank is a vehicle loan with carrying amount of INR 25.22 (31 March 2017- INR Nil, 1 April 2016 - INR Nil)

1. Rate of Interest is 8.50 %p.a.
2. Repayable in monthly installments starting from September 2017 with last installment payable on 5 August 2022.

3. Secured against hypothecation of vehicle.

ii) Other financial liabilities

			31 March 2018	31 March 2017	1 April 2016
		Derivative liabilities	137.34	195.86	142.14
			137.34	**195.86**	**142.14**
b		**Provisions**			
	i)	Gratuity fund - (Refer note no. 27)	-	-	106.23
	ii)	Compensated absences - Refer note no. 27)	236.50	199.86	211.18
	iii)	Income tax (net of advance tax)	176.66	-	-
			413.16	**199.86**	**317.41**

Notes
to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

8 CURRENT LIABILITIES

		31 March 2018	31 March 2017	1 April 2016
a)	**Financial Liabilities**			
	i) Short term borrowings - Unsecured			
	Loans repayable on demand			
	From Bank			
	Overdraft/working capital demand loan	7,784.73	7,294.13	6,858.48
	Bills payable*	4,479.92	3,955.88	3,442.88
		12,264.65	**11,250.01**	**10,301.36**

*for discounting of trade payables

		31 March 2018		31 March 2017		1 April 2016	
(ii)	**Trade payables**						
	dues to micro and small enterprises (refer note 22)	255.48		74.54		186.47	
	dues to other than micro and small enterprises	7,630.85		7874.41		6,313.48	
	Trade payables		7,886.33		7,948.95		6,499.95

The disclosures relating to Micro and Small Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act 2006" is given under note no 22

		31 March 2018	31 March 2017	1 April 2016
(iii)	**Others Financial Liabilities**			
	Current maturities of long term borrowings - banks			
	- Unsecured (refer note no. 7 (a))	507.34	1,032.55	538.95
	- Secured (refer note no. 7 (b))	8.51	3.25	2.93
	Employee dues	726.04	456.08	645.76
	Security deposits	1,012.39	1,226.18	1,181.50
	Capital creditors	196.10	316.24	0.75
	Interest accrued but not due on bills payable	30.83	31.63	24.79
	Unclaimed dividends	2.51	7.55	10.22
		2,483.72	**3,073.48**	**2,404.90**
b)	**Other current liabilities**			
	Advances from customers	146.52	213.79	177.58
	Statutory liabilities	203.03	606.22	493.35
	Others	16.97	21.54	18.33
		366.52	**841.55**	**689.26**
c)	**Provisions**			
	Provisions for employee benefits			
	Gratuity fund - (Refer note no. 27)	-	134.65	179.54
	Compensated absences - Refer note no. 27)	59.05	82.43	35.50
		59.05	**217.08**	**215.04**

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

9 REVENUE FROM OPERATIONS

	31 March 2018	31 March 2017
Gross Revenue from sale of products (refer note 17)	70,153.17	68,780.28
Less: Discount on sales	6,525.42	2,619.72
	63,627.75	66,160.56
Other operating revenues	222.28	154.90
Total revenue from operations	**63,850.03**	**66,315.46**

10 OTHER INCOME

		31 March 2018	31 March 2017
i)	Interest on bank deposits	38.17	302.38
ii)	Dividend -on trade investments	-	3.60
iii)	Profit on sale of assets	3.23	0.84
iv)	Proceeds from maturity of keyman insurance policy	244.50	-
v)	Miscellaneous receipts	2.32	-
		288.22	**306.82**

11 EXPENSES

	31 March 2018	31 March 2017
Cost of materials consumed		
Opening stock of materials	4,076.31	3589.41
Add: Purchases	24,406.81	25,416.11
Less: Closing stock of materials	(4,806.71)	(4,076.31)
	23,676.41	**24,929.21**

12 PURCHASE OF STOCK-IN-TRADE

	31 March 2018	31 March 2017
Stationery items	15,352.10	16,139.00
	15,352.10	**16,139.00**

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

13 CHANGES IN THE INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

(₹ In Lakhs)

	31 March 2018	31 March 2017
Stocks as per last Balance Sheet		
Work in process	1,120.48	971.34
Stock-in-trade	4,191.45	4,086.36
Finished goods	4,672.39	3,790.08
	9,984.32	8,847.78
Less :		
Closing Stock as at year end		
Work in process	1,368.24	1,120.48
Stock-in-trade	3,545.58	4,191.45
Finished goods	6,079.66	4,672.39
	10,993.48	9,984.32
	(1,009.16)	**(1,136.54)**

14 EMPLOYEE BENEFITS EXPENSE

(₹ In Lakhs)

	31 March 2018	31 March 2017
Salaries, wages and bonus	7,294.76	6,160.31
Contribution to Provident, Gratuity & other funds (Refer Note no.27)	443.95	468.20
Staff and Labour Welfare	280.42	177.81
	8,019.13	**6,806.32**

15 FINANCE COSTS

(₹ In Lakhs)

	31 March 2018	31 March 2017
Interest on bank borrowings	668.51	783.64
Interest on delayed payment of taxes	3.80	1.96
Other Borrowing Costs	288.26	389.01
	960.57	**1,174.61**

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

16 OTHER EXPENSES

	31 March 2018	31 March 2017
Power and Fuel	736.74	578.95
Job work charges	2,365.37	2,657.23
Repairs		
- Building	16.23	6.71
- Machinery	159.69	137.64
Rent	1,320.23	1,361.06
Rates and Taxes	70.05	33.89
Net losses/(gains) in respect of translations of foreign currencies	(109.21)	69.57
Insurance	70.75	78.97
Advertisement and sales promotion	1,695.17	1,972.94
Transport & forwarding charges	2,364.94	2,421.37
Commission / discount / service charges on Sales	1,260.91	1,354.47
Travelling & conveyance	1,076.67	1,091.41
Loss on sale/disposal of property, plant and equipment (net)	86.73	49.64
Provision for doubtful debts	48.46	35.04
Provision for doubtful advances	16.75	2.11
Provision for diminution in value of investment (Refer note -4c)	5.00	-
Payment to auditors*	28.40	43.04
Miscellaneous Expenses	1,899.47	2,033.14
	13,112.35	**13,927.18**

* payment to auditor

a	Audit fees (including Quarterly Limited Review)	20.77	23.00
b	Tax audit fees	4.50	4.00
c	VAT Audit fees	-	4.00
d	Fees for other services	1.50	11.73
e	Expenses reimbursed	1.63	0.31
		28.40	43.04

17 EXCISE DUTY

	31 March 2018	31 March 2017
Excise Duty	885.85	3,349.59
	885.85	**3,349.59**

According to the requirements of Ind AS and SEBI (Listing Obligations and Disclosure Requirements),Regulations 2015, revenue for the year ended 31 March 2017 were reported inclusive of Excise Duty. The Government of India has implemented Goods and Services Tax (GST) from 1 July 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per Ind AS 118, the revenue for the period post 30 June 2017 is reported net of GST.

Notes
to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

18 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

		Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a	Commitments				
	i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	296.12	1,011.07	4,474.35
b	Claims against the Company not acknowledged as debts in respect of (to the extent not provided for)				
	i)	Income tax	14.66	7.31	19.93
	ii)	Indirect tax cases*	1,640.34	1,344.03	275.84
	iii)	Other matters	19.01	14.00	63.94

* Tax paid under protest as at 31 March 2018: INR 36.22 lakhs (31 March 2017 - INR 36.22 lakhs; 1 April 2016 - INR 36.22 Lakhs).

c. Bank Guarantees

Bank Guarantees as on 31 March 2018 is INR 105.43 lakhs (31 March 2017: INR 159.93 lakhs, 1 April 2016 - INR 93.93 lakhs)

19 EXCISE REMISSION AT JAMMU :

a. The Jammu and Kashmir High Court delivered a judgment 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 confirming the Company's right to such total exemption on the grounds laid down in the judgment of the High Court, rebate of excise duty being the duty on assessable value of goods, net of Cenvat Credit has been recognized in the books of accounts till February 2013.

b. A writ petition was filed by the Company praying the quashing of the impugned notification in its case. Pending final disposal of the petition filed by the Company, the Hon'ble High Court had modified the earlier interim order, passed on May 4, 2011, in OWP 601/2011 on March 11, 2013. Consequently the Hon'ble High Court has directed the department to release 50% of the amount due to the manufacturers, subject to the approval of Jurisdictional Commissioner of Excise for manufacturers' solvency. Post such order the Company has claimed excise rebate as per the earlier quashed notification. The excise duty remission of INR 97.27 lakhs (31 March 2017: INR 322.19 lakhs) for the year is recognized as income from operations. The cumulative amount of remission as on March 31, 2018, so recognized is INR 2,497.87 lakhs (31 March 2017: INR 2,400.60 lakhs).

20 UTILIZATION OF PROCEEDS OF RIGHTS ISSUE :

On 2 September 2013, the Company pursuant to its Rights issue of equity shares allotted 31,283,831 Equity Shares of face value of Re. 1/- each to the eligible equity shareholders in the ratio of 14 equity shares for every 29 equity shares held on the record date i.e. 2 August, 2013 at a price of INR 33/- per share (inclusive of Share Premium of INR 32/- per share). The aggregate amount collected pursuant to the Rights issue was INR10,323.66 lakhs.

Notes
to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

The utilization of funds received by way of Rights Issue:

Particulars	2017-18	2016-17	2015-16
Rights issue expenditure	-	167.23	167.23
Capital Expenditure	-	10,156.43	6,163.69
Amount kept in Banks in Fixed Deposits & current Account	-	-	3,992.74
Total funds raised from Rights issue of equity shares	-	10,323.66	10,323.66

21 EXPENDITURE ON RESEARCH AND DEVELOPMENT :

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

Sr No.	Particulars	2017-18	2016-17
1	Employee Cost	345.29	317.33
2	Cost of Materials	0.07	0.85
3	Other Expenses	20.61	24.60
		365.97	342.78

22 DUES TO MICRO AND SMALL ENTERPRISES

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 has been made in the financial statements based on information received and available with the Company.

Sr No.	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
1	the amounts remaining unpaid to micro and small suppliers as at the end of the year		
	- Principal	255.48	74.54
	- Interest	6.34	3.79
2	the amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	Nil	Nil
3	the amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year;	720.49	334.34
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 MSMED Act, 2006;	6.18	3.67
5	the amount of interest accrued and remaining unpaid at the end of each accounting year;	6.34	3.79
6	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006;	Nil	Nil

Notes
to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

23 TAX EXPENSE

(a) Amounts recognised in profit and loss

	For the year ended 31 March 2018	For the year ended 31 March 2017
I. Current income tax (Minimum alternate tax-MAT)		
Current year	255.91	-
Earleir year	-	(0.62)
	255.91	(0.62)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	252.41	76.35
Deferred tax expense	252.41	76.35
Tax expense for the year	**508.32**	75.73

(b) Amounts recognised in other comprehensive income

	For the year ended 31 March 2018			For the year ended 31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(35.97)	12.45	(23.52)	(69.56)	23.00	(46.56)
Fair value changes on equity instruments	80.93	1.03	81.96	261.26	(55.87)	205.39
	44.96	13.48	58.44	191.70	(32.87)	158.83

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	1,490.49	225.25
Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 33.06%)	515.83	74.47
Non-deductible tax expenses	(9.58)	(2.86)
Tax pertaining to prior years		(0.62)
Others	2.07	4.74
	508.32	75.73

The Company's standalone effective tax rates for the year ended 31 March 2018 and 2017 were 34.10% and 33.62% respectively.

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

24 LEASES:

The Company has entered into operating leases on certain residential premises for employees, office premises, factory premises and godowns, with lease terms between one and five years. There are no restrictions of a material nature imposed by lease arrangements.

Lease rental expense debited to Statement of Profit and loss is INR 1320.23 lakhs (31 March 2017: INR 1361.06 lakhs).

	31 March 2018	31 March 2017
Not later than 1 year	310.80	310.80
later than one year and not later than five years;	233.10	543.90
later than five years.	-	-

25 DEFERRED TAXES :

Deferred Tax Assets	Deferred Tax Assets / (Liabilities) 1 April 2017	Recognised in Statement of Profit and Loss	Recognised in OCI	Net Deferred Tax Assets/Liabilities March 31, 2018
Expenses allowed on payment basis	213.79	(54.79)	12.45	171.45
Unabsorbed depreciation	578.96	(244.46)		334.50
Others	371.83	60.95	-	432.78
Provision for doubtful debts/advances	56.69	13.06		69.75
Indexation benefit on investment property	6.58	(5.50)		1.08
MAT Credit entitlement		255.91		255.91
Deferred Tax Assets	**1,227.85**	**25.18**	**12.45**	**1,265.47**
Tangible and intangible assets	(770.80)	(277.58)	-	(1,048.38)
Fair valuation of investments	(55.87)		1.03	(54.84)
	(826.67)	**(277.58)**	**1.03**	**(1,103.22)**
Net tax assets	**401.18**	**(252.41)**	**13.48**	**162.25**

Deferred Tax Assets	Deferred Tax Assets / (Liabilities) 1 April 2016	Recognised in Statement of Profit and Loss	Recognised in OCI	Net Deferred Tax Assets/Liabilities March 31, 2017
Expenses allowed on payment basis	223.54	(32.75)	23.00	213.79
Unabsorbed depreciation	652.06	(73.10)	-	578.96
Others	313.31	58.52	-	371.83
Provision for doubtful debts/advances	60.20	(3.51)		56.69
Deferred tax on Investment property		6.58		6.58
Deferred Tax Assets	**1,249.11**	**(44.26)**	**23.00**	**1,227.85**
Tangible and intangible assets	(738.70)	(32.09)	-	(770.79)
Fair valuation of investments			(55.87)	(55.87)
	(738.70)	**(32.09)**	**(55.87)**	**(826.66)**
Net tax assets	**510.40**	**(76.35)**	**(32.87)**	**401.18**

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

26 EARNINGS PER SHARE (BASIC & DILUTED):

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net Profit available for equity shareholders –INR Lakhs	982.17	149.52
1. Number of equity shares outstanding at the beginning of the year	100,303,806	100,303,806
2. Number of shares issued during the year	-	-
Weighted average of numbers of equity ehares outstanding at the end of the year (Nos.)	100,303,806	100,303,806
Earnings per equity share (Face value of ₹ 1/- each)- Basic INR	0.98	0.15
Earnings per equity share (Face value of ₹ 1/- each)- Diluted INR	0.98	0.15

27 EMPLOYEE BENEFITS :

Defined Contribution Plans

Company's contributions paid/payable during the year to provident fund and superannuation fund are recognized in the Standalone statement of profit and loss. The contributions charged to the Standalone statement of profit and loss is INR 309.42 lakhs (31 March 2017 INR 323.01 lakhs)

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 measure each unit separately to build up the final obligation. 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.

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, employees 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.

		2017-18	2016-17	2015-16
a	**Actuarial assumptions:**			
	Discount rate	7.82%	7.51%	7.81%
	Rate of increase in salary	5.00%	4.00%	4.00%
	Expected return on plan assets	7.82%	7.51%	7.81%
	Attrition Rate	For Service 4 years and below- 20% 5 years and above - 2.5%	For Service 4 years and below- 20% 5 years and above - 2.5%	For Service 4 years and below- 20% 5 years and above - 2.5%

Notes
to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

		2017-18	2016-17	2015-16
b	**Reconciliation of Benefit Obligation:**			
	Present value of benefit obligations at the beginning of the year	1,183.35	1,117.46	929.42
	Interest Cost	88.87	87.28	73.89
	Current Service Cost	54.85	56.97	44.05
	Benefit Paid from the Fund	(164.12)	(141.95)	(131.45)
	Actuarial (Gain)/ Loss on Obligations recognized in other comprehensive income	26.53	63.59	201.55
	Liability at the end of the year	1,189.48	1,183.35	1,117.46
	As at 31 March 2018, the weighted average duration of defined benefit obligation was 6 years. (31 March 2017 : 9 years)			
c	**Reconciliation of value of Plan Assets:**			
	Fair Value of Plan Assets at the beginning of the year	1,048.70	831.69	578.89
	Expected return on plan assets	78.76	64.95	46.02
	Contributions by the employer	249.95	299.98	224.93
	Benefit Paid	(164.12)	(141.95)	(131.45)
	Actuarial (Gain)/Loss on Obligations recognized in other comprehensive income	(9.44)	(5.97)	113.30
	Fair Value of Plan Assets at the end of the year	1,203.85	1,048.70	831.69

Expected Contribution

The expected contribution for defined benefit paln for the next financial year will be in line with the contribution for the period and is expected by the management to be INR 200.00 lakhs (31 March 2017 INR 249.95 lakhs).

d Balance Sheet Reconciliation:

	2017-18	2016-17	2015-16
Opening net liability	134.65	285.77	350.53
Expenses recognized in the Statement of Profit and Loss	64.96	79.29	160.17
Expenses recognized in Other Comprehensive Income	35.97	69.56	-
Employer's contribution	(249.95)	(299.97)	(224.93)
Net Liability/Asset recognised in Balance sheet	(14.37)	134.65	285.77

e Expenses recognized in the Statement of Profit and Loss under the head Employee benefits expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current Service Cost	54.85	56.97
Interest Cost	88.87	87.27
Return on Plan Assets	(78.76)	(64.95)
Expenses recognized in the Statement of Profit and Loss	64.96	79.29

Notes
to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

f Expenses recognised in Other Comprehensive Income for the year

	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial losses on obligation for the period	26.53	63.59
Acturial losses on Plan assets	9.44	5.97
Expenses recognized in Other Comprehensive Income	35.97	69.56

g Sensitivity Analysis

Sensitivity Analysis	For the year ended 31 March 2018	For the year ended 31 March 2017
Defined Benefit Obligation		
Discount Rate		
a. Discount Rate - 100 basis points	53.87	48.15
b. Discount Rate + 100 basis points	(47.80)	(42.63)
Salary Increase Rate (considered taking into account inflation, seniority, promotion and other relevant factors)		
a. Rate - 100 basis points	(49.45)	(44.39)
b. Rate + 100 basis points	54.86	49.37

Note on Sensitivity Analysis

1 Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is shown in the table above.

