

**78<sup>th</sup> AGM Transcript  
Kokuyo Camlin Limited**

<b>DATE</b>	:	<b>FRIDAY, 8<sup>TH</sup> AUGUST, 2025</b>
<b>TIME</b>	:	<b>10:00 A.M.</b>
<b>VENUE</b>	:	<b>Via Video Conferencing / Other Audio-Visual Means</b>
<p><i>This transcript contains minor modifications from the original for accuracy or clarification, none of which change the substance of the original.</i></p>		
<b>Chairman</b>	:	<p>Good morning, shareholders, on behalf of Board of Directors, I Dilip Dandekar, Chairman and Non-executive Director of Kokuyo Camlin Limited would like to welcome all of you at the 78<sup>th</sup> Annual General Meeting (AGM) of your Company.</p> <p>As per the requirements of Companies Act, 2013, sufficient quorum is present, I thereby declare that the meeting has been properly convened and duly constituted. The necessary records are kept available for inspection by the members.</p> <p>It is my pleasure now to introduce you to all the Board Members and senior management present here today joining through video conferencing:</p> <ul style="list-style-type: none"> <li>• Mr. Masaharu Inoue, Senior Vice Chairman and Non-Executive Director</li> <li>• Mr. Shriram Dandekar, Vice Chairman and Non-Executive Director, and Chairman of Risk Management Committee and Corporate Social Responsibility Committee</li> <li>• Mr. Satish Veerappa, Managing Director</li> <li>• Mr. Takeo Iguchi, Executive Director</li> <li>• Ms. Nandini Chopra, Independent Director, and Chairperson of Audit Committee</li> <li>• Ms. Naho Shigeta, Independent Director and</li> <li>• Mr. Naganath Subramanian Iyer, Independent Director, and Chairman of Remuneration &amp; Nomination Committee</li> <li>• Mr. Nilesh Modi, Independent Director, and Chairman of Stakeholders Relationship Committee</li> <li>• Mr. Tomoya Okada, Independent Director</li> <li>• Mr. Nilesh Choudhary, Chief Financial Officer and</li> </ul>

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

- Mr. Vipul Bhoj, Company Secretary & Compliance Officer

In addition, we also have Mr. Maulik Jhaveri, Partner of BSR & Co. LLP, Statutory Auditors and Mr. Jayant Ranade from JHR & Associates, Secretarial Auditor, and the Scrutinizer for this meeting.

Dear Shareholders,

I am delighted to welcome you all to the 78<sup>th</sup> Annual General Meeting of your Company. It's a privilege to connect with you once again and reflect on the year gone by - a year that tested our resilience, sharpened our focus, and ultimately reaffirmed the strength of our foundations.

Let me begin by acknowledging that FY 2024–25 brought with it a complex operating environment. Shifting consumer sentiment and tighter wallets meant that demand, especially in discretionary categories, remained subdued. Competitive pressures also intensified in terms of deep discounts. While these factors impacted on our overall sales, we remained true to our principles - choosing sustainable, value-led growth over short-term gains. We strongly believe in our strategic pillars viz. revitalizing the Brand, augmenting user experience, strengthening distribution and embracing innovation. That conviction was validated by strong performances in some of the key segments. Our fine art products, Markers, Notebooks, Adhesives, and Wooden Pencils showed encouraging growth, increasing both revenue and market share.

I must also speak candidly about an incident that came to light this year. During an internal review, the management uncovered discrepancies between our books and physical inventory at one of our manufacturing units. A thorough assessment revealed a financial impact of ₹2,356.81 lakhs, including indirect taxes. This matter has been reported and is reflected in the financials shared with you. We have taken firm steps to address the root causes. Strengthening controls, enhancing accountability, and building a culture of zero

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

	<p>tolerance for such lapses is a top priority for the Board and the leadership team.</p> <p>As a result of these factors, your Company's reported revenue stood at ₹76252.88 lakhs, and profit after tax was ₹583.30 lakhs - a decline from the previous year, but not a reflection of our underlying potential. Because underneath these numbers is a Company with solid fundamentals. Our balance sheet is healthy, liquidity is well managed, and our debt position is improving. To support Company's growth plans ahead, and after reviewing this year's performance, the Board has not proposed a dividend for FY 2024-25.</p> <p>While global GDP growth is expected to moderate to around 2.8% in 2025, down from 3.3% in the previous year due to rising trade tensions and ongoing policy uncertainties, India continues to chart a strong path forward. With an anticipated growth rate of 6.2% to 6.3%, our economy remains a standout performer, driven by sound macroeconomic management and inherent structural strengths. This resilience reflects a favorable policy landscape that continues to foster robust consumer demand and attract private investment, positioning India as a key growth engine in the global economy.</p> <p>As we look ahead to the evolving landscape of our industry, Indian stationery and art materials market gives promising outlook in 2025 and beyond. Expanding educational infrastructure, rising corporate demand, premiumization and personalization trends and e commerce expansion are some of the key growth drivers fueling demand for the stationery market in India. At the same time, we must recognize that this opportunity comes with challenges - ranging from raw material cost volatility to growing competition. However, with our continued focus on innovation, quality, and sustainability, we remain confident in our ability to create meaningful value to our stakeholders.</p> <p>Your Company continues to uphold the highest standards of corporate governance by fostering a culture of responsible decision-making, independent oversight, and value-driven leadership. Our Board</p>
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**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