2 The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

h Expected Future Cash flows

The expected future cash flows in respect of gratuity as Balance Sheet dates will as follows:

Projected benefits payable in future years from the date of reporting	2017-18	2016-17
1st following year	293.49	520.46
2nd following year	290.41	74.31
3rd following year	80.98	93.89
4th following year	109.79	75.96
5th following year	74.42	95.11
Sum of years 6 to 10	339.56	317.21
Sum of years 11 and above	710.02	601.76

Other long term employee benefit - Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and acturial gains and losses are charged to the Statement of profit and loss.

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

28 RELATED PARTIES:

a Name of related parties and nature of relationship

1	Kokuyo Co. Limited.	Holding Company
2	Camlin International Limited	Subsidiary

b Name of related parties with whom there were transaction during the year

3	Kokuyo Commerce (Shanghai) Co., Limited	Fellow Subsidiary
4	Kokuyo Vietnam Trading Co. Limited	
5	Kokuyo Vietnam Co., Limited	
6	Kokuyo Co.Limited, Hongkong	
7	Kokuyo International (M) SDN BHD	
8	Excella Pencils Limited (associate upto 30th September 2016)	Entities over which KMPs /directors and/or their relatives are able to exercise significant influence
9	Camlin Fine Sciences Limited	
10	Nilmac Packaging Industries Limited	
11	Triveni Pencils Limited	
12	Mayur Colours Limited	
13	Dandekar Inks & Adhesives Limited	

c Key Management Personnel and their Relatives

Name of the Person	Nature of Relationship
Key Management Personnel	
Mr. Dilip Dandekar	Chairman & Executive Director (C& ED)
Mr. Shriram Dandekar	Vice Chairman & Executive Director (VC & ED)
Mr. Nobuchika Doi	Chief Excecutive Officer and Executive Director
Mr. Takeo Iguchi	Executive Director
Mr. Chetan Badal	Chief Financial Officer
Mr. Ravindra Damle	V.P. (Corporate) & Company Secretary
Relatives	
Mr. Subhash. Dandekar	Chairman Emeritus and brother of C & ED
Mrs. Aditi Dighe	General Manager - Marketing (Colour Group 2) and daughter of C& ED
Mr. Rahul Dandekar	Deputy General Manager - Marketing and son of C& ED (from 13 November 2017)

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to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

d Transactions with entities over which KMPs / directors and/or their relatives are able to exercise significant influence

Particulars	Name of entity	2017-18	2016-17
Receiving Services	Dandekar Inks & Adhesives Limited	13.74	13.74
	Nilmac Packaging Industries Limited	777.72	701.76
	Excella Pencils Limited	899.36	771.61
	Total	**1,690.82**	1,487.11
Dividend Received	Camlin Fine Sciences Limited	-	3.60
	Total	-	3.60
Reimbursement of expenses	Excella Pencils Limited	50.28	139.66
	Triveni Pencils Limited	-	12.82
	Nilmac Packaging Industries Limited	16.30	19.07
	Mayur Colours Limited	0.38	-
	Total	**66.96**	171.55

Balances with entities over which KMPs / directors and/or their relatives are able to exercise significant influence

Particulars	Name of entity	31 March 2018	31 March 2017	1 April 2016
Net Amount Payable	Excella Pencils Limited	-	13.57	25.70
	Nilmac Packaging Industries Limited	-	0.81	40.41
	Dandekar Inks & Adhesives Limited	-	16.96	-
	Mayur Colours Limited	-	-	0.01
	Total	-	31.34	66.12
Net Amount Receivable	Triveni Pencils Limited	-	-	0.51
	Camlin Fine Sciences Limited	0.03	0.01	-
	Total	**0.03**	**0.01**	**0.51**

e Payments to Key Management Personnel and their relatives

		2017-18	2016-17
Remuneration	Mr. Dilip Dandekar	162.26	150.20
	Mr. Shriram Dandekar	136.88	126.26
	Mr. Nobuchika Doi	87.75	92.51
	Mr. Takeo Iguchi	86.38	92.57
	Mr. Chetan Badal	69.60	63.40
	Mr. Ravindra Damle	41.39	38.75
	Ms. Aditi Dighe	11.96	24.31
	Mr. Rahul Dandekar	7.58	-
	Total	**603.80**	**588.00**

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to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Transactions with Fellow subsidiary company

Particulars	Name of entity	2017-18	2016-17
Purchase of goods	Kokuyo Vietnam Trading Co. Limited	9.43	4.40
	Total	**9.43**	4.40
Sale of Goods	Kokuyo Co.Limited, Hongkong	20.67	65.12
	Kokuyo Commerce (Shanghai) Co. Limited	-	11.96
	Kokuyo Vietnam Trading Co. Limited	-	4.40
	Total	**20.67**	81.48
Purchase of Fixed Assets	Kokuyo International (M) SDN BHD	11.19	-
	Total	**11.19**	-

Balances with Fellow subsidiary company

Particulars	Name of entity	31 March 2018	31 March 2017	1 April 2016
Net Amount Receivable	Kokuyo Commerce (Shanghai) Co. Limited	-	-	5.13
	Kokuyo Vietnam Trading Co. Limited	-	3.67	-
	Total	**-**	**3.67**	**5.13**

f Transaction with Holding Company

Particulars	Name of entity	31 March 2018	31 March 2017
Purchase of goods	Kokuyo Co. Limited	7.02	5.97
	Total	**7.02**	**5.97**
Sale of Goods	Kokuyo Co. Limited	0.08	1.71
	Total	**0.08**	**1.71**
Reimbursement of Expenses paid	Kokuyo Co. Limited	37.02	4.50
	Total	**37.02**	**4.50**
Royalty Paid	Kokuyo Co. Limited	2.50	-
	Total	**2.50**	**-**

Balances with Holding Subsidiary

Particulars	Name of entity	31 March 2018	31 March 2017	1 April 2016
Net Amount Payable	Kokuyo Co. Limited	-	0.09	6.07
	Total	-	0.09	6.07
Net Amount Receivable	Kokuyo Co. Limited	20.10	-	-
	Total	20.10	-	-

Notes

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(₹ in Lakhs)

29 FINANCIAL INSTRUMENTS - FAIRE VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2018	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current								
(i) Investments	1,053.55	-	-	1,053.55	810.01	243.54	-	1,053.55
(ii) Loans	-	-	194.36	194.36	-	-	-	-
(iii) Others financial asset	-	-	45.99	45.99	-	-	-	-
Current								
(iv) Trade receivables	-	-	10,950.67	10,950.67	-	-	-	-
(v) Cash and cash equivalents	-	-	438.67	438.67	-	-	-	-
(vi) Bank balances other than (v) above	-	-	16.67	16.67	-	-	-	-
(vii) Loans and advances	-	-	10.62	10.62	-	-	-	-
	1,053.55	**-**	**11,656.98**	**12,710.53**	**810.01**	**243.54**	**-**	**1,053.55**
Financial liabilities								
Non-Current								
(i) Borrowings	-	-	1,044.10	1,044.10	-	-	-	-
(ii) Other financial liabilities - Derivative Liabilities	-	137.34	-	137.34	-	137.34	-	137.34
Current								**-**
(i) Short term borrowings	-	-	12,264.65	12,264.65	-	-	-	-
(ii) Trade payables	-	-	7,886.33	7,886.33	-	-	-	-
(iii) Other financial liabilities	-	-	2,483.72	2,483.72	-	-	-	-
	-	**137.34**	**23,678.80**	**23,816.14**	**-**	**137.34**	**-**	**137.34**

31 March 2017	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current								
(i) Investments	972.62	-	-	972.62	716.01	256.61	-	972.62
(ii) Loans	-	-	279.95	279.95	-	-	-	-
(iii) Others financial asset								
- Derivative assets	-	80.77		80.77	-	80.77	-	80.77
- Fixed deposits	-	-	57.94	57.94	-	-	-	-
Current				**-**	**-**	**-**	**-**	**-**
(iv) Trade receivables	-	-	10,634.01	10,634.01	-	-	-	-
(v) Cash and cash equivalents	-	-	1,199.57	1,199.57	-	-	-	-
(vi) Bank balances other than (v) above	-	-	209.66	209.66	-	-	-	-
(vii) Loans and advances	-	-	26.81	26.81	-	-	-	-
	972.62	**80.77**	**12,407.94**	**13,461.33**	**716.01**	**337.38**	**-**	**1,053.39**

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

31 March 2017	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Non-Current								
(i) Borrowings	-	-	1,544.89	1,544.89	-	-	-	-
(ii) Other financial liabilities - Derivative Liabilities	-	195.86		195.86	-	195.86	-	195.86
Current								
(i) Short term borrowings	-	-	11,250.01	11,250.01	-	-	-	-
(ii) Trade payables	-	-	7,948.95	7,948.95	-	-	-	-
(iii) Other financial liabilities	-	-	3,073.48	3,073.48	-	-	-	-
	-	**195.86**	**23,817.33**	**24,013.19**	**-**	**195.86**	**-**	**195.86**

1 April 2016	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current								
(i) Investments	709.21	-	-	709.21	709.21	-	-	709.21
(ii) Loans	-	-	331.48	331.48	-	-	-	-
(iii) Others financial asset				-				
- Derivative assets	-	185.63	-	185.63	-	185.63	-	185.63
- Fixed deposits	-	-	21.18	21.18	-	-	-	-
Current								**-**
(iv) Trade receivables	-	-	9,099.55	9,099.55	-	-	-	-
(v) Cash and cash equivalents	-	-	4,011.18	4,011.18	-	-	-	-
(vi) Bank balances other than (v) above	-	-	2,716.32	2,716.32	-	-	-	-
(vii) Loans and advances	-	-	131.42	131.42	-	-	-	-
	709.21	**185.63**	**16,311.13**	**17,205.97**	**709.21**	**185.63**	**-**	**894.84**
Financial liabilities								
Non-Current								
(i) Borrowings	-	-	2,646.55	2,646.55	-	-	-	-
(ii) Other financial liabilities	-	142.14	-	142.14	-	142.14	-	-
Current				**-**				
(i) Short term borrowings	-	-	10,301.36	10,301.36	-	-	-	-
(ii) Trade payables	-	-	6,499.95	6,499.95	-	-	-	-
(iii) Other financial liabilities	-	-	2,404.90	2,404.90	-	-	-	-
	-	**142.14**	**21,852.76**	**21,994.90**	**-**	**142.14**	**-**	**-**

Notes

Investment in subsidiary and associates have been accounted at historical cost. Since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

B. Measurement of fair values

Fair value hierarchy/Valuation technique

No financial instruments are recognised and measured at fair value, except derivative contracts which are measured at fair value through Statement of profit and loss. These derivative contracts are currency and interest rate swap contratcts that are not traded in an active market. Their fair valuation is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates and quotes received from the banks. Since all significant inputs required to fair value these derivative contracts are observable, the instruments are classified as level 2. Other than derivatives liabilities, all other financial assets and liabilities are classified as level 3.

For all the financial assets and liabilities referred above that are measured at amortised cost, their carrying amounts are reasonable approximations of their fair values. The carrying amounts of loans, trade receivables, trade payables, cash and cash equivalents, other bank balances, other financial assets,are considered to be the same as their fair values due to their short term nature.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

C. Financial risk management

Risk management framework

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risks. The Company's senior management and key management personnel have the ultimate responsibility for managing these risks. The Company has a process to identify and analyse the risks faced by the Company, to set appropriate risk limits and to control and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

i Management of the credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

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to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large. All trade receivables are reviewed and assessed for default on a regular basis. The historical experience of collecting receivables, supported by the level of default, is that the credit risk is low.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. The Company assesses and manages credit risk based on the Company's credit policy. Under the Company's credit policy, each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company's trade receivables are geographically dispersed. The Management do not believe there are any particular customers or group of customers that would subject the Company to any significant credit risks in the collection of accounts receivable.

Following is the movement in Provision for Doubtful debts

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Provision for doubtful debts at the beginning of the year	171.45	182.07
Provision for doubtful debts during the year	48.46	35.04
Trade receivables written back	(37.23)	(45.66)
Provision for doubtful debts as at the end of the year	182.68	171.45

Cash and cash equivalents

The Company is also exposed to credit risks arising on cash and cash equivalents and term deposits with banks. The Company believes that its credit risk in respect to cash and cash equivalents and term deposits is insignificant as funds are invested in term deposits at pre -determined interest rates for specified period of time. For cash and cash equivalents and other bank balances, only high rated banks are accepted.

Other Financial Assets:

The Company periodically monitors the recoverability and credit risks of its other financial assets including employee loans, deposits and other receivables. The Company evaluates 12 month expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.

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to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Following is the movement in Provision of Expected credit loss on Other non-current financial assets:

Security deposits	Year ended 31 March 2018	Year ended 31 March 2017
Loss allowance at the beginning of the year	2.11	-
Changes in allowance during the year	16.75	2.11
Loss allowance as at the end of the year	18.86	2.11

ii Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintains a cautious funding strategy. This is the result of cash generated from the business. Cash flow from operating activities provides the funds to service the working capital requirement. Accordingly, low liquidity risk is perceived.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Particulars		Contractual cash flows			
	Carrying amount	Total	Less than 1 year	1- 5 years	More than 5 years
As at 31 March 2018					
Non-derivative financial liabilities					
Term Loans (including current maturities)	1,559.95	1,559.95	515.85	1,044.10	-
Short term borrowings	12,264.65	12,264.65	12,264.65	-	-
Trade payables	7,886.33	7,886.33	7,886.33	-	-
Other financial liabilities	1,967.87	1,967.87	1,967.87	-	-
Derivative Financial Liabilities					
Currency and interest rate swap contratcts	137.34	137.34	137.34	-	-
As at 31 March 2017					
Non-derivative financial liabilities					
Term Loans (including current maturities)	2,580.69	2,580.69	1,035.80	1,544.89	-
Short term borrowings	11,250.01	11,250.01	11,250.01	-	-
Trade payables	7,948.95	7,948.95	7,948.95	-	-
Other financial liabilities	2,037.68	2,037.68	2,037.68	-	-
Derivative Financial Liabilities					
Currency and interest rate swap contratcts	195.86	195.86	195.86	-	-
As at 1 April 2016					
Non-derivative financial liabilities					
Term Loans (including current maturities)	3,188.43	3,188.43	541.88	2,646.55	-
Short term borrowings	10,301.36	10,301.36	10,301.36	-	-
Trade payables	6,499.95	6,499.95	6,499.95	-	-
Other financial liabilities	1,863.02	1,863.02	1,863.02	-	-
Derivative Financial Liabilities					
Currency and interest rate swap contratcts	142.14	142.14	142.14	-	-

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

iii Market risk

The Company's operations result in it being exposed to foreign currency risk on account of trade receivables, trade payables and borrowings. The foreign currency risk may affect the Company's income and expenses, or its financial position and cash flows. The objective of the Company's management of foreign currency risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of this risks is explained below:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in lakhs, are as follows:

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Foreign currency Amount	Amount in INR	Foreign currency Amount	Amount in INR	Foreign currency Amount	Amount in INR
Loan from - Banks (Unsecured and Hedged)						
USD	23.40	1,528.52	39.32	2,571.23	47.45	3,176.04
Less:Currency Swap		1,528.52		2,571.23		3,176.04
Net exposure		-		-		-
Receivables						
USD	4.19	272.53	8.23	533.62	8.81	584.39
Payables						
YEN	881.21	542.30	888.96	515.24	657.04	388.05
USD	-	-	1.61	104.39	1.05	69.65
EUR	-	-	0.60	41.55	-	
GBP	-	-	0.13	10.51	-	

Sensitivity analysis

A 10% strengthening/weakening of the respective foreign currencies with respect to functional currency of the Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Foreign currency Amount	Amount in INR	Foreign currency Amount	Amount in INR	Foreign currency Amount	Amount in INR
Net exposure						
USD	(21.13)	(1,381.59)	(35.97)	(2,356.20)	(43.66)	(2,927.43)
EURO	-	-	(0.66)	(45.70)	-	-
GBP	-	-	(0.14)	(11.57)	-	-
JPY	(969.33)	(596.53)	(977.86)	(566.77)	(722.74)	(426.85)

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Effect in INR	Profit or loss	
	31 March 2018	31 March 2017
Currencies (increase in rate by 10%)		
USD	(125.60)	(214.20)
EURO	-	(0.06)
GBP	-	(0.01)
JPY	(54.23)	(51.52)
	(179.83)	**(265.79)**

If the rate is decreased by 10% then there will be increase in profit of INR 179.83 lakhs for the year ended 31 March 2018 and INR 265.80 lakhs for the year ended 31 March 2017.

iv Market risk - Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowings (excluding commercial paper) with floating interest rates. For all long-term borrowings with floating rates, which are in foreign currency, the risk of variation in the interest rates is mitigated through interest rate swaps and hence, considered fixed rate borrowings. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Particulars	**Total borrowings**	**Floating rate borrowings**	**Fixed rate borrowings**
INR	12,296.08	12,264.65	31.43
USD	1,528.52	-	1,528.52
Total as at 31 March 2018	13,824.60	12,264.65	1,559.95
INR	11,259.47	11,250.01	9.46
USD	2,571.23	-	2,571.23
Total as at 31 March 2017	13,830.70	11,250.01	2,580.69
INR	10,313.75	10,301.36	12.39
USD	3,176.04	-	3,176.04
Total as at 1 April 2016	13,489.79	10,301.36	3,188.43

Interest rate sensitivities for unhedged exposure (impact on profit on increase of interest rate by 100 bps):

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
INR	(122.65)	(112.50)	(103.01)
USD	-	-	-

Note: If the rate is decreased by 100 bps profit will increase by an equal amount.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

v Derivative instruments :

Currency and Interest Rates Swaps Contracts:

(A) Derivatives for hedging currency and interest rates, outstanding are as under:

Particulars	Purpose	Currency	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	Cross Currency
a) Currency and interest rate swaps	ECB*	USD in lakhs	**23.40**	39.32	47.45	INR

*External Commercial Borrowings

30 FIRST-TIME IND AS ADOPTION RECONCILIATIONS

A. Effect of Ind AS adoption on the balance sheet as at 31 March 2017 and 1 April 2016

Particulars	Note	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	30 D (b) , (c)	12,124.90	(2,137.21)	9,987.69	10,269.93	(2,169.67)	8,100.26
(b) Capital work-in-progress		4,956.79	-	4,956.79	2,497.93	-	2,497.93
(c) Investment Property	30 D (c)	-	2.73	2.73	-	2.73	2.73
(d) Other Intangible assets		172.41	-	172.41	241.40	-	241.40
(e) Financial Assets					-	-	-
(i) Investments	30 D (d)	16.88	960.74	977.62	16.88	699.48	716.36
(ii) Loans	30 D (l)	1,762.05	(1,482.10)	279.95	1,630.11	(1,298.63)	331.48
(iii) Others financial asset	30 D (l)	-	138.71	138.71	-	206.81	206.81
(f) Deferred tax assets (net)	30 D (n)	425.14	(23.96)	401.18	484.66	25.74	510.40
(i) Income tax assets (net)	30 D (l)	-	113.31	113.31	-	211.27	211.27
(g) Other non-current assets	30 D (b, l)	57.94	3,401.28	3,459.22	21.18	3,185.77	3,206.95
Total Non - Current Assets		**19,516.11**	**973.50**	**20,489.61**	**15,162.09**	**863.50**	**16,025.59**
Current assets					-	-	-
(a) Inventories		14,084.75	-	14,084.75	12,437.19	-	12,437.19
(b) Financial Assets					-	-	-
(i) Trade receivables		10,634.01		10,634.01	9,099.55	-	9,099.55
(ii) Cash and cash equivalents	30 D (l)	1,409.23	(209.66)	1,199.57	6,727.50	(2,716.32)	4,011.18
(iii) Bank balances other than (ii) above	30 D (l)	-	209.66	209.66	-	2,716.32	2,716.32
(iv) Loans and advances	30 D (l)	1,373.89	(1,347.08)	26.81	1,190.15	(1,058.73)	131.42
(c) Other current assets	30 D (b, l)	26.81	1,389.87	1,416.68	172.85	1,103.57	1,276.42
Total Current Assets		27,528.69	42.79	27,571.48	29,627.24	44.84	29,672.08
Total Assets		**47,044.80**	**1,016.29**	**48,061.09**	**44,789.33**	**908.34**	**45,697.67**

Notes
to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Particulars	Note	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES					**-**	**-**	**-**
Equity					**-**	**-**	**-**
(a) Equity Share capital		1,003.04	-	1,003.04	1,003.04	-	1,003.04
(b) Other Equity	30 D	20,850.86	935.51	21,786.37	20,830.64	647.38	21,478.02
Total equity		**21,853.90**	**935.51**	**22,789.41**	**21,833.68**	**647.38**	**22,481.06**
					-	-	-
Liabilities					**-**	**-**	**-**
Non-current liabilities					-	-	-
(a) Financial Liabilities					-	-	-
(i) Borrowings	30 D (j)	1,544.89	-	1,544.89	2,581.82	64.73	2,646.55
(ii) Other financial liabilities	30 D (l),(k)	1,311.26	(1,115.40)	195.86	1,152.77	(1,010.63)	142.14
(b) Provisions		199.86	-	199.86	317.41	-	317.41
Total Non - Current Liabilities		**3,056.01**	**(1,115.40)**	**1,940.61**	**4,052.00**	**(945.90)**	**3,106.10**
Current liabilities					**-**	**-**	**-**
(a) Financial Liabilities					-	-	-
(i) Short term borrowings	30 D (i)	7,294.13	3,955.88	11,250.01	6,858.48	3,442.88	10,301.36
(ii) Trade payables	30 D (i)	11,904.83	(3,955.88)	7,948.95	9,942.83	(3,442.88)	6,499.95
(iii) Other financial liabilities	30 D (l),(k)		3,073.48	3,073.48	24.79	2,380.11	2,404.90
(b) Other current liabilities	30 D (l)	2,718.85	(1,877.30)	841.55	1,862.51	(1,173.25)	689.26
(c) Provisions		217.08	-	217.08	215.04	-	215.04
Total Current Liabilities		**22,134.89**	**1,196.18**	**23,331.07**	**18,903.65**	**1,206.86**	**20,110.51**
Total Equity and Liabilities		**47,044.80**	**1,016.29**	**48,061.09**	**44,789.33**	**908.34**	**45,697.67**

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

B. Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31 March 2017

Particulars			Note No	Year ended 31 March 2017 Previous GAAP	Effect of transition to Ind AS	Ind AS
REVENUE						
I	Revenue from operations		30 D (g),(h)	64,027.67	2,287.79	66,315.46
II	Other Income		30 D (f)	290.61	16.21	306.82
III	Total Income (I + II)			64,318.28	2,304.00	66,622.28
IV	**EXPENSES**					
	(a)	Cost of materials consumed		24,929.21	-	24,929.21
	(b)	Excise duty	30 D (g)	-	3,349.59	3,349.59
	(c)	Purchases of Stock-in-trade		16,139.00	-	16,139.00
	(d)	Changes in stock of finished goods, work-in-progress and stock-in-trade		(1,136.54)	-	(1,136.54)
	(e)	Employee benefits expense	30 D (e)	6,875.88	(69.56)	6,806.32
	(f)	Finance costs		1,174.61	-	1,174.61
	(g)	Depreciation and amortisation expense	30 D (b)	1,240.12	(32.46)	1,207.66
	(h)	Other expenses	30 D (h),(m)	14,941.56	(1,014.38)	13,927.18
	Total Expenses (IV)			**64,163.84**	**2,233.19**	**66,397.03**
V	**Profit before tax (III - IV)**			**154.44**	**70.81**	**225.25**
VI	**Tax Expense**					
	(1)	Current tax			-	-
	(2)	Deferred tax	30 D (n)	59.52	16.83	76.35
	(3)	Prior years - Income tax		(0.62)		(0.62)
	Total tax expense (VI)			**58.90**	**16.83**	**75.73**
VII	**Profit after tax (V -VI)**			**95.54**	**53.98**	**149.52**
VIII	**Other comprehensive income**			**-**	**158.83**	**158.83**
		(i) Items that will not be recycled to profit or loss		-	-	-
		(a)Actuarial loss on defined benefit obligation	30 D (e)	-	(69.56)	(69.56)
		(b) Fair value gain on equity instruments	30 D (d)	-	261.26	261.26
		(ii) Income tax relating to items that will not be reclassified to profit or loss	30 D (n)	-	(32.87)	(32.87)
IX	**Total comprehensive income for the year**			**95.54**	**212.81**	**308.35**

C. Cash flow statement

No significant effect on cash flows.

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

D. Notes to the Reconciliations

a First-time Adoption of Ind AS

Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April, 2016 (the transition date) by:

i. recognising all assets and liabilities whose recognition is required by Ind AS,

ii. not recognising items of assets or liabilities which are not permitted by Ind AS,

iii. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and

iv. applying Ind AS in measurement of recognised assets and liabilities.

Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in the standalone financial statements.

i. Property, plant and equipment and intangible assets were carried at historical cost in the Balance Sheet prepared in accordance with previous GAAP on 31st March, 2016. Under Ind AS, the Company has elected to regard such carrying values as deemed cost at the date of transition.

ii. Under previous GAAP, investment in subsidiaries, joint ventures and associates were stated at cost and provisions made to recognise the decline, other than temporary. Under Ind AS, the Company has considered their previous GAAP carrying amounts as their deemed cost.

b Leasehold land classified to prepaid

Under the previous GAAP, leasehold properties were presented as fixed assets and amortized over the period of the lease. Under Ind AS, such property have been classified as prepayment within non-current assets (current portion presented as other current assets) and have been amortised over the period of the lease, resulting in decrease in property, plant and equipment by Rs 2,134.48 lakhs as at 31 March 2017 and Rs 2,166.94 lakhs as at 1 April 2016 . Such reclassification has resulted in decrease in depreciation and amortization expense by Rs 32.46 lakhs and corresponding increase in “Rent”, but does not affect profit before tax and total profit for the year ended 31 March 2017.

c Investment property

Under the previous GAAP, Freehold land is presented under “Fixed Assets” and was carried at historical cost i. e Rs 2.73 lakhs. On transition to Ind AS, Freehold land held for undetermined future use is classified as ‘Investment property’ and the same is presented at historical cost separately in the Balance Sheet along with disclosure of its fair value at each annual reporting date. Deferred Tax Liability on the same is calculated and recognised in statement of profit and loss.

d FVTOCI financial assets

Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

e Actuarial gains and losses

Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss. However, this has no impact on the total comprehensive income and total equity as on 1 April 2016 or as on 31 March 2017.

f Interest free rent deposits

Under previous GAAP, interest free rent deposits given was carried at cost. Under Ind AS, such interest free deposit are measured at fair value . Difference between fair value and deposit amount is recognised as “Deferred Lease Expense” at initial recognition and amortised over the period of lease on straight line basis. Deposit shall be measured at amortised cost subsequently by recognising interest income.

g Excise Duty

Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face of the statement of profit and loss. The change does not affect total equity as at 1 April 2016 and 31 March 2017, profit before tax or total profit for the year ended 31 March 2017.

h Sales discount

Under previous GAAP, Volume discounts and promotional discounts given through credit notes were recorded as sales promotion expenses. Whereas, as per Ind AS, schemes and discounts are reduced from revenue.This does not affect profit or equity.

i Trade payables – Discounted bills/ Buyer’s credit

Under Previous GAAP, Hundi/ buyer’s credit availed from bank were presented as part of trade payables and expenses. Whereas as per Ind AS, bills discounted and buyers’ credit availed is presented as short term borrowing since it’s an arrangement between bank and the Company and interest expense is borne by Company.

j Cross Currency Interest Rate Swap and External Commercial Borrowings

Under Previous GAAP, both the instruments i.e. ECB and CCIRS are accounted as one instrument, and therefore, ECB loan is recorded in INR, Interest expenses is recognised based on the fixed interest rate as per CCIRS and Derivative assets/ liability is not recorded.

As per Ind AS, both the instruments ECB and CCIRS are recognised separately, ECB is measured at amortised cost in USD and translated to INR,Interest expenses is recorded in USD and translated into INR, Balance of ECB loan and interest payable is retranslated into INR using applicable spot exchange rate at each reporting date and Derivative assets/ liability is measured at its fair value.

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

k Deposits received

The Company has received deposits from distributors and C&F agents which were classified under ”non-current liability” under previous GAAP based on past trends/ experience of withdrawal of such deposits from the Company.. Since,the arrangement between the parties can be terminated by either party by giving an advance notice of 30 to 60 days and then deposit shall be repaid by the Company the same has been classified as “Current Liability” as per Ind AS 1.

l Classification between financial and non financial assets/liabilities

Under previous GAAP, there were no requirement to present financial assets and liabilities separately from other assets and other liabilities. Whereas as per Ind AS, Financial assets and financial liabilities are presented separately from other assets and other liabilities

m Embedded Lease

Under previous GAAP, fixed charges paid to C&F agents is recorded as freight cost.Whereas as per Ind AS, since the arrangement involves a lease of warehouse and related assets, fixed charges paid to C&F agents for right to use their warehouse facility is recorded as rent expenses.

n Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

31 SEGMENT REPORTING

The Company is in the business of manufacturing, trading and selling of stationery. It manufactures art material, marker pens, inks, pencils and others stationery products. The Management is of the view that the risks and returns for these products are not significantly different. Accordingly, the Company has a single reportable segment which is reviewed by Chief Operating Decision Maker (CODM). Further, export sales are not significant and there is no reportable secondary segment.

32 DISCLOSURE ON SPECIFIED BANK NOTES (SBNS) :

During the year 2016-17, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016. The denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	18.89	2.18	21.07
(+) Permitted receipts**	0.20	17.04	17.24
(-) Permitted payments	0.97	15.65	16.62
(-) Amount deposited in Banks	18.12	-	18.12
Closing cash in hand as on 30.12.2016	-	3.57	3.57

* For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

** Permitted receipts pertains to SBN’s returned by contract workers from wages paid by the company to them as on 7 November 2016.

Notes

to the Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

33 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per Section 135 of the Companies Act 2013, the Group has formed a Corporate Social Responsibility (CSR) Committee. The CSR Committee approved CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, have been identified to incur CSR expenditure

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Amount required to be spent by the Company	10.06	3.54
Amount spent		
Construction/acquisition of any asset	-	-
On purposes other than above		
Contribution to NGOs	8.25	2.70
Contribution to Central Government	2.00	1.00
Total amount spent in cash	10.25	3.70

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

For and on behalf of the Board of Directors of
Kokuyo Camlin Limited
CIN : L24223MH1946PLC005434

Chetan Badal
Chief Financial Officer

Ravindra Damle
V P (Corporate) and Company Secretary

Mumbai
9 May 2018

Dilip Dandekar - Chairman and Executive Director
(DIN-00846901)

Shriram Dandekar - Vice Chairman & Executive Director
(DIN-01056318)

Nobuchika Doi - Chief Excecutive Officer and Executive Director
(DIN-03599835)

Takeo Iguchi - Executive Director
(DIN-03599826)

Shishir B. Desai - Director
(DIN-01453410)

Form AOC – I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.in lacs)

SI. NO.	Name of the subsidiary	Camlin International Ltd.
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
3	Share capital	5.00
4	Reserve & surplus	(5.00)
5	Total assets	-
6	Total Liabilities	-
7	Investments	-
8	Turnover	-
9	Profit / (Loss) before taxation	(6.49)
10	Provision for taxation	-
11	Profit / (Loss) after taxation	(6.49)
12	Proposed Dividend	-
13	% of shareholding	100%

Note: Pursuant to provisions of section 248(2) of the Companies Act, 2013 and Rule 4(1) of the Companies (Removal of Names of Companies from the Register of Companies) Rule 2016, the Company has submitted an application for striking off the name of the Company from the Register of Companies. The approval from Registrar of Company is awaited. The above audited financial statements are as on 16th March 2018.

Form AOC – I

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "B" : Associates and Joint Ventures

Name of Associates / Joint Ventures	Colart Camlin Canvas Pvt. Ltd
Balance Sheet Date	March 31, 2018
Shares of Associate/Joint Ventures held by the Company on the year end	
Number of Equity Shares.	5,22000
Amount of Investment in Associates/Joint Venture	52.20
Extend of Holding %	40%
Description of how there is significant influence	Equity Ownership
Reason why the associate/ Joint venture is not consolidated	Negative Networth
Networth attributable to shareholding as per latest audited Balance Sheet	Nil
*Profit / (Loss) for the year	102.16
Considered in Consolidation	Yes
Not Considered in Consolidation	-

*As per Management Accounts

For and on behalf of the Board of Directors of
Kokuyo Camlin Limited
CIN : L24223MH1946PLC005434

Chetan Badal
Chief Financial Officer

Ravindra Damle
V P (Corporate) and Company Secretary

Mumbai
9 May 2018

Dilip Dandekar - Chairman and Executive Director
(DIN-00846901)

Shriram Dandekar - Vice Chairman & Executive Director
(DIN-01056318)

Nobuchika Doi - Chief Excecutive Officer and Executive Director
(DIN-03599835)

Takeo Iguchi - Executive Director
(DIN-03599826)

Shishir B. Desai - Director
(DIN-01453410)

Independent Auditors' Report

To the Members of

Kokuyo Camlin Limited

Report on the audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Kokuyo Camlin Limited (hereinafter referred to as 'the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate, which comprise the consolidated Balance Sheet as at 31 March 2018, the consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditors' report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiary and associate, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2018, and their consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Group and its associate for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor, M/s. B. K. Khare & Co. Chartered Accountants, whose reports for the year ended 31 March 2017 and 31 March 2016 dated 27 April 2017 and 12 May 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group and its associate on transition to Ind AS, which have been audited by us with respect to the Holding Company and by other auditors with respect to the subsidiary as noted in paragraph 2 below.

1. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs Nil and net assets of Rs Nil as at 31 March 2018, as well as total revenues of Rs 0.25 lakhs and net cash outflows amounting to Rs. 4.83 lakhs for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

2. The consolidated Ind AS financial statements also include the Group's share of net profit (including other comprehensive income) of Rs. Nil for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

   Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / information certified by the Management.