	<p>remains actively engaged in ensuring that management's actions align with the broader interests of shareholders, employees, customers, and the communities we serve. The Board's existing structure supports independent oversight, with Non-Executive and Independent Directors bringing in external viewpoints and robust challenge to executive management.</p> <p>During the year, Mr. Satish Veerappa was appointed as the Managing Director effective from 1<sup>st</sup> April, 2024. This decision reflects the Board's belief in the importance of continuity, stability, and a long-term approach to value creation. Further, Mr. Shriram Dandekar was redesignated from Executive Director to Non-Executive Director effective from 1<sup>st</sup> April, 2025. The Board deeply values his experience, insight, and long-standing association with the Company, and looks forward to his continued guidance.</p> <p>Our people remain central to the Company's purpose and performance. Throughout the year, we continued to invest in building workforce capabilities through targeted training, structured learning modules, and leadership development initiatives ensuring that both emerging talent and senior leaders are equipped to navigate a dynamic business environment. We also deepened our focus on fostering a workplace that is inclusive, respectful, and aligned with the highest standards of ethical conduct. In line with our zero-tolerance approach towards any form of misconduct, we conducted awareness sessions on the Code of Conduct and the Prevention of Sexual Harassment (POSH), reinforcing every employee's understanding of their rights and responsibilities. Employee engagement and well-being remained key priorities, along with a strong and ongoing emphasis on health and safety. I would like to thank all our employees for their dedication and resilience during a year of learning, reflection, and renewed commitment to our core values.</p> <p>I would like to take this opportunity to extend my heartfelt thanks to my esteemed colleagues on the Board for their unwavering support, guidance, and stewardship throughout the year. I also wish to place on record our sincere appreciation to Kokuyo Co. Ltd.</p>
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**78<sup>th</sup> AGM Transcript  
Kokuyo Camlin Limited**

		<p>for their continued collaboration and commitment, which has been instrumental in driving our shared vision forward. We are grateful to the various officials of the State and Central Government departments, our banking partners viz. Mizuho Bank, MUFG Ltd., Sumitomo Mitsui Banking Corporation, and HDFC Bank Ltd. for their consistent backing and confidence in our journey. We remain deeply thankful to all our stakeholders, including our customers, consultants, contractors, and vendors, whose trust, partnership, and belief in the Company continue to inspire us and strengthen our resolve."</p> <p>Thank you very much.</p> <p>Now I would request Mr. Satish Veerappa, Managing Director, to address the shareholders. Over to you, Satish.</p>
<p><b>Satish Veerappa, Managing Director</b></p>	<p>:</p>	<p>Thank you, Dilip San, Good morning and welcome to all our shareholders. Thank you for making time and attending this Annual General meeting with us. This time, before getting into questions from your end, I thought we will just share a quick presentation highlighting the business that we experienced in the last financial year. So, please allow me to share a short presentation and then I think we can go into the Q &amp; A session.</p> <p>I hope the presentation is visible to all of you. I quickly run through this should take about 10-15 minutes. The quick business overview and as we see it within the the Company, as to how we are placed in industry and what's happening around us. I think, as we entered our 78<sup>th</sup> AGM with 90 years of heritage and particularly in the 78<sup>th</sup> AGM, we see a pretty dynamic economic environment around us which I am sure most of you are familiar with happening at the macro-economic level. Overall, I think over this long journey of 90 years which has been pretty eventful. We had our highs and lows. I think more importantly, as we navigated this journey which shown a character of [inaudible] and I think by bouncing back we have demonstrated the character of resilience in the way we have shaped the journey of this organization. Camlin has been a pioneer in the art and stationery category. And we will continue to</p>

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

hold leadership positions in several key categories in the industry. And this leadership is built on deep expertise, know-how and further has been strengthened by enduring contact programmes with schools and artists which have been nurtured and built over several decades. So, our focus is deeply on the consumers, having said so, we have remained vigilant about competition. As the Chairman highlighted, our strategic pillars continued to be anchored around innovation, market expansion and operational excellence. Innovation has been a key strategic priority for the board and our work on innovation is centered around really creating value added products and it's not so much about creating me-too products which is anchored for intensive price competition. I think it is more about value added products which offered differentiated consumers, enhanced consumer experiences. So, we have committed to building a premium portfolio over the years while we continued to remain competitive. Our technical leadership in art segment is strong it poses in good states and as we work through our innovation agenda, I think we continue to leverage the global expertise of our parent in different areas as relevant for our business. On market expansion, I think by having leadership positions in few critical categories, we will continue to look for new and complimentary product markets where we have a reasonable right to win. And basis on that we will try an embark on building businesses in these categories that we choose. And another very critical area for growth will remain our ability to expand business beyond geographies. I think we recognize that export is a critical opportunity, and I will talk about it a little later in this presentation as we go along.