Report on Other Legal and Regulatory Requirements

1 As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on separate Ind AS financial statements and other financial information of a subsidiary, as noted in the 'Other matters' paragraph, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors;

   (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary and associate, as noted in the 'Other matters' paragraph:

      i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate– Refer Note 18 to the consolidated Ind AS financial statements;

ii. the Group and its associate did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31 March 2018; and

iv. the disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the consolidated Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

Annexure A to the Independent Auditors' Report on the consolidated Ind AS financial statements

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Kokuyo Camlin Limited ("the Holding Company") and its subsidiary company incorporated in India (the Holding Company and its subsidiary company incorporated in India together referred to as the "Group"), as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred in to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary which is a company incorporated in India, is based on the corresponding report of the auditors of the subsidiary company incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

Consolidated Balance Sheet

as at 31 March, 2018

₹ in Lakhs

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
(a) Property,plant and equipment	4a	15,702.25	9,987.69	8,100.26
(b) Capital work-in-progress		-	4,956.79	2,497.93
(c) Investment property	4b	2.73	2.73	2.73
(d) Other Intangible assets	4a	150.38	172.41	241.40
(e) Investment in associate	4c	-	-	42.89
(f) Financial assets	4d			
(i) Investments		1053.55	972.62	709.21
(ii) Loans		194.36	279.95	331.48
(iii) Other financial assets		45.99	138.71	206.81
(g) Deferred tax assets (net)	4e	162.25	401.18	510.40
(h) Income tax assets (net)	4f	-	115.12	213.08
(i) Other non-current assets	4g	2,259.01	3,459.22	3,206.95
Total non - current assets		**19,570.52**	**20,486.42**	**16,063.14**
Current assets				
(a) Inventories	5a	15,875.53	14,084.75	12,437.19
(b) Financial assets	5b			
(i) Trade receivables		10,950.67	10,634.01	9,099.55
(ii) Cash and cash equivalents		438.67	1,204.40	4,015.88
(iii) Bank balances other than (ii) above		16.67	209.66	2,716.32
(iv) Loans and advances		10.62	26.81	131.42
(c) Other current assets	5c	1,622.22	1,416.68	1,276.42
Total current assets		**28,914.38**	**27,576.31**	**29,676.78**
TOTAL ASSETS		**48,484.90**	**48,062.73**	**45,739.92**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	6a	1,003.04	1,003.04	1,003.04
(b) Other equity	6b	22,826.99	21,787.86	21,520.11
Total equity		**23,830.03**	**22,790.90**	**22,523.15**
Liabilities				
Non-current liabilities				
(a) Financial liabilities	7a			
(i) Borrowings		1,044.10	1,544.89	2,646.55
(ii) Other financial liabilities		137.34	195.86	142.14
(b) Provisions	7b	413.16	199.86	317.41
Total Non - current liabilities		**1,594.60**	**1,940.61**	**3,106.10**
Current liabilities				
(a) Financial Liabilities	8a			
(i) Short term borrowings		12,264.65	11,250.01	10,301.36
(ii) Trade payables		7,886.33	7,949.10	6,500.10
(iii) Other financial liabilities		2,483.72	3,073.48	2,404.90
(b) Other current liabilities	8b	366.52	841.55	689.27
(c) Provisions	8c	59.05	217.08	215.04
Total current liabilities		**23,060.27**	**23,331.22**	**20,110.67**
TOTAL EQUITY AND LIABILITIES		**48,484.90**	**48,062.73**	**45,739.92**

Notes to the Consolidated Financial statements 1 to 34

The notes referred above form an integral part of these consolidated IndAS financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

For and on behalf of the Board of Directors of
Kokuyo Camlin Limited
CIN : L24223MH1946PLC005434

Chetan Badal
Chief Financial Officer

Ravindra Damle
V P (Corporate) and Company Secretary

Mumbai
9 May 2018

Dilip Dandekar (DIN-00846901) - Chairman and Executive Director

Shriram Dandekar (DIN-01056318) - Vice Chairman & Executive Director

Nobuchika Doi (DIN-03599835) - Chief Excecutive Officer and Executive Director

Takeo Iguchi (DIN-03599826) - Executive Director

Shishir B. Desai (DIN-01453410) - Director

Consolidated Statement of Profit and Loss

For the year ended 31 March 2018

₹ in Lakhs

	Particulars	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
REVENUE				
I	Revenue from operations	9	63,847.92	66,315.46
II	Other income	10	286.35	307.09
III	**Total Income (I + II)**		**64,134.27**	**66,622.55**
IV	**EXPENSES**			
	(a) Cost of materials consumed	11	23,676.41	24,929.21
	(b) Excise duty	17	885.85	3,349.59
	(c) Purchases of stock-in-trade	12	15,352.10	16,139.00
	(d) Changes in stock of finished goods, work-in-progress and stock-in-trade	13	(1,009.16)	(1,136.54)
	(e) Employee benefits expense	14	8,019.13	6,806.32
	(f) Finance costs	15	960.57	1,174.61
	(g) Depreciation and amortisation expense	4a,b	1,650.51	1,207.66
	(h) Other expenses	16	13,109.85	13,927.29
	Total Expenses (IV)		**62,645.26**	**66,397.14**
V	**Profit before tax and share of profit of associate (III - IV)**		**1,489.01**	**225.41**
	Share of profit of associate		-	1.67
VI	**Profit before tax**		**1,489.01**	227.08
VII	**Tax Expense**	23		
	(1) Current tax		255.91	0.03
	(2) Deferred tax [(Including MAT credit entitlement for the year INR 255.91 Lakhs (2016-17 - INR Nil)]		252.41	76.35
	(3) Prior years - Income tax		-	(0.62)
	Total tax expense (VII)		**508.32**	**75.76**
VIII	**Profit after tax (VI -VII)**		**980.69**	**151.32**
IX	**Other comprehensive income**		58.44	116.42
	(i) Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of the defined benefit plans		(35.97)	(69.56)
	(b) Fair value changes on equity instruments		80.93	218.85
	(ii) Income tax relating to items that will not be reclassified to profit or loss		13.48	(32.87)
X	**Total comprehensive income for the year**		**1,039.13**	**267.74**
XI	**Earnings per share (Face value INR Re. 1/- each):**	26		
	(1) Basic earnings per share		0.98	0.15
	(2) Diluted earnings per share		0.98	0.15

Notes to the Consolidated Financial statements 1 to 34

The notes referred above form an integral part of these Consolidated IndAS financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

For and on behalf of the Board of Directors of
Kokuyo Camlin Limited
CIN : L24223MH1946PLC005434

Chetan Badal
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Mumbai
9 May 2018

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Nobuchika Doi (DIN-03599835) - Chief Excecutive Officer and Executive Director

Takeo Iguchi (DIN-03599826) - Executive Director

Shishir B. Desai (DIN-01453410) - Director

Consolidated Statement of Cash Flows

For the year ended 31 March 2018

₹ In Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the year including share of profit of associate	1,489.01	227.08
Adjustments for :		
Depreciation and amortisation	1,650.51	1,207.66
Unrealised foreign exchange gain	(16.90)	(7.84)
Finance costs	960.57	1,174.61
Interest income	(38.34)	(302.65)
Dividend	-	(3.60)
Provision for doubtful debts	48.46	35.04
Provision for doubtful advances	16.75	2.11
Share of income of associates	-	(1.67)
Loss on sale/disposal of property, plant and equipment(net)	83.50	48.80
Operating profit before working capital changes	**4,193.56**	**2,379.54**
Working capital adjustments		
- (Increase) in trade receivables	(365.12)	(1,569.50)
- (Increase) in other current assets	(205.54)	(140.26)
- (Increase) in Inventories	(1,790.78)	(1,647.56)
- Decrease /(Increase) in Other non current assets	84.78	(6.30)
- Decrease in Security deposits	85.59	51.53
- (Decrease)/ Increase in Trade payables	(45.87)	1,456.84
- (Decrease) in provisions	(157.36)	(185.07)
- (Decrease)/ Increase in Other current liabilities	(397.43)	172.70
	(2,791.73)	**(1,867.62)**
Cash from operating activities	1,401.84	511.92
Tax (paid) / refund (Net)	35.87	98.55
Net Cash from operating activities	**1,437.70**	**610.47**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,559.42)	(5,474.15)
Proceeds from sale of property, plant and equipment	68.23	7.80
Proceeds from bank deposits (having maturity of more than 3 months)	199.90	2,467.23
Unpaid dividend account	5.04	2.68
Interest received	54.53	407.26
Dividend received	-	3.60
Net Cash used in Investing activities	**(1,231.73)**	**(2,585.59)**

Consolidated Statement of Cash Flows

For the year ended 31 March 2018

₹ In Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,014.64	948.65
Dividend Paid	(5.04)	(2.67)
Interest and other finance cost paid	(975.53)	(1,181.71)
Repayment of short term borrowings	(1,005.78)	(600.64)
Net Cash used in Financing activities	**(971.71)**	**(836.37)**
Net increase/ (decrease) in cash and cash equivalents	**(765.73)**	**(2,811.48)**
Cash and cash equivalents at the beginning of the year	**1,204.40**	**4,015.88**
Cash and cash equivalents at the end of the year	**438.67**	**1,204.40**

Notes :-

1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS) 7 - "Statement of Cash Flows"

2) Cash and cash equivalents at the end of the year

	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents		
Balance with banks		
in current accounts	386.71	280.38
in EEFC accounts	12.45	113.36
Deposits with original maturity of less than three months	28.40	801.63
Cash on hand	11.11	9.03
	438.67	**1,204.40**

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

For and on behalf of the Board of Directors of
Kokuyo Camlin Limited
CIN : L24223MH1946PLC005434

Chetan Badal
Chief Financial Officer

Ravindra Damle
V P (Corporate) and Company Secretary

Mumbai
9 May 2018

Dilip Dandekar - Chairman and Executive Director
(DIN-00846901)

Shriram Dandekar - Vice Chairman & Executive Director
(DIN-01056318)

Nobuchika Doi - Chief Excecutive Officer and Executive Director
(DIN-03599835)

Takeo Iguchi - Executive Director
(DIN-03599826)

Shishir B. Desai - Director
(DIN-01453410)

Consolidated Statement of Changes in Equity

for the year ended 31 March 2018

(a) Equity Share Capital

(₹ In Lakhs)

Particulars	Note No.	31 March 2018	31 March 2017	1 April 2016
Balance at the beginning of the year	6a	1,003.04	1,003.04	1,003.04
Changes in equity share capital during the year	6a	-	-	-
Balance at the end of the year		**1,003.04**	**1,003.04**	**1,003.04**

(b) Other equity

Particulars	Reserves and surplus				Items of Other comprehensive income	Total equity
	Capital reserve	Share premium	General reserve	Retained earnings		
Balance at 1 April 2016	52.70	17,901.56	2,009.39	856.98	699.48	21,520.11
Profit for the year				151.32	-	151.32
Other comprehensive income for the year						
Equity Instruments through Other Comprehensive Income (net of tax)	-	-	-	-	162.99	162.99
Remeasurements of defined benefit plan (net of tax)	-	-	-	(46.56)		(46.56)
Balance at 31 March 2017	**52.70**	**17,901.56**	**2,009.39**	**961.74**	**862.47**	**21,787.86**
Profit for the year	**-**	**-**	**-**	**980.69**	**-**	**980.69**
Other comprehensive income for the year						
Equity Instruments through Other Comprehensive Income (net of tax)	-	-	-	-	81.96	**81.96**
Remeasurements of defined benefit plan (net of tax)	-	-	-	(23.52)		(23.52)
Balance at 31 March 2018	**52.70**	**17,901.56**	**2,009.39**	**1,918.91**	**944.43**	**22,826.99**

Notes to the Consolidated Financial statements 1 to 34
The notes referred above form an integral part of these Consolidated IndAS financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

For and on behalf of the Board of Directors of
Kokuyo Camlin Limited
CIN : L24223MH1946PLC005434

Chetan Badal
Chief Financial Officer

Ravindra Damle
V P (Corporate) and Company Secretary

Mumbai
9 May 2018

Dilip Dandekar (DIN-00846901) - Chairman and Executive Director
Shriram Dandekar (DIN-01056318) - Vice Chairman & Executive Director
Nobuchika Doi (DIN-03599835) - Chief Excecutive Officer and Executive Director
Takeo Iguchi (DIN-03599826) - Executive Director
Shishir B. Desai (DIN-01453410) - Director

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

1 BACKGROUND OF THE GROUP

(a) Kokuyo Camlin Limited (the "Company") was incorporated in India in 1946 as "Camlin Private Limited" under the Indian Companies Act, 1913. Subsequently, the Company was converted into a Public Limited Company in 1988 as Camlin Limited and was listed on BSE Ltd (BSE) and listed on National Stock Exchange of India Ltd (NSE) in the year 2008. In the year 2011, Kokuyo S&T Co. Ltd, (now Kokuyo Group Limited) a Japanese corporation engaged in the business of stationery acquired a majority stake in the Company and presently holds 74.44% shares in the Company. The registered office of the Group is located at 48/2, Hilton House, Central Road, MIDC, Andheri (East), Mumbai, India.

(b) These consolidated financial statements comprise the financial statements of Kokuyo Camlin Limited (the company), and its subsidiary (collectively referred to as "the Group").

(c) Below is the particulars of subsidiary company considered which have been considered in the preparation of the consolidated financial statement

Name of the Company	Country of incorporation	% of voting power held on 30 March 2018
Camlin International Limited	India	100%

Kokuyo Camlin Limited (the Group)manufactures, and trades in scholastic products, writing instruments, notebooks, marker pens, inks, fine-art colours and accessories, hobby colours, pencils and other stationery products.

2 BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

The Group's consolidated financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Group's first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS) Ind AS 101, "First-time Adoption of Indian Accounting Standards" has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 30.

The Consolidated financial statements for the year ended 31 March 2018 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 9 May 2018.

Details of the Group's significant accounting policies are disclosed in Note 3.

(b) Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts are mentioned in lakhs and rounded off to 2 decimals unless, otherwise stated.

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to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

(c) Basis of measurement

(i) The Consolidated financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:

1 Certain financial assets and liabilities (including derivative instruments and equity investments) - measured at fair value

2 Net defined benefit (asset)/liability - fair value of plan assets less present value of defined benefit obligations

(d) Use of estimates and judgements

In preparing these Consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 3.10 and 25 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 3.14 and 27 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 3.15 and 18 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3.05 & 3.13– impairment of financial and non financial assets.
- Note 3.03 & 3.04– management estimates for useful life of property, plant and equipment's and intangible assets
- Note 29 - fair value measurement of financial instruments

(e) Current vs non current classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realised/settled in the Group's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is held primarily for the purpose of trading;

iv. the asset/liability is expected to be realised/settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date."

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(₹ in Lakhs)

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents

(f) Fair value measurement

The Group measures certain financial instruments, such as derivatives and equity investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or

B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

A. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

B. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

C. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Further information about the assumption made in measuring fair value is included in the following notes.

- Note 4(b) - Investment property
- Note 29 - Financial instruments

(g) Standards issued but not yet effective.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new standards and amendments to Ind AS which the Group has not applied as they are effective for annual periods beginning on or after 1 April, 2018

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to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Ind AS 21 The Effect of Changes in Foreign Exchange Rates

Ind AS 115 - Revenue from Contracts with Customers

On 28 March, 2018 the MCA, has notified the Ind AS 115, Revenue from Contracts with Customers.

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when the revenue should be recognised. It replaces existing revenue recognition guidelines, including Ind AS 18 Revenue, Ind AS 11Construction contracts and Guidance note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods begining on or after 1 April 2018 and will be applied accordingly.

The Group is evaluting the impact of this amendment on its consolidated financial statements.

Ind AS 21 - The Effect of Changes in Foreign Exchange Rates

The amendement clarifies on the accounting of transactions that include the receipt or payment of advance consideration in foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its consolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

3.01 Basis of Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. InterGroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Associates

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date.

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(₹ in Lakhs)

3.02 Revenue recognition

Revenue from sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed, which is usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade / cash discounts and volume rebates.

Interest income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend:

A dividend is recognised as revenue when the right to receive payment has been established.

3.03 Property, plant and equipment

(i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable taxes (net of Cenvat, VAT and GST), after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) borrowing costs for long-term construction projects if the recognition criteria are met.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipments.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, if any, over their estimated useful lives using the straight line method in the manner and at the rates prescribed by Part 'C' of Schedule II of the Act. Depreciation is charged on a monthly pro-rata basis for assets purchased or sold during the year.

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(₹ in Lakhs)

The Group has used the following rates to provide depreciation on its fixed assets.

	Useful life as Per Schedule II	Useful life as Per Group's Policy	Reasons
Site developments	30 years	30 years	
Buildings & sheds	30 years and 60 years	30 years and 60 years	
Plant & Machinery & Electrical Installation	7.5 years to 15 years	7.5 years to 25 years	Management's estimation based on internal technical evaluation
Office equipment	3 to 6 years	3 to 6 years	
ERP Hardware	5 years	5 years	
Furniture & Fittings	10 years	10 years	
Vehicles	8 to 10 years	8 to 10 years	

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment

3.04 Intangible assets

Intangible assets comprise application software purchased / developed, which are not an integral part of the related hardware, and are amortised using the straight line method over a period of the software license, which in Management's estimate represents the period during which the economic benefits will be derived from their use. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

The useful lives of intangible assets are as mentioned below:

	Useful life as Per Schedule II	Useful life as Per Group's Policy	Reasons
Licenses and software	5 years	10 years	Management's estimation based on internal technical evaluation
ERP software	5 years	5 years	

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangibles assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of such intangibles assets.

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(₹ in Lakhs)

3.05 Impairment of non financial assets

The Group's non financial assets are tested for impairment at each reporting date to determine whether there are events or changes in circumstances which indicate that the carrying amount may not be recoverable. Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.

The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

3.06 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.07 Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

3.08 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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(₹ in Lakhs)

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Transition to Ind AS

On transition to Ind AS, the Group has reclassified Leasehold land from property, plant and equipment to other non current assets and freehold land to Investment property, at its carrying amount on the date of re-classification.

The fair value of investment property is disclosed in the notes.

3.09 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, or for use in the production or supply of goods or services or for administrative purpose. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS the Group has reclassified certain freehold land as investment property measured as per the previous GAAP and used that carrying value as the deemed cost of such investment property. The fair value of investment property is disclosed in note 4(b).

3.10 Income-tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

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(₹ in Lakhs)

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is a convincing evidence that the Group will pay normal tax in future. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Group.

Current tax assets and liabilities are offset only if, the Group:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax relating to items recognised outside profit or loss are recoginised as a part of these items (either in other comprehensive income or in equity).

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Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

3.11 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on moving weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

3.13 Financial instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

(i) Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

(ii) Classification and Subsequent Measurement: Financial Assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

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- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investments that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(iii) Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL . A financial liability is classified as at FVPTL if it is classified as held for trading or it is derivative or it is designated as such on initial recognition. Financial liabities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gain and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iv) Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Group recognises a loss allowance for expected credit losses on financial

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asset. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk.

(v) Derecognition of financial assets and financial liabilities:

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial assets.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Group derecognises a financial liability when the contractual obligations are discharged or cancelled, or expire.

The Group also derecognises financial liabilities when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(vi) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value through Statement of Profit and Loss.

(vii)Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

3.14 Employee benefits

(i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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(ii) Compensated absences

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss.

(iii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to the retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(v) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurement are recognised in profit or loss in the period in which they arise.

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(₹ in Lakhs)

3.15 Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value, wherever the Group can estimate the time of settlement, of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provisions due to passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly with in the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount can not be made. Where the likelihood of outflow of resources is remote, no provision is made.

3.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

3.17 Research and Development

Expenditure on research activities is recognised in profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment loss.

3.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Chief operating decision maker's function is to allocate the resources of the entity and assess the performance of the operating segment of the Group.

Notes
to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

4.a PROPERTY, PLANT AND EQUIPMENT

Description	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1 April 2017	Additions	Deductions/ Adjustments	As at 31 March 2018	As at 1 April 2017	For the year	On Deductions/ Adjustments	As at 31 March 2018	As at 31 March 2018
Site Development	748.07	218.07	-	966.14	1.96	30.97	-	32.93	933.23
Buildings & Shed	1,554.77	4,613.92		6,168.69	65.43	185.11	-	250.54	5,918.15
Plant & Machinery	8,000.59	2,457.80	202.37	10,256.02	887.40	1,182.11	59.59	2,009.92	8,246.10
Office Equipment	454.02	79.00	1.46	531.56	94.52	102.82	1.32	196.02	335.54
ERP Hardware	82.58	-	-	82.58	22.39	22.39	-	44.78	37.80
Furniture & Fixtures	131.18	41.62	0.67	172.13	35.90	34.38	0.22	70.06	102.07
Motor Vehicles *	145.15	37.87	16.73	166.29	21.07	24.23	8.37	36.93	129.36
	11,116.36	**7,448.28**	**221.23**	**18,343.41**	**1,128.67**	**1,582.01**	**69.50**	**2,641.18**	**15,702.25**

* Motor vehicles with a carrying amount of Rs 82.06 lakhs as at 31 March 2018 (31 March 2017: Rs 44.19 lakhs) are provided as security against loans taken.

Other Intangible assets

Description	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1 April 2017	Additions	Deductions/ Adjustments	As at 31 March 2018	As at 1 April 2017	For the year	On Deductions/ Adjustments	As at 31 March 2018	As at 31 March 2018
ERP Software	247.40	-	-	247.40	74.99	68.25		143.24	104.16
Licenses & Software	-	46.47		46.47	-	0.25		0.25	46.22
	247.40	46.47	-	293.87	74.99	68.50	-	143.49	150.38
Total	**11,363.76**	**7,494.75**	**221.23**	**18,637.28**	**1,203.66**	**1,650.51**	**69.50**	**2,784.67**	**15,852.63**

4.a PROPERTY, PLANT AND EQUIPMENT

Description	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1 April 2016 (Deemed Cost)	Additions	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	On Deductions/ Adjustments	As at 31 March 2017	As at 31 March 2017
Site Development	36.28	711.79		748.07	-	1.96		1.96	746.11
Building & Shed	1,480.63	123.15	49.01	1,554.77	-	67.39	1.96	65.43	1,489.34
Plant & Machinery	5,963.20	2,037.39		8,000.59	-	887.40		887.40	7,113.19
Office Equipment	330.85	124.98	1.81	454.02	-	94.63	0.11	94.52	359.50
ERP Hardware	82.58			82.58	-	22.39		22.39	60.19
Furniture & Fixture	127.78	3.42	0.02	131.18	-	35.90	-	35.90	95.28
Motor Vehicles *	78.94	75.97	9.76	145.15	-	23.00	1.93	21.07	124.08
	8,100.26	**3,076.70**	**60.60**	**11,116.36**	**-**	**1,132.67**	**4.00**	**1,128.67**	**9,987.69**

* Motor vehicles with a carrying amount of Rs 44.19 lakhs as at 31 March 2017 (1 April 2016: Rs NIL) are provided as security against loans taken.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Other Intangible assets

Description	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1 April 2016 (Deemed Cost)	Additions	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	On Deductions/ Adjustments	As at 31 March 2017	As at 31 March 2017
ERP Software	241.40	6.00	-	247.40	-	74.99		74.99	172.41
	241.40	6.00	-	247.40	-	74.99	-	74.99	172.41
Total	**8,341.66**	**3,082.70**	**60.60**	**11,363.76**	**-**	**1,207.66**	**4.00**	**1,203.66**	**10,160.10**

4.b NON-CURRENT ASSETS

(₹ In Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Investment Property			
Freehold Land	2.73	2.73	2.73
(Fair Value-			
As at 31 March 2018	INR 33.66 lakhs		
As at 31 March 2017	INR 31.13 lakhs		
As at 1 April 2016	INR 31.13 lakhs		

Fair value hierarchy

The Fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The Fair value of measurement of the property has been categorized as Level 3 fair value based on the inputs to the valuation technique used.(refer Note 2(f))

C INVESTMENT IN ASSOCIATES

	31 March 2018		31 March 2017		1 April 2016	
Unquoted equity shares						
Nil (31 March 2017: Nil; 01 April 2016: 2,150) Equity shares of Rs. 100 /– each in Excella Pencils Limited.		-		-		2.15
Add : Share of profit of associates upto 30 September 2016*		-		-		40.74
* Associate upto 30 September 2016						
522,000 (31 March 2017 : 522,000; 1 April 2016 : 522,000) Equity shares of Rs.10 each in ColArt Camlin Canvas Private. Limited.	52.20		52.20		52.20	
Less : Provision for diminution in value of investment	**52.20**	-	52.20		52.20	-
		-		-		42.89

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

d FINANCIAL ASSETS

		31 March 2018	31 March 2017	1 April 2016
i)	**Investments in Equity Instruments (fully paid up)**			
A	**Quoted equity shares at fair value through OCI**			
	800,000 (31 March 2017 : 800,000; 1 April 2016 : 800,000) equity shares of Re.1 each in Camlin Fine Sciences Limited	810.01	716.01	709.21
B	**Unquoted equity shares**			
	2,150 (31 March 2017 : 2,150; 1 April 2016 : Nil) Equity shares of Rs.100/- each in Excella Pencils Limited	243.54	256.61	-
	* Associate upto 30 September 2016			
		1053.55	972.62	709.21
	Aggregate amount of quoted investments - at cost	9.73	9.73	9.73
	Aggregate amount of quoted investments - at market value	810.01	716.01	709.21
	Aggregate amount of unquoted investments - at cost	2.15	2.15	2.15
	Aggregate amount of impairment in value of investment	-	-	-
ii)	**Loans**			
	(Unsecured, Considered good)			
	Security deposits	194.36	279.95	331.48
		194.36	279.95	331.48
iii)	**Other financial assets**			
	Fixed Deposits maturing after twelve months	45.99	57.94	21.18
	Derivative asset	-	80.77	185.63
		45.99	138.71	206.81

		31 March 2018	31 March 2017	1 April 2016
e	**Deferred tax assets (net) [Ref. Note no.25]**	162.25	401.18	510.40

		31 March 2018	31 March 2017	1 April 2016
f	**Income Tax (net of provisions)**	-	115.12	213.08

		31 March 2018	31 March 2017	1 April 2016
g	**Other Non-current assets**			
	Unsecured, considered good			
	Prepaid expenses	2,060.82	2,145.60	2,139.30
	Capital advances	198.19	1,313.62	1,067.65
	Capital advances	18.86	2.11	-
	Provision for doubtful advances	(18.86)	(2.11)	-
		2,259.01	3,459.22	3,206.95

Prepaid expenses includes cost of leasehold land which is amortised over the period of the lease.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

5 CURRENT ASSETS

			31 March 2018	31 March 2017	1 April 2016
a		**Inventories**			
		(At lower of cost and net realisable value)			
	i)	Raw materials [includes in transit INR 130.05 lakhs(31 March 2017: INR 76.72 lakhs; 1 April 2016 : INR 83.45 lakhs)]	2,158.29	1,772.47	1,774.47
	ii)	Packing materials [includes in transit INR 62.19 lakhs (31 March 2017: INR 105.40 lakhs; 1 April 2016: INR 122.63 lakhs)]	2,648.42	2,303.84	1,814.94
	iii)	Spares and tools	75.34	24.12	-
	iv)	Work-in-progress	1,368.24	1,120.48	971.34
	v)	Finished goods	6,079.66	4,672.39	3,790.08
	vi)	Stock-in-trade [includes in transit INR Nil(31 March 2017: INR 9.96 lakhs; 1 April 2016: INR 34 lakhs)]	3,545.58	4,191.45	4,086.36
			15,875.53	**14,084.75**	**12,437.19**
b		**Financial Assets**			
i)		**Trade receivables**			
		Unsecured			
	i)	Considered good	10,950.67	10,634.01	9,099.55
	ii)	Considered doubtful	182.68	171.45	182.07
			11,133.35	10,805.46	9,281.62
		Less: Allowance for doubtful receivables	182.68	171.45	182.07
			10,950.67	**10,634.01**	**9,099.55**

(i) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) The Group's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 29.

			31 March 2018	31 March 2017	1 April 2016
ii)		**Cash and cash equivalents**			
		Balances with banks			
	1)	In Current accounts	386.71	280.38	513.37
	2)	In EEFC accounts	12.45	113.36	129.60
	3)	Deposits with original maturity of less than three months	28.40	801.63	3,360.53
		Cash on hand	11.11	9.03	12.38
			438.67	**1,204.40**	**4,015.88**
iii)		**Other Bank Balances**			
	1)	Deposits with maturity of more than three months but less than twelve months	14.16	202.11	2,706.10

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

			31 March 2018	31 March 2017	1 April 2016
	2)	Unpaid dividend account	2.51	7.55	10.22
			16.67	209.66	2,716.32
			455.34	**1,414.06**	**6,732.20**
	iv)	**Loans and advances**			
		Unsecured, considered good			
		Interest accrued on deposits	10.62	26.81	131.42
			10.62	26.81	131.42
c		**Other Current Assets**			
		Advances to related parties	0.03	0.01	0.51
		Advances to suppliers	269.96	424.87	464.11
		Prepaid Expenses	239.52	218.72	190.56
		Deposits, balances and input credits for other taxes and duties	1,047.21	648.63	510.92
		Gratuity fund	14.37	-	-
		Other advances	51.13	124.45	110.32
			1,622.22	1,416.68	1,276.42

6 EQUITY SHARE CAPITAL

		31 March 2018	31 March 2017	1 April 2016
	Authorised			
	200,000,000 (31 March 2017: 200,000,000 ; 1 April 2016 :200,000,000) Equity Shares of INR. 1/- each	2,000.00	2,000.00	2,000.00
a	**Issued, Subscribed & Paid-up**			
	100,303,806 (31 March 2017: 100,303,806 ; 1 April 2016 : 100,303,806) Equity Shares of INR 1/- each, fully paid	1,003.04	1,003.04	1,003.04

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	31 March 2018		31 March 2017		1 April 2016	
	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs
At the beginning of the year	100,303,806	1,003.04	100,303,806	1,003.04	100,303,806	1,003.04
Outstanding at the end of the year	100,303,806	1,003.04	100,303,806	1,003.04	100,303,806	1,003.04

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

i) Terms/rights attached to equity shares

The Group has only one class of equity shares with a par value of INR 1/- per share. Each holder of equity shares is entitled to one vote per share.

The Group declares and pays dividends in Indian Rupees.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive any of the remaining assets of the Group after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to number of equity shares held by the shareholders.

ii) Shares held by the Holding/ultimate Holding Company and/or their Subsidiaries/ Associates.

Out of the equity shares issued by the company, shares held by its Holding Company are as under

	31 March 2018		31 March 2017		1 April 2016	
Name of the Holding Company	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
KOKUYO CO., Limited. Japan (a company incorporated in Japan)	74,665,950	74.44%	73,971,750	73.75%	73,971,750	73.75%

iii) Details of shareholders holding more than 5% shares in the company

Other than Kokuyo Co. Ltd, there are no shareholders holding more than 5% shares in the Company.

			31 March 2018	31 March 2017	1 April 2016
b		**OTHER EQUITY**			
	i)	**Capital reserve**			
		Balance, beginning and end of the year	52.70	52.70	52.70
	ii)	**Share premium account**			
		Balance, beginning and end of the year	17,901.56	17,901.56	17,901.56
	iii)	**General reserve**			
		Balance beginning of the year	2,009.39	2,009.39	2,009.39
	iv)	**Surplus in the statement of profit and loss**			
		Balance beginning of the year	961.74	856.98	856.98
		Add : Profit for the year	980.69	151.32	-
		Add: Remeasurement of defined benefit plan during the year	(23.52)	(46.56)	-
		Balance, end of the year	1,918.91	961.74	856.98

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

		31 March 2018	31 March 2017	1 April 2016
v)	**Other comprehensive income**			
	Balance beginning of the year	862.47	699.48	-
	Add: Fair value gain on equity instruments	81.96	162.99	699.48
	Balance, end of the year	944.43	862.47	699.48
		22,826.99	**21,787.86**	**21,520.11**

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Share premium

Share premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve

Capital reserve represents the grant received from government for set up of plant in specific area.

Capital management

The Group's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Group monitors capital using debt-equity ratio, which is total debt less investments divided by total equity

	31 March 2018	31 March 2017	1 April 2016
Total Debt (Bank and other borrowings)	13,824.60	13,830.70	13,489.79
Less : Liquid Investments including bank deposits	455.34	1,414.06	6,732.20
	13,369.26	12,416.64	6,757.59
Equity	22,826.99	21,787.86	21,520.11
Debt to Equity (Net)	0.59	0.57	0.31

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

7 NON-CURRENT LIABILITIES

		31 March 2018	31 March 2017	1 April 2016
a)	**Financial Liabilities**			
	Term Loan			
	i) Non-current borrowings from bank			
	a) Unsecured	1,021.18	1,538.68	2,637.09
	b) Secured	22.92	6.21	9.46
	Total non-current borrowings	**1,044.10**	**1,544.89**	**2,646.55**
	Current borrowings from bank			
	Unsecured	507.34	1,032.55	538.95
	Secured	8.51	3.25	2.93
	Total current borrowings	515.85	1,035.80	541.88
	Total borrowings from bank	1,559.95	2,580.69	3,188.43
	Less: Amount included under other financial liabilities	(515.85)	(1,035.80)	(541.88)
		1,044.10	**1,544.89**	**2,646.55**

Long term borrowing comprise

a) i) External Commercial borrowing (ECB) from Bank of Tokyo-Mitsubishi UFJ,Ltd. Singapore with carrying amount of INR Nil (31 March 2017 - INR 542.21, 1 April 2016- INR 1101.62)

The terms of the loan are as follows:

1. Rate of Interest is based on LIBOR plus agreed spread.
2. Repayable in 8 equal half yearly installments starting from 22 April 2014 with last installment payable on 18th October 2017

ii) External Commercial borrowing (ECB) from Sumitomo Mitsui Banking Corporation with carrying amount of INR 1528.52 (31 March 2017 - INR 2,029.01, 1 April 2016 - INR 2074.42)
The terms of the loan are as follows:

1. Rate of Interest is based on LIBOR plus agreed spread.
2. Repayable in 8 equal half yearly installments starting from 2 September 2017 with last installment payable on 2 March 2021.

b) i) The secured loan from HDFC bank is a vehicle loan with carrying amount of INR 6.21 (31 March 2017 - INR 9.46, 1 April 2016 - INR 12.39)

1. Rate of Interest is 10.25 %p.a.
2. Repayable in monthly installments starting from December 2014 with last installment payable on 7 November 2019.
3. Secured against hypothecation of vehicle.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

ii) The secured loan from HDFC bank is a vehicle loan with carrying amount of INR 25.22 (31 March 2017- INR Nil, 1 April 2016 - INR Nil)

1. Rate of Interest is 8.50 %p.a.
2. Repayable in monthly installments starting from September 2017 with last installment payable on 5 August 2022.

3. Secured against hypothecation of vehicle.

ii) Other financial liabilities

(₹ In Lakhs)

		31 March 2018	31 March 2017	1 April 2016
	Derivative liabilities	137.34	195.86	142.14
		137.34	**195.86**	**142.14**
b)	**Provisions**			
i)	Gratuity fund - (Refer note no. 27)	-	-	106.23
ii)	Compensated absences - Refer note no. 27)	236.50	199.86	211.18
iii)	Income tax (net of advance tax)	176.66	-	-
		413.16	**199.86**	**317.41**

8 CURRENT LIABILITIES

(₹ In Lakhs)

		31 March 2018	31 March 2017	1 April 2016
a)	**Financial Liabilities**			
i)	Short term borrowings			
	Loans repayable on demand			
	From Bank			
	Unsecured			
	Overdraft/working capital demand loan	7,784.73	7,294.13	6,858.48
	Bills Payable *	4,479.92	3,955.88	3,442.88
		12,264.65	11,250.01	10,301.36

*for discounting of trade payables

		31 March 2018		31 March 2017		1 April 2016	
(ii)	**Trade payables**						
	dues to micro and small enterprises (refer note 22)	255.48		74.54		186.47	
	dues to other than micro and small enterprises	7,630.85		7,874.56		6,313.63	
	Trade payables		7,886.33		7,949.10		6,500.10

The disclosures relating to Micro and Small Enterprises as defined under "The Micro , Small and Medium Enterprises Development Act 2006" is given under note 22

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

		31 March 2018	31 March 2017	1 April 2016
(iii)	**Others Financial Liabilities**			
	Current maturities of long term borrowings - banks			
	- Unsecured (refer note no. 7 (a))	507.34	1,032.55	538.95
	- Secured (refer note no. 7 (a))	8.51	3.25	2.93
	Employee dues	726.04	456.08	645.76
	Security deposits	1,012.39	1,226.18	1,181.50
	Capital creditors	196.10	316.24	0.75
	Interest accrued but not due on bills payable	30.83	31.63	24.79
	Unclaimed dividends	2.51	7.55	10.22
		2,483.72	**3,073.48**	**2,404.90**
b	**Other current liabilities**			
	Advances from customers	146.52	213.79	177.58
	Statutory liabilities	203.03	606.22	493.35
	Others	16.97	21.54	18.34
		366.52	**841.55**	**689.27**
c	**Provisions**			
	Provisions for employee benefits			
	Gratuity fund - (Refer note no. 27)	-	134.65	179.54
	Compensated absences - Refer note no. 27)	59.05	82.43	35.50
		59.05	217.08	215.04

9 REVENUE FROM OPERATIONS

	31 March 2018	31 March 2017
Gross Revenue from sale of products (refer note 17)	70,153.17	68,780.28
Less: Discount on sales	6,525.42	2,619.72
	63,627.75	66,160.56
Other operating revenues	220.17	154.90
Total revenue from operations	**63,847.92**	**66,315.46**

10 OTHER INCOME

		31 March 2018	31 March 2017
i)	Interest on bank deposits	38.34	302.65
ii)	Dividend-on trade investments	-	3.60
iii)	Profit on sale of assets	3.23	0.84
iv)	Proceeds from maturity of keyman insurance policy	244.50	-
v)	Miscellaneous receipts	0.29	-
		286.35	**307.09**

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

11 EXPENSES

	31 March 2018	31 March 2017
Cost of Materials consumed		
Opening stock of materials	4,076.31	3,589.41
Add: Purchases	24,214.56	25,416.11
Less: Closing stock of materials	(4,614.46)	(4,076.31)
	23,676.41	**24,929.21**

12 PURCHASE OF STOCK-IN-TRADE

	31 March 2018	31 March 2017
Stationery items	15,352.10	16,139.00
	15,352.10	**16,139.00**

13 CHANGES IN THE INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

	31 March 2018	31 March 2017
Stocks as per last Balance Sheet		
Work in process	1,120.48	971.34
Stock-in-trade	4,191.45	4,086.36
Finished goods	4,672.39	3,790.08
	9,984.32	**8,847.78**
Less :		
Closing Stock as at year end		
Work in process	1,368.24	1,120.48
Stock-in-trade	3,545.58	4,191.45
Finished goods	6,079.66	4,672.39
	10,993.48	9,984.32
	(1,009.16)	**(1,136.54)**

14 EMPLOYEE BENEFITS EXPENSE

	31 March 2018	31 March 2017
Salaries, wages and bonus	7,294.76	6,090.75
Contribution to Provident, Gratuity & other funds (Refer Note no.27)	443.95	537.76
Staff and Labour Welfare	280.42	177.81
	8,019.13	**6,806.32**

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

15 FINANCE COSTS

	31 March 2018	31 March 2017
Interest on bank borrowings	668.51	783.64
Interest Expense relating to Taxes and Duties	3.80	1.96
Other Borrowing Costs	288.26	389.01
	960.57	**1,174.61**

16 OTHER EXPENSES

	31 March 2018	31 March 2017
Power and Fuel	736.74	578.95
Job work charges	2,365.37	2,657.23
Repairs		
- Building	16.23	6.71
- Machinery	159.69	137.64
Rent	1,320.23	1,361.06
Rates and Taxes	70.05	33.89
Net losses/(gains) in respect of translations of foreign currencies	(109.21)	69.57
Insurance	70.75	78.97
Advertisement and sales promotion	1,695.16	1,972.94
Transport & forwarding charges	2,364.94	2,421.37
Commission / discount / service charges on sales	1,260.91	1,354.47
Travelling & conveyance	1,076.67	1,091.41
Loss on sale/disposal of property, plant and equipment (net)	86.73	49.64
Provision for doubtful debts	48.46	35.04
Provision for doubtful advances	16.75	-
Miscellaneous Expenses	1,930.38	2,078.40
	13,109.85	**13,927.29**

17 EXCISE DUTY

	31 March 2018	31 March 2017
Excise Duty	885.85	3,349.59
	885.85	**3,349.59**

According to the requirements of Ind AS and SEBI (Listing Obligations and Disclosure Requirements),Regulations 2015, revenue for the year ended 31 March 2017 were reported inclusive of Excise Duty. The Government of India has implemented Goods and Services Tax(GST) from 1 July 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per Ind AS 118, the revenue for the period post 30 June 2017 is reported net of GST.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

18 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a	Commitments			
	i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	296.12	1,011.07	4,474.35
b	Claims against the Company not acknowledged as debts in respect of (to the extent not provided for)			
	i) Income tax	14.66	7.31	19.93
	ii) Indirect tax cases*	1,640.34	1,344.03	275.84
	iii) Other matters	19.01	14.00	63.94

* Tax paid under protest as at 31 March 2018: INR 36.22 lakhs (31 March 2017 - INR 36.22 lakhs; 1 April 2016 - INR 36.22 Lakhs).

c. Bank Guarantees

Bank Guarantees as on 31 March 2018 is INR 105.43 lakhs (31 March 2017: INR 159.93 lakhs, 1 April 2016 - INR 93.93 lakhs)

19 EXCISE REMISSION AT JAMMU:

a. The Jammu and Kashmir High Court delivered a judgment 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 confirming the Company's right to such total exemption on the grounds laid down in the judgment of the High Court, rebate of excise duty being the duty on assessable value of goods, net of Cenvat Credit has been recognized in the books of accounts till February 2013.

b. A writ petition was filed by the Company praying the quashing of the impugned notification in its case. Pending final disposal of the petition filed by the Company, the Hon'ble High Court had modified the earlier interim order, passed on May 4, 2011, in OWP 601/2011 on March 11, 2013. Consequently the Hon'ble High Court has directed the department to release 50% of the amount due to the manufacturers, subject to the approval of Jurisdictional Commissioner of Excise for manufacturers' solvency. Post such order the Company has claimed excise rebate as per the earlier quashed notification. The excise duty remission of INR 97.27 lakhs (31 March 2017: INR 322.19 lakhs) for the year is recognized as income from operations. The cumulative amount of remission as on March 31, 2018, so recognized is INR 2,497.87 lakhs (31 March 2017: INR 2,400.60 lakhs).

20 UTILIZATION OF PROCEEDS OF RIGHTS ISSUE:

On 2 September 2013, the Company pursuant to its Rights issue of equity shares allotted 31,283,831 Equity Shares of face value of Re. 1/- each to the eligible equity shareholders in the ratio of 14 equity shares for every 29 equity shares held on the record date i.e. 2 August, 2013 at a price of INR 33/- per share (inclusive of Share Premium of INR 32/- per share). The aggregate amount collected pursuant to the Rights issue was INR10,323.66 lakhs.

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to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

The utilization of funds received by way of Rights Issue:

Particulars	2017-18	2016-17	2015-16
Rights issue expenditure	-	167.23	167.23
Capital Expenditure	-	10,156.43	6,163.69
Amount kept in Banks in Fixed Deposits & current Account	-	-	3,992.74
Total funds raised from Rights issue of equity shares	**-**	**10,323.66**	**10,323.66**

21 EXPENDITURE ON RESEARCH AND DEVELOPMENT :

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

Sr No.	Particulars	2017-18	2016-17
1	Employee Cost	345.29	317.33
2	Cost of Materials	0.07	0.85
3	Other Expenses	20.61	24.60
		365.97	**342.78**

22 DUES TO MICRO AND SMALL ENTERPRISES

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 has been made in the financial statements based on information received and available with the Company.

Sr No.	Particulars	As at and For the year ended 31 March 2018	As at and For the year ended 31 March 2017
1	the amounts remaining unpaid to micro and small suppliers as at the end of the year		
	- Principal	255.48	74.54
	- Interest	6.34	3.79
2	the amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	Nil	Nil
3	the amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year;	720.49	334.34
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 MSMED Act, 2006;	6.18	3.67
5	the amount of interest accrued and remaining unpaid at the end of each accounting year;	6.34	3.79
6	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006;	Nil	Nil

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

23 TAX EXPENSE

(a) Amounts recognised in profit and loss

	For the year ended 31 March 2018	For the year ended 31 March 2017
I. Current income tax (Minimum alternate tax-MAT)		
Current year	255.91	0.03
Earlier year	-	(0.62)
	255.91	(0.59)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	252.41	76.35
Deferred tax expense	**252.41**	76.35
Tax expense for the year	**508.32**	75.76

(b) Amounts recognised in other comprehensive income

	For the year ended 31 March 2018			For the year ended 31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(35.97)	12.45	(23.52)	(69.56)	23.00	(46.56)
Fair value changes on equity instruments	80.93	1.03	81.96	261.26	(55.87)	205.39
	44.96	**13.48**	**58.44**	191.70	(32.87)	158.83

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	**1,489.01**	227.08
Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 33.06%)	**515.32**	75.08
Non-deductible tax expenses	**(9.07)**	(3.44)
Tax pertaining to prior years	**-**	(0.62)
Others	**2.07**	4.74
	508.32	75.76

The Company's standalone effective tax rates for the year ended 31 March 2018 and 31 March 2017 were 34.14% and 33.36% respectively.

24 LEASES:

The group has entered into operating leases on certain residential premises for employees, office premises, factory premises and godowns, with lease terms between one and five years. There are no restrictions of a material nature imposed by lease arrangements.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Lease rental expense debited to Statement of Profit and loss is INR 1320.23 lakhs (31 March 2017: INR 1361.06 lakhs).

Lease rental commitments on non cancellable agreements are as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Not later than 1 year	310.80	310.80	-
later than one year and not later than five years;	233.10	543.90	-
later than five years.	-	-	-

25 DEFERRED TAX ASSET (NET):

Particulars	Deferred Tax Assets / (Liabilities) 1 April 2017	Recognised in Statement of Profit and Loss	Recognised in OCI	Net Deferred Tax Assets/Liabilities March 31, 2018
Expenditure allowed on payement basis	213.79	(54.79)	12.45	171.45
Unabsorbed depreciation	578.96	(244.46)	-	334.50
Others	371.83	60.95	-	432.78
Provision for doubtful debts/advances	56.69	13.06	-	69.75
Indexation benefit on investment property	6.58	(5.50)	-	1.08
MAT Credit entitlement	-	255.91	-	255.91
Deferred tax assets	**1,227.85**	**25.17**	**12.45**	**1,265.47**
Deferred tax liabilites				
Tangible and intangible assets	(770.80)	277.58	-	(1,048.38)
Fair valuation of investments	(55.87)	-	1.03	(54.84)
	(826.67)	**277.58**	**1.03**	**(1,103.22)**
Net tax assets	**401.18**	**302.75**	**13.48**	**162.25**

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Particulars	Deferred Tax Assets / (Liabilities) 1 April 2016	Recognised in Statement of Profit and Loss	Recognised in OCI	Net Deferred Tax Assets March 31, 2017
Deferred Tax Assets				
Expenditure allowed on payment basis	223.54	(32.75)	23.00	213.79
Unabsorbed depreciation	652.06	(73.10)	-	578.96
Others	313.31	58.52	-	371.83
Provision for doubtful debts/advances	60.20	(3.51)	-	56.69
Indexation benefit on investment property	-	6.58	-	6.58
Deferred tax assets	**1,249.10**	**(44.26)**	**23.00**	**1,227.85**
Deferred tax liabilites				
Tangible and intangible assets	(738.70)	(32.10)	-	(770.80)
Fair valuation of investments	-	-	(55.87)	(55.87)
	(738.70)	**(32.10)**	**(55.87)**	**(826.67)**
Net tax assets	**510.40**	**(76.36)**	**(32.87)**	**401.18**

26 EARNINGS PER SHARE (BASIC & DILUTED):

Particulars	2017-18	2016-17
Net Profit available for equity shareholders – INR Lakhs	980.69	151.32
1. Number of equity shares outstanding at the beginning of the year	100,303,806	100,303,806
2. Number of shares issued during the year	-	-
Weighted average of numbers of equity shares outstanding at the end of the year (Nos.)	100,303,806	100,303,806
Earnings per equity share (Face value of Re. 1/- each) - Basic INR	0.98	0.15
Earnings per equity share (Face value of Re. 1/- each) - Diluted INR	0.98	0.15

27 EMPLOYEE BENEFITS:

Defined Contribution Plans

Company's contributions paid/payable during the year to provident fund and superannuation fund are recognized in the Consolidated statement of profit and loss. The contributions charged to the Consolidated statement of profit and loss is INR 309.42 lakhs (31 March 2017 INR 323.01 lakhs)

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 measure each unit separately to build up the final obligation. 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.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

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, employees 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.

		2017-18	2016-17	2015-16
a	**Actuarial assumptions:**			
	Discount rate	7.82%	7.51%	7.81%
	Rate of increase in salary	5.00%	4.00%	4.00%
	Expected return on plan assets	7.82%	7.51%	7.81%
	Attrition rate	For Service 4 years and below- 20% 5 years and above - 2.5%	For Service 4 years and below- 20% 5 years and above - 2.5%	For Service 4 years and below- 20% 5 years and above - 2.5%
b	**Reconciliation of Benefit Obligation:**			
	Present value of benefit obligations at the beginning of the year	1,183.35	1,117.46	929.42
	Interest Cost	88.87	87.28	73.89
	Current Service Cost	54.85	56.97	44.05
	Benefit Paid from the Fund	(164.12)	(141.95)	(131.45)
	Actuarial (Gain) / Loss on Obligations recognized in other comprehensive income	26.53	63.59	201.55
	Liability at the end of the year	1,189.48	1,183.35	1,117.46
	As at 31 March 2018, the weighted average duration of the defined benefit obligation was 6 years (31 March 2017 : 9 years)			
c	**Reconciliation of value of Plan Assets:**			
	Fair Value of Plan Assets at the beginning of the year	1,048.70	831.69	578.89
	Expected return on plan assets	78.76	64.95	46.02
	Contributions by the employer	249.95	299.98	224.93
	Benefit Paid	(164.12)	(141.95)	(131.45)
	Actuarial (Gain) / Loss on Plan assets recognized in other comprehensive income	(9.44)	(5.97)	113.30
	Fair Value of Plan Assets at the end of the year	1,203.85	1,048.70	831.69

Expected Contribution

The expected contribution for defined benefit plan for the next financial year will be in line with the contribution for the period and is expected by the management to be INR 200.00 lakhs (31 March 2017 INR 249.95 lakhs)

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

		2017-18	2016-17	2015-16
d	**Balance sheet reconciliation**			
	Opening net liability	134.65	285.77	350.53
	Expenses recognized in the Statement of Profit and Loss	64.95	79.29	160.17
	Expenses recognized in Other Comprehensive Income	35.97	69.56	-
	Employer's contribution	(249.95)	(299.97)	(224.93)
	Net Liability/(Asset) recognised in Balance sheet	(14.38)	134.65	285.77

e Expenses recognized in the Statement of Profit and Loss under the head Employee benefits expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current Service Cost	54.85	56.97
Interest Cost	88.87	87.27
Return on Plan Assets	(78.76)	(64.95)
Expenses recognized in the Statement of Profit and Loss	64.96	79.29

f Expenses recognised in Other Comprehensive Income for the year

	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial losses on obligation for the period	26.53	63.59
Actuarial losses on plan assets	9.44	5.97
Expenses recognized in Other Comprehensive Income	35.97	69.56

g Sensitivity Analysis

	For the year ended 31 March 2018	For the year ended 31 March 2017
Defined Benefit Obligation		
Discount Rate		
a. Discount Rate - 100 basis points	53.87	48.15
b. Discount Rate + 100 basis points	(47.80)	(42.63)
Salary Increase Rate (Consider taking into account inflation, seniority, promotion and other relavant factors)		
a. Rate - 100 basis points	(49.45)	(44.39)
b. Rate + 100 basis points	54.86	49.37

Note on Sensitivity Analysis

1 Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is shown in the table above.

2 The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

Notes
to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

h Expected future cash flows

The expected future cash flows in respect of gratuity on Balance Sheet dates will be as follows:

Projected benefits payable in future years from the date of reporting	2017-18	2016-17
1st following year	293.49	520.46
2nd following year	290.41	74.31
3rd following year	80.98	93.89
4th following year	109.79	75.96
5th following year	74.42	95.11
Sum of years 6 to 10	339.56	317.21
Sum of years 11 and above	710.02	601.76

Other long term employee benefit - Compensated absense

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and acturial gain and losses are charged to the Statement of profit and loss.

28 RELATED PARTIES:

a Name of related parties and nature of relationship

1	Kokuyo Co. Limited.	Holding Company

b Name of other related parties and nature of relationship where there are transaction with related parties

2	Kokuyo Commerce (Shanghai) Co., Limited	Fellow Subsidiary
3	Kokuyo Vietnam Trading Co. Limited	
4	Kokuyo Vietnam Co.,Limited	
5	Kokuyo Co.Limited, Hongkong	
6	Kokuyo International (M) SDN BHD	
7	Excella Pencils Limited (associate upto 30th September 2016)	Entities over which KMPs /directors and/or their relatives are able to exercise significant influence
8	Camlin Fine Sciences Limited	
9	Nilmac Packaging Industries Limited	
10	Triveni Pencils Limited	
11	Mayur Colours Limited	
12	Dandekar Inks & Adhesives Limited	

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

c Key Management Personnel and their Relatives

Name of the Person	Nature of Relationship
Key Management Personnel	
Mr. Dilip Dandekar	Chairman & Executive Director (C& ED)
Mr. Shriram Dandekar	Vice Chairman & Executive Director (VC & ED)
Mr. Nobuchika Doi	Chief Excecutive Officer and Executive Director
Mr. Takeo Iguchi	Executive Director
Mr. Chetan Badal	Chief Financial Officer
Mr. Ravindra Damle	V.P. (Corporate) & Company Secretary
Relatives	
Mr. Subhash. Dandekar	Chairman Emeritus and brother of C & ED
Mrs. Aditi Dighe	General Manager - Marketing (Colour Group 2) and daughter of C& ED
Mr. Rahul Dandekar	Deputy General Manager - Marketing and son of C& ED (from 13 November 2017)

d Transactions with entities over which KMPs / directors and/or their relatives are able to exercise significant influence

Particulars	Name of entity	2017-18	2016-17
Receiving Services	Dandekar Inks & Adhesives Limited	13.74	13.74
	Nilmac Packaging Industries Limited	777.72	701.76
	Excella Pencils Limited	899.36	771.61
	Total	**1,690.82**	**1,487.11**
Dividend Received	Camlin Fine Sciences Limited	-	3.60
	Total	**-**	**3.60**
Reimbursement of expenses	Excella Pencils Limited	50.28	139.66
	Triveni Pencils Limited	-	12.82
	Nilmac Packaging Industries Limited	16.30	19.07
	Mayur Colours Ltd	0.38	-
	Total	**66.96**	**171.55**

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

e Balances with entities over which KMPs / directors and/or their relatives are able to exercise significant influence

		31 March 2018	31 March 2017	1 April 2016
Net Amount Payable	Nilmac Packaging Industries Limited	-	0.81	40.41
	Dandekar Inks & Adhesives Limited	-	16.96	-
	Mayur Colours Limited	-	-	0.01
	Total	-	17.77	40.42
Net Amount Receivable	Triveni Pencils Limited	-	-	0.51
	Camlin Fine Sciences Limited	0.03	0.01	-
	Total	**0.03**	**0.01**	**0.51**

f Payments to Key Management Personnel and their relatives

		2017-18	2016-17
Remuneration	Mr. Dilip Dandekar	162.26	150.20
	Mr. Shriram Dandekar	136.88	126.26
	Mr. Nobuchika Doi	87.75	92.51
	Mr. Takeo Iguchi	86.38	92.57
	Mr. Chetan Badal	69.60	63.40
	Mr. Ravindra Damle	41.39	38.75
	Ms. Aditi Dighe	11.96	24.31
	Mr. Rahul Dandekar	7.58	-
	Total	**603.80**	**588.00**

Transactions with Fellow subsidiary company

Particulars	**Name of entity**	2017-18	2016-17
Purchase of goods	Kokuyo Vietnam Trading Co. Limited	9.43	4.40
	Total	**9.43**	4.40
Sale of Goods	Kokuyo Co.Limited, Hongkong	20.67	65.12
	Kokuyo Commerce (Shanghai) Co. Limited	-	11.96
	Kokuyo Vietnam Trading Co. Limited	-	4.40
	Total	**20.67**	81.48
Purchase of Fixed Assets	Kokuyo International (M) SDN BHD	11.19	-
	Total	**11.19**	-

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to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Balances with Fellow subsidiary company

Particulars	Name of entity	31 March 2018	31 March 2017	1 April 2016
Net Amount Receivable	Kokuyo Commerce (Shanghai) Co. Limited		-	5.13
	Kokuyo Vietnam Trading Co. Limited		3.67	-
	Total	**-**	**3.67**	**5.13**

g Transactions with Holding company

Particulars	Name of entity	2017-18	2016-17
Purchase of goods	Kokuyo Co. Limited	7.02	5.97
	Total	**7.02**	5.97
Sale of Goods	Kokuyo Co. Limited	0.08	1.71
	Total	**0.08**	1.71
Reimbursement of Expenses paid	Kokuyo Co. Limited	37.02	4.50
	Total	**37.02**	4.50
Royalty Paid	Kokuyo Co. Limited	2.50	-
	Total	**2.50**	-

Balances with Holding company

		31 March 2018	31 March 2017	1 April 2016
Net Amount Payable	Kokuyo Co. Limited	-	0.09	6.07
	Total	-	0.09	6.07
Net Amount Receivable	Kokuyo Co. Limited	20.10	-	-
	Total	**20.10**	**-**	**-**

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

29 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2018	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current								
(i) Investments	1,053.55	-	-	1,053.55	810.01	243.54	-	1,053.55
(ii) Loans	-	-	194.36	194.36	-	-	-	-
(iii) Others financial asset	-	-	45.99	45.99	-	-	-	-
Current								
(iv) Trade receivables	-	-	10,950.67	10,950.67	-	-	-	-
(v) Cash and cash equivalents	-	-	438.67	438.67	-	-	-	-
(vi) Bank balances other than (v) above	-	-	16.67	16.67	-	-	-	-
(vii) Loans and advances	-	-	10.62	10.62	-	-	-	-
	1,053.55	**-**	**11,656.98**	**12,710.53**	**810.01**	**243.54**	**-**	**1,053.55**
Financial liabilities								
Non-Current								
(i) Borrowings	-	-	1,044.10	1,044.10	-	-	-	-
(ii) Other financial liabilities - Derivative Liabilities	-	137.34	-	137.34	-	137.34	-	137.34
Current								
(i) Short term borrowings	-	-	12,264.65	12,264.65	-	-	-	-
(ii) Trade payables	-	-	7,886.33	7,886.33	-	-	-	-
(iii) Other financial liabilities	-	-	2,483.72	2,483.72	-	-	-	-
	-	**137.34**	**23,678.80**	**23,816.14**	**-**	**137.34**	**-**	**137.34**

31 March 2017	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current								
(i) Investments	972.62	-	-	972.62	716.01	256.61	-	972.62
(ii) Loans	-	-	279.95	279.95	-	-	-	-
(iii) Others financial asset				-				
- Derivative assets	-	80.77	-	80.77	-	80.77	-	80.77
- Fixed deposits	-	-	57.94	57.94	-	-	-	-
Current								
(iv) Trade receivables	-	-	10,634.01	10,634.01	-	-	-	-
(v) Cash and cash equivalents	-	-	1,204.40	1,204.40	-	-	-	-
(vi) Bank balances other than (v) above	-	-	209.66	209.66	-	-	-	-
(vii) Loans and advances	-	-	26.81	26.81	-	-	-	-
	972.62	**80.77**	**12,412.77**	**13,466.16**	**716.01**	**337.38**	**-**	**1,053.39**

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

31 March 2017	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Non-Current								
(i) Borrowings	-	-	1,544.89	1,544.89	-	-	-	-
(ii) Other financial liabilities - Derivative Liabilities	-	-	195.86	195.86	-	-	-	-
Current								
(i) Short term borrowings	-	-	11,250.01	11,250.01	-	-	-	-
(ii) Trade payables	-	-	7,949.10	7,949.10	-	-	-	-
(iii) Other financial liabilities	-		3,073.48	3,073.48	-	-	-	-
	-	**-**	**24,013.34**	**24,013.34**	**-**	**-**	**-**	**-**

1 April 2016	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current								
(i) Investments	752.10	-	-	752.10	709.21	-	-	709.21
(ii) Loans	-	-	331.48	331.48	-	-	-	-
(iii) Others financial asset	-	-	-	-	-	-	-	-
- Derivative assets		185.63	-	185.63	-	185.63	-	185.63
- Fixed deposits	-	-	21.18	21.18	-	-	-	-
Current								
(iv) Trade receivables	-	-	9,099.55	9,099.55	-	-	-	-
(v) Cash and cash equivalents	-	-	4,015.88	4,015.88	-	-	-	-
(vi) Bank balances other than (v) above	-	-	2,716.32	2,716.32	-	-	-	-
(vii) Loans and advances	-	-	131.42	131.42	-	-	-	-
	752.10	**185.63**	**16,315.83**	**17,253.56**	**709.21**	**185.63**	**-**	**894.84**
Financial liabilities								
Non-Current								
(i) Borrowings	-	-	2,646.55	2,646.55	-	-	-	-
(ii) Other financial liabilities - Derivative liabilities	-	-	142.14	142.14	-	-	-	-
Current								
(i) Short term borrowings	-	-	10,301.36	10,301.36	-	-	-	-
(ii) Trade payables	-	-	6,500.10	6,500.10	-	-	-	-
(iii) Other financial liabilities	-	-	2,404.90	2,404.90	-	-	-	-
	-	**-**	**21,995.05**	**21,995.05**	**-**	**-**	**-**	**-**

Notes

Investment in associates have been accounted at equity cost. Since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

B. Measurement of fair values

Fair value hierarchy / valuation techniques

No financial instruments are recognised and measured at fair value, except derivative contracts which are measured at fair value through Statement of profit and loss. These derivative contracts are currency and interest rate swap contracts that are not traded in an active market. Their fair valuation is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates and quotes received from the banks. Since all significant inputs required to fair value these derivative contracts are observable, the instruments are classified as level 2. Other than derivatives liabilities, all other financial assets and liabilities are classified as level 3.

For all the financial assets and liabilities referred above that are measured at amortised cost, their carrying amounts are reasonable approximations of their fair values. The carrying amounts of loans, trade receivables, trade payables, cash and cash equivalents, other bank balances, other financial assets,are considered to be the same as their fair values due to their short term nature.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Group specific estimates.The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

C. Financial risk management

Risk management framework

The Group's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risks. The Group's senior management and key management personnel have the ultimate responsibility for managing these risks. The Group has mechanism to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

i Management of the credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Trade Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Concentration of credit risk with respect to trade receivables are limited, due to the Group's customer base being large. All trade receivables are reviewed and assessed for default on a regular basis. The historical experience of collecting receivables, supported by the level of default, is that the credit risk is low.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. The Group assesses and manages credit risk based on the Group's credit policy. Under the Group's credit policy, each new customer is analyzed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered. The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group's trade receivables are geographically dispersed. The Management do not believe there are any particular customers or group of customers that would subject the Group to any significant credit risks in the collection of accounts receivable.

Following is the movement in Provision for Doubtful debts

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Provision for doubtful debts at the beginning of the year	171.45	182.07
Provision for doubtful debts during the year	48.46	35.04
Trade receivables written back	(37.23)	(45.66)
Provision for doubtful debts as at the end of the year	182.68	171.45

Cash and cash equivalents

The Group is also exposed to credit risks arising on cash and cash equivalents and term deposits with banks. The Group believes that its credit risk in respect to cash and cash equivalents and term deposits is insignificant as funds are invested in term deposits at pre -determined interest rates for specified period of time. For cash and cash equivalents and other bank balances, only high rated banks are accepted.

Other Financial Assets:

The Group periodically monitors the recoverability and credit risks of its other financial assets including employee loans, deposits and other receivables. The Group evaluates 12 month expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Group considers life time expected credit losses for the purpose of impairment provisioning.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Following is the movement in Provision for Expected credit loss on Other non-current financial assets:

Security deposits	Year ended 31 March 2018	Year ended 31 March 2017
Loss allowance at the beginning of the year	2.11	–
Changes in allowance during the year	16.75	2.11
Loss allowance as at the end of the year	18.86	2.11

ii **Liquidity risk**

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Group maintains a cautious funding strategy. This is the result of cash generated from the business. Cash flow from operating activities provides the funds to service the working capital requirement. Accordingly, low liquidity risk is perceived.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Particulars		Contractual cash flows			
	Carrying amount	Total	Less than 1 year	1- 5 years	More than 5 years
As at 31 March 2018					
Non-derivative financial liabilities					
Term Loans (including current maturities)	1,559.95	1,559.95	515.85	1,044.10	-
Short term borrowings	12,264.65	12,264.65	12,264.65	-	-
Trade payables	7,886.33	7,886.33	7,886.33	-	-
Other financial liabilities	1,967.87	1,967.87	1,967.87	-	-
Derivative Financial Liabilities					
Currency and interest rate contracts	137.34	137.34	137.34	-	-
As at 31 March 2017					
Non-derivative financial liabilities					
Term Loans (including current maturities)	2,580.69	2,580.69	1,035.80	1,544.89	-
Short term borrowings	11,250.01	11,250.01	11,250.01	-	-
Trade payables	7,949.10	7,949.10	7,949.10	-	-
Other financial liabilities	2,037.68	2,037.68	2,037.68	-	-
Derivative Financial Liabilities					
Currency and interest rate contracts	195.86	195.86	195.86	-	-
As at 1 April 2016					
Non-derivative financial liabilities					
Term Loans (including current maturities)	3,188.43	3,188.43	541.88	2,646.55	-
Short term borrowings	10,301.36	10,301.36	10,301.36	-	-
Trade payables	6,500.10	6,500.10	6,500.10	-	-
Other financial liabilities	1,863.02	1,863.02	1,863.02	-	-
Derivative Financial Liabilities					
Currency and interest rate contracts	142.14	142.14	142.14	-	-

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

iii Market risk - Currency risk

The Group's operations result in it being exposed to foreign currency risk on account of trade receivables, trade payables and borrowings. The foreign currency risk may affect the Group's income and expenses, or its financial position and cash flows. The objective of the Group's management of foreign currency risk is to maintain this risk within acceptable parameters, while optimising returns. The Group's exposure to, and management of this risks is explained below:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in lakhs, are as follows:

Particulars	31 March 2018		31 March 2017		1st April 2016	
	Foreign currency Amount	Amount in INR	Foreign currency Amount	Amount in INR	Foreign currency Amount	Amount in INR
Loan from - Banks (Unsecured and Hedged)						
USD	23.40	1,528.52	39.32	2,571.23	47.45	3,176.04
Less : Currency swap		1,528.52		2,571.23		3,176.04
Net exposure		-		-		-
Receivables						
USD	4.19	272.53	8.23	533.62	8.81	584.39
Payables						
YEN	881.21	542.30	888.96	515.24	657.04	388.05
USD	-	-	1.61	104.39	1.05	69.65
EUR	-	-	0.60	41.55	-	
GBP	-	-	0.13	10.51	-	

Sensitivity analysis

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of the Group would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Particulars	31 March 2018		31 March 2017		1st April 2016	
	Foreign currency Amount	Amount in INR	Foreign currency Amount	Amount in INR	Foreign currency Amount	Amount in INR
Net exposure						
USD	(21.13)	(1,381.58)	(35.97)	(2,356.20)	(43.66)	(2,927.43)
EURO	-	-	(0.66)	(45.70)	-	-
GBP	-	-	(0.14)	(11.57)	-	-
JPY	(969.33)	(596.53)	(977.86)	(566.77)	(722.74)	(426.85)

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Effect in INR (increase in rate by 10%)	31 March 2018	31 March 2017
Currencies		
USD	(125.60)	(214.20)
EURO	-	(0.06)
GBP	-	(0.01)
JPY	(54.23)	(51.52)
	(179.83)	**(265.79)**

If the rate is decreased by 10% then there will be increase in profit and equity of INR 179.83 lakhs for the year ended 31 March 2018 and INR 265.80 lakhs for the year ended 31 March 2017.

iv Market risk - Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short term borrowings (excluding commercial paper) with floating interest rates. For all long-term borrowings with floating rates, which are in foreign currency, the risk of variation in the interest rates is mitigated through interest rate swaps and hence, considered fixed rate borrowings. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Interest rate exposure:

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	12,296.08	12,264.65	31.43
USD	1,528.52	-	1,528.52
Total as at 31 March 2018	13,824.60	12,264.65	1,559.95
INR	11,259.47	11,250.01	9.46
USD	2,571.23	-	2,571.23
Total as at 31 March 2017	13,830.70	11,250.01	2,580.69
INR	10,313.75	10,301.36	12.39
USD	3,176.04	-	3,176.04
Total as at 1 April 2016	13,489.79	10,301.36	3,188.43

Interest rate sensitivities for unhedged exposure (impact on profit on increase of interest rate by 100 bps):

Particulars	31 March 2018	31 March 2017	As at 1 April 2016
INR	(122.65)	(112.50)	(103.01)
USD	-	-	-

Note: If the rate is decreased by 100 bps profit will increase by an equal amount.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

iv Derivative instruments

Currency and Interest Rates Swaps Contracts:

(A) Derivatives for hedging currency and interest rates, outstanding are as under:

Particulars	Purpose	Currency	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	Cross Currency
a) Currency and interest rate swap	ECB*	USD in lakhs	**23.40**	39.32	47.45	INR

*External Commercial Borrowings

30 FIRST-TIME IND AS ADOPTION RECONCILIATIONS

A Effect of Ind AS adoption on the balance sheet as at 31 March 2017 and 1 April 2016

Particulars	Note	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	30 D (b) (c)	12,124.90	(2,137.21)	9,987.69	10,269.93	(2,169.67)	8,100.26
(b) Capital work-in-progress		4,956.79	-	4,956.79	2,497.93	-	2,497.93
(c) Investment Property	30 D (c)	-	2.73	2.73	-	2.73	2.73
(d) Other Intangible assets		172.41	-	172.41	241.40	-	241.40
(e) Investment in associates		-	-	-	42.89	0.00	42.89
(f) Financial Assets							-
(i) Investments	30 D (d)	54.29	918.33	972.62	52.62	699.48	709.21
(ii) Loans	30 D (l)	1,763.86	(1,483.91)	279.95	1,631.92	(1,300.44)	331.48
(iii) Others financial asset	30 D (l)	-	138.71	138.71	-	206.81	206.81
(g) Deferred tax assets (net)	30 D (n)	425.14	(23.96)	401.18	484.66	25.74	510.40
(h) Other non-current assets	30 D (l)	-	115.12	115.12	-	213.08	213.08
(i) Other non-current assets	30 D (b) (l)	57.93	3,401.29	3,459.22	21.18	3,185.77	3,206.95
Total Non - Current Assets		**19,555.32**	**931.10**	**20,486.42**	**15,199.64**	**863.50**	**16,063.14**
Current assets					-	-	-
(a) Inventories		14,084.75	-	14,084.75	12,437.19	-	12,437.19
(b) Financial Assets							
(i) Trade receivables		10,634.01		10,634.01	9,099.55	-	9,099.55
(ii) Cash and cash equivalents	30 D (l)	1,414.06	(209.66)	1,204.40	6,732.20	(2,716.32)	4,015.88
(iii) Bank balances other than (ii) above	30 D (l)	-	209.66	209.66	-	2,716.32	2,716.32
(iv) Loans and advances	30 D (l)	1,373.91	(1,347.10)	26.81	1,190.16	(1,058.74)	131.42
(c) Other current assets	30 D (b) (l)	26.81	1,389.87	1,416.68	172.85	1,103.57	1,276.42
Total Current Assets		**27,533.54**	**42.77**	**27,576.31**	**29,631.95**	**44.83**	**29,676.78**
Total Assets		**47,088.86**	**973.87**	**48,062.73**	**44,831.59**	**908.33**	**45,739.92**

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Particulars	Note	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital		1,003.04	-	1,003.04	1,003.04	-	1,003.04
(b) Other Equity	30 D	20,894.78	893.08	21,787.86	20,872.75	647.36	21,520.11
Total equity		**21,897.82**	**893.08**	**22,790.90**	**21,875.79**	**647.36**	**22,523.15**
					-	-	-
Liabilities					**-**	**-**	**-**
Non-current liabilities					-	-	-
(a) Financial Liabilities					-	-	-
(i) Borrowings	30 D (j)	1,544.89	-	1,544.89	2,581.82	64.73	2,646.55
(ii) Other financial liabilities	30 D (l),(k)	1,311.26	(1,115.40)	195.86	1,152.77	(1,010.63)	142.14
(b) Provisions		199.86	-	199.86	317.41	-	317.41
Total Non - Current Liabilities		**3,056.01**	**(1,115.40)**	**1,940.61**	**4,052.00**	**(945.90)**	**3,106.10**
Current liabilities					**-**	**-**	**-**
(a) Financial Liabilities					-	-	-
(i) Short term borrowings	30 D (i)	7,294.13	3,955.88	11,250.01	6,858.48	3,442.88	10,301.36
(ii) Trade payables	30 D (i)	11,903.83	(3,954.73)	7,949.10	9,942.94	(3,442.84)	6,500.10
(iii) Other financial liabilities	30 D (l),(k)		3,073.48	3,073.48	24.79	2,380.11	2,404.90
(b) Other current liabilities	30 D (l)	2,719.99	(1,878.44)	841.55	1,862.55	(1,173.28)	689.27
(c) Provisions		217.08	-	217.08	215.04	-	215.04
Total Current Liabilities		**22,135.03**	**1,196.19**	**23,331.22**	**18,903.80**	**1,206.87**	**20,110.67**
Total Equity and Liabilities		**47,088.86**	**973.87**	**48,062.73**	**44,831.59**	**908.33**	**45,739.92**

B Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31 March 2017

Particulars			Note No	Year ended 31 March 2017		
				Previous GAAP	Effect of transition to Ind AS	Ind AS
REVENUE						
I	Revenue from operations		30 D (g),(h)	64,027.67	2,287.79	66,315.46
II	Other Income		30 D (f)	290.88	16.21	307.09
III	**Total Income (I + II)**			**64,318.55**	**2,304.00**	**66,622.55**
IV	**EXPENSES**					
	(a)	Cost of materials consumed		24,929.21	-	24,929.21
	(b)	Excise duty		-	3,349.59	3,349.59
	(c)	Purchases of Stock-in-trade		16,139.00	-	16,139.00
	(d)	Changes in stock of finished goods, work-in-progress and stock-in-trade		(1,136.54)	-	(1,136.54)
	(e)	Employee benefits expense		6,875.88	(69.56)	6,806.32
	(f)	Finance costs		1,174.61	-	1,174.61

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Particulars			Note No	Year ended 31 March 2017		
				Previous GAAP	Effect of transition to Ind AS	Ind AS
	(g)	Depreciation and amortisation expense		1,240.12	(32.46)	1,207.66
	(h)	Other expenses		14,941.67	(1,014.38)	13,927.29
	Total Expenses (IV)			**64,163.95**	**2,233.19**	**66,397.14**
V	**Profit before tax (III - IV)**			**154.60**	**70.81**	**225.41**
	Share of profits of associate			**1.67**		**1.67**
VI	**Profit before tax**			156.27	70.81	227.08
VII	**Tax Expense**					
	(1)	Current tax		0.03	-	0.03
	(2)	Deferred tax		59.52	16.83	76.35
	(3)	Prior years - Income tax		(0.62)		(0.62)
	Total tax expense (VI)			**58.93**	**16.83**	**75.76**
VIII	**Profit/(loss) after tax from continuing operations (V -VI)**			**97.34**	**53.98**	**151.32**
IX	**Other comprehensive income**			-	116.42	116.42
	i)	Items that will not be recycled to profit or loss		-	-	-
		(a) Remeasurements of definded benefit plans		-	(69.56)	(69.56)
		(b) Fair value changes on equity instruments		-	218.85	218.85
	ii)	Income tax relating to items that will not be reclassified to profit or loss		-	(32.87)	(32.87)
X	**Total comprehensive income for the year**			**97.34**	**170.40**	**267.74**

C Cash flow statement

No significant effect on cash flows.

D Notes to the Reconciliations

a First-time Adoption of Ind AS

Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Group has prepared the opening Balance Sheet as per Ind AS as of 1st April, 2016 (the transition date) by:

i. recognising all assets and liabilities whose recognition is required by Ind AS,

ii. not recognising items of assets or liabilities which are not permitted by Ind AS,

iii. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and

iv. applying Ind AS in measurement of recognised assets and liabilities.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions in the Consolidated financial statements.

i. Property, plant and equipment and intangible assets were carried at historical cost in the Balance Sheet prepared in accordance with previous GAAP on 31st March, 2016. Under Ind AS, the Group has elected to regard such carrying values as deemed cost at the date of transition.

ii. Under previous GAAP, investment in subsidiaries, joint ventures and associates were stated at cost and provisions made to recognise the decline, other than temporary. Under Ind AS, the Group has considered their previous GAAP carrying amounts as their deemed cost.

b Leasehold land classified to prepaid

Under the previous GAAP, leasehold properties were presented as fixed assets and amortized over the period of the lease. Under Ind AS, such property have been classified as prepayment within non-current assets (current portion presented as other current assets) and have been amortised over the period of the lease, resulting in decrease in property, plant and equipment by Rs 2,134.48 lakhs as at 31 March 2017 and Rs 2,166.94 lakhs as at 1 April 2016 . Such reclassification has resulted in decrease in depreciation and amortization expense by Rs 32.46 lakhs and corresponding increase in Rent, but does not affect profit before tax and total profit for the year ended 31 March 2017.

c Investment property

Under the previous GAAP, Freehold land is presented under Fixed Assets and was carried at historical cost i. e Rs 2.73 lakhs. On transition to Ind AS, Freehold land held for undetermined future use is classified as 'Investment property' and the same is presented at historical cost separately in the Balance Sheet along with disclosure of its fair value at each annual reporting date. Deferred Tax Liability on the same is calculated and recognised in Statement of profit and loss.

d FVTOCI financial assets

Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.

e Actuarial gains and losses

Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss. However, this has no impact on the total comprehensive income and total equity as on 1 April 2016 or as on 31 March 2017.

f Interest free rent deposits

Under previous GAAP, interest free rent deposits given was carried at cost. Under Ind AS, such interest free deposit are measured at fair value . Difference between fair value and deposit amount is

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

recognised as Deferred Lease Expense at initial recognition and amortised over the period of lease on straight line basis. Deposit shall be measured at amortised cost subsequently by recognising interest income.

g Excise Duty

Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face of the statement of profit and loss. The change does not affect total equity as at 1 April 2016 and 31 March 2017, profit before tax or total profit for the year ended 31 March 2017.

h Sales discount

Under previous GAAP, Volume discounts and promotional discounts given through credit notes were recorded as sales promotion expenses. Whereas, as per Ind AS, schemes and discounts are reduced from revenue.This does not affect profit or equity.

i Trade payables – Discounted bills/ Buyer's credit

Under Previous GAAP, Hundi/ buyer's credit availed from bank were presented as part of trade payables and acceptances. Whereas as per Ind AS, bills discounted and buyers' credit availed is presented as short term borrowing since it's an arrangement between bank and the Group and interest expense is borne by Group.

j Cross Currency Interest Rate Swap and External Commercial Borrowings

Under Previous GAAP,both the instruments i.e. ECB and CCIRS are accounted as one instrument, and therefore, ECB loan is recorded in INR , Interest expenses is recognised based on the fixed interest rate as per CCIRS and Derivative assets/ liability is not recorded.

As per Ind AS, both the instruments, ECB and CCIRS, are recognised separately, ECB is measured at amortised cost in USD and translated to INR,Interest expenses is recorded in USD and translated into INR, Balance of ECB loan and interest payable is retranslated into INR using applicable spot exchange rate at each reporting date and Derivative assets/ liability is measured at its fair value.

k Deposits received

The Group has received deposits from distributors and C&F agents which were classified under non-current liability under previous GAAP based on past trends/ experience of withdrawal of such deposits from the Group.. Since,the arrangement between the parties can be terminated by either party by giving an advance notice of 30 to 60 days and then deposit shall be repaid by the Group the same has been classified as Current Liability as per Ind AS 1.

l Classification between financial and non financial assets/liabilities

Under previous GAAP, there were no requirement to present financial assets and liabilities separately from other assets and other liabilities. Whereas as per Ind AS, Financial assets and financial liabilities are presented separately from other assets and other liabilities

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

m Embedded Lease

Under previous GAAP, fixed charges paid to C&F agents is recorded as freight cost.Whereas as per Ind AS, since the arrangement involves a lease of warehouse and related assets, fixed charges paid to C&F agents for right to use their warehouse facility is recorded as rent expenses.

n Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

31 SEGMENT REPORTING

The Group is in the business of manufacturing, trading and selling of stationery. It manufactures art material, marker pens, inks, pencils and others stationery products. The Management is of the view that the risks and returns for these products are not significantly different. Accordingly, the Group has a single reportable segment which is reviewed by Chief Operating Decision Maker (CODM). Further, export sales are not significant and there is no reportable secondary segment.

32 DISCLOSURE ON SPECIFIED BANK NOTES (SBNS) :

During the year 2016-17, the Group had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016. The denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	18.89	2.18	21.07
(+) Permitted receipts**	0.20	17.04	17.24
(-) Permitted payments	0.97	15.65	16.62
(-) Amount deposited in Banks	18.12	-	18.12
Closing cash in hand as on 30.12.2016	-	3.57	3.57

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November, 2016.

** Permitted receipts pertains to SBN's returned by contract workers from wages paid by the Group to them as on 7 November 2016.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2018

(₹ in Lakhs)

33 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per Section 135 of the Companies Act 2013, the Group has formed a Corporate Social Responsibility (CSR) Committee. The CSR Committee approved CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, have been identified to incur CSR expenditure

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Amount required to be spent by the Group	10.06	3.54
Amount spent		
Construction/acquisition of any asset	-	-
On purposes other than above		
Contribution to NGOs	8.25	2.70
Contribution to Central Government	2.00	1.00
Total amount spent in cash	10.25	3.70

34 SHARE OF NET ASSETS AND PROFIT/LOSS OF SUBSIDIARY

Name of the entity in the group	Net Assets i.e. total assets minus total liabilities		Share in profits or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of consolidated net asset	Amount in lakhs	As % of consolidated profit and loss	Amount in lakhs	As % of consolidated OCI	Amount in lakhs	As % of consolidated TCI	Amount in lakhs
Parent								
Kokuyo Camlin Limited	100%	23830.03	100.15%	982.17	100%	58.44	100.14%	1040.61
Subsidiary (Indian)								
Camlin International Limited	0%	-	-0.15%	(1.48)	0%	-	-14.00%	(1.48)
Associate (Indian)								
Colart Camlin Canvas Pvt. Limited	0%	-	0%	-	0%	-	0%	-
Total	**100%**	**23830.03**	**100.00%**	**980.69**	**100%**	**58.44**	**100.00%**	**1039.13**

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
9 May 2018

For and on behalf of the Board of Directors of
Kokuyo Camlin Limited
CIN : L24223MH1946PLC005434

Chetan Badal
Chief Financial Officer

Ravindra Damle
V P (Corporate) and Company Secretary

Mumbai
9 May 2018

Dilip Dandekar (DIN-00846901) - Chairman and Executive Director

Shriram Dandekar (DIN-01056318) - Vice Chairman & Executive Director

Nobuchika Doi (DIN-03599835) - Chief Excecutive Officer and Executive Director

Takeo Iguchi (DIN-03599826) - Executive Director

Shishir B. Desai (DIN-01453410) - Director

Notes

PROXY FORM

KOKUYO CAMLIN LIMITED

CIN: L24223MH1946PLC005434
Regd. Office: 48/2, Hilton House, Central Road, MIDC, Andheri (E), Mumbai – 400 093
E-mail: investorrelations@kokuyocamlin.com website www.kokuyocamlin.com
Tel: 022-6655 7000 Fax: 022-283665799

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

Name of the member(s):		E-mail id:	
Registered Address:		Folio No./ Client Id/ DP Id	

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

Name:____ Email: ____

Address: ____Signature :___________________________or failing him / her

Name:____ Email: ____

Address: ____Signature :___________________________or failing him / her

Name:____ Email: ____

Address: ____Signature :____

as my/our proxy to attend and vote (on a poll) for me / us and on my /our behalf at the 71st Annual General Meeting of the Company, to be held on Wednesday the 8th August, 2018 at 3.00 p.m. at Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai – 400 020, Maharashtra, India and at any adjournment thereof in respect of the following resolutions:

Sr. No.	Resolutions
Ordinary Business	
1.	Adoption of financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2018 and Report of Board of Directors and Auditors thereon.
2.	Re-appointment of Mr. Takeo Iguchi (DIN: 03599826), as Director who retires by rotation.
3.	Re-appointment of Mr.Takuya Morikawa (DIN: 03599830), as Director who retires by rotation.
Special Business	
Special Resolution	
4.	Appointment of Mr. Dilip D. Dandekar (DIN: 00846901) as Director in Whole-time employment designated as 'Chairman & Executive Director' for a period of one (1) year effective from 1st February, 2018 and remuneration payable to him.
5.	Appointment of Mr. Shriram S. Dandekar (DIN: 01056318) as Director in Whole-time employment designated as 'Vice- Chairman & Executive Director' for a period of one (1) year effective from 1st February, 2018 and remuneration payable to him.
Ordinary Resolution	
6.	Appointment of Mr. Kazuo Kubo (DIN: 08125242) as Director whose term of office shall be liable to retirement by rotation.

Signed this__________________day of______________2018.

Affix Revenue stamp of ₹ 1/-

____________________ __________________________

Signature of the member Signature of the proxy holder(s)

Notes:

1. This form, in order to be effective should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. A person can act as Proxy on behalf of Members upto and not exceeding 50 and holding in the aggregate not more than 10% of share capital of the Company. Further, a Member holding more than 10% of the total share capital of the Company carrying voting rights, may appoint single person as Proxy and such person shall not act as Proxy for any other person or Member.
3. Appointing a Proxy does not prevent a member from attending the meeting in person if he/she so wishes.

Route Map to the venue of the AGM

KOKUYO CAMLIN LIMITED

A SUBSIDIARY OF KOKUYO CO. LTD., JAPAN

CIN - L24223MH1946PLC005434

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

Tel.: (022) 6655 7000 | www.kokuyocamlin.com

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KOKUYO CAMLIN LIMITED

CIN: L24223MH1946PLC005434

Regd. Office: 48/2, Hilton House, Central Road, MIDC, Andheri (E), Mumbai – 400 093

E-mail: investorrelations@kokuyocamlin.com; **website**: www.kokuyocamlin.com

Tel: 022-6655 7000; **Fax:** 022-28366579

ATTENDANCE SLIP
71ST ANNUAL GENERAL MEETING ON WEDNESDAY, 8TH AUGUST, 2018

Sr.No.:

Name and Registered Address of the sole / First named member	
Name(s) of the Joint member(s) if any	
Registered Folio No. / DPID No. * / Client ID No.* (*Applicable to Investors holding Shares in Demat Form)	
Number of Shares held	

I / We hereby record my / our presence at the 71st Annual General Meeting of the Company held at Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai 400020, on Wednesday 8th August, 2018 at 3.00 pm.

Member's Folio/DP ID/Client ID No.	Member's/Proxy's name (in Block Letters)	Member's/Proxy's Signature

Note:

1. Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

ELECTRONIC VOTING PARTICULARS

(EVEN) Electronic Voting Event Number	User ID	Password
108636		

Notes :

1. Please read the instructions for e-voting given along with Annual Report. The voting period starts from, 5th August, 2018, (9:00 am) and ends on 7th August, 2018 (5:00 pm). The voting module shall be disabled by NSDL for voting thereafter.
2. Please Bring The Above Attendance Slip To The Meeting Hall.

INSTRUCTIONS FOR E-VOTING

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who holdshares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting.Click on e-Voting. Then,click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@jhrasso.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

KOKUYO CAMLIN LIMITED

CIN: L24223MH1946PLC005434

Regd. Office: 48/2, Hilton House, Central Road, MIDC, Andheri (E), Mumbai – 400 093

E-mail: investorrelations@kokuyocamlin.com; **website**: www.kokuyocamlin.com

Tel: 022-6655 7000; **Fax:** 022-28366579

BALLOT FORM

(in lieu of e-voting)

Sr.No.:

Name and Registered Address of the sole / First named member	
Name(s) of the Joint member(s) if any	
Registered Folio No. / DPID No. * / Client ID No.* (*Applicable to Investors holding Shares in Demat Form)	
Number of Shares held	

I / We hereby exercise my/our vote(s) in respect of the resolutions set out in the notice dated 23rd May, 2018 of the 71st Annual General Meeting of the Company to be held on Wednesday, 8th August, 2018, by sending my/our assent or dissent to the said resolutions by placing tick mark (√) at the appropriate box below:

Sr. No.	Resolutions	No of Shares	I/we assent to the resolution For	I/we dissent to the resolution Against
Ordinary Business				
1.	Adoption of financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2018 and Report of Board of Directors and Auditors thereon.			
2.	Re-appointment of Mr. Takeo Iguchi (DIN: 03599826), as Director who retires by rotation.			
3.	Re-appointment of Mr. Takuya Morikawa (DIN: 03599830), as Director who retires by rotation.			
Special Business				
Special Resolution				
4.	Appointment of Mr. Dilip D. Dandekar (DIN: 00846901), as Director in Whole-time employment designated as 'Chairman & Executive Director' for a period of one year effective from 1st February, 2018 and remuneration payable to him.			
5.	Appointment of Mr. Shriram S. Dandekar (DIN: 01056318), as Director in Whole-time employment designated as 'Vice- Chairman & Executive' Director for a period of one year effective from 1st February, 2018 and remuneration payable to him.			
Ordinary Resolution				
6.	Appointment of Mr. Kazuo Kubo (DIN 08125242) as Director whose term of office shall be liable to retire by rotation.			

Place :

Date :

____

Signature of Members

Note: Kindly read the instructions printed overleaf before filling the form. Valid Forms received by the scrutinizer by 5:00 p.m on Tuesday, 7th August, 2018 shall be considered.

INSTRUCTIONS

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.

2. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

Process and manner for Members opting to vote by using the Ballot Form.

1. Mr. J.H. Ranade, Partner failing which Mr. Sohan J. Ranade, Partner, failing which Ms. Tejaswi Zope, Partner of JHR & Associates, Practicing Company Secretaries, has been appointed as the scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.

2. The Form should be signed by the Members as per the specimen signature registered with the Depositories/ Registrar and Transfer Agent. In case of joint holding, the Form should be completed and signed by the first named Member and in his/ her absence, by the next named joint holder. Exercise of vote by Ballot is not permitted through proxy.

3. In case the shares are held by corporate and institutional members (companies, trusts, societies etc.), the duly completed ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/ Authorization letter, with the specimen signature(s) of the authorized signatory (ies).

4. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot Form.

5. The voting rights of members shall be in proportion of the share held by them in the paid up equity share capital of the Company as on 1st August, 2018 and as per the Register of Members of the Company.

6. Duly completed Ballot Form should reach the Scrutinizer not later than 7th August, 2018 (5.00 p.m.). Ballot form received after 7th August, 2018 will be strictly treated as if the reply from the Members has not been received.

7. A member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified under instruction No. 6 above.

8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.

9. The decision of the Scrutinizer on the validity of the Ballot Form shall be final.

10. The results declared along with Scrutinizer's report, shall be placed on the Company's website www.kokuyocamlin.com and on the website of the National Securities Depository Limited (NSDL) within two days of the passing of the Resolutions at the AGM of the Company on 10th August, 2018 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.