On operational excellence, it's not just about the factory operations, I think, this is operation about all functions within the Company. So, this is about driving marketing excellence and sales operation excellence to leverage the equity of the brand that has been built over the several decades. And leverage to strong distribution footprint that has been built by the Company which has been nurtured over several decades. We see today in India has an emergence of the omni channel landscape and I think we have completely geared up for it. We are

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

	<p>very well prepared to leverage this opportunity as it keeps evolving over the next several years. Our continued emphasis is to use digital technology and to build a strong system. And to attract talent which is necessary to drive future growth and to create a culture within the organization which allows a to be empowered and to come and deliver the performance on the job.</p> <p>Quick look at FY 2025, I think the headline statement would look like something near where we have been able to protect our fundamentals despite challenges. And these challenges have been both in the external environment and some that we had to navigate internally. Overall, our revenue has declined by 6.50 % largely because of the macro-economic factors and some of you must be familiar with what's happening at macro-economic level as far as consumption growth is concerned. And that has definitely had an impact on the performance of several categories where we have had leadership positions. Having said so, I think within industry we have seen significant price-based competition and some of you would agree that when growth becomes difficult then discounts tend to be a lever that most players use to ramp up volume. And we saw that happening in our industry and that has created more pressure on maintaining our value sales despite trying to build on our volume sales. Our seasonal volume was impacted by discontinuity in operations at one of our factories which I will just talk over in a bit. So, as we saw this competition emerging within the industry, our position was to consciously stay away from these deep discounting and we did that by rationalising some of our low margin product lines and trying to build on what we thought was better value added to the consumers that had a slight impact on our value sales coming from some of these large price sensitive SKUs. Having said so we have been able to significantly enhance the premium contribution to our businesses. Overall, we believe that this hit is temporary. Our core businesses as art material and stationery remain fundamentally healthy. Our volumes in key categories have held steady as I was emphasizing it before. And we are continuing to maintain our market share in core segments where the Company has built a leadership</p>
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**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

over the last several years. Importantly, we avoided chasing sustainable sales and our focus was on protecting earnings and optimizing our product mix for both profitability and growth. Having said so, the Chairman had mentioned that an internal management review which would like to re-emphasize that it was a management review which led to identification of discrepancies in inventory at one of our plants. And because of this we had to take a one-time inventory loss of Rs.23.50 crores to our P&L. And we have written off the sinked stock and we have corrected the taxes pertaining to write off this inventory. Post that strict actions have been undertaken from a process standpoint and we have double down on our inventory management processes and they have been completely overhauled as I speak. Despite all these headwinds, the Company has continued to maintain a strong financial position with a solid balance sheet which you will see when we go through the annual report.

Let's quick look at the numbers, we end up the year with Rs.763 crores, as I said, a dip of about 6- 6.5 %. We have been able to stabilize our gross margins at about 40% and that hold us again in good state as we build for our future growth. Our EBIDTA margin is 4.5% as one of our factories have been impacted. If I have to adjust for that one-time impact, it will become 7.5% EBIDTA margin. I think we can do much better than this and that would be one of our critical driving factors as we focus on future growth. Just a quick look at the revenue mix, I think the art material category contributes about 44% of our business, writing instruments contributes about 24%, notebooks contribute about 15% and other which largely comprises of geo boxes and Adhesives contributes about 17%.

Taking an extended view of financials and looking at the last three years perspective on our numbers, largely if you look at the period of post COVID, we were on the steady revenue growth trajectory. So, in that context FY 2025 should be looked at as an aberration. We have been able to stabilize the gross profit margin to 38-40%. And as we are trying to increase our premium contribution, we should be incrementally increasing our gross margin going

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

forward. The EBIDTA margin got impacted because of the one-time charge to the P&L. Otherwise our immediate journey on EBIDTA was to take it to a 10 % plus margin. We were pretty much on the course, except from the event that played out in the year FY 2025.

Just a quick look at what's happening in some of our key categories and the key categories are relevant to stationery industry. The art material segment is significant segment for our business. We have been maintaining strong leadership in the fine art segment over the years. And particularly, within fine art, the hobby range of products continues to be key growth driver which consistently growing in double digits in the last 3-4 years in the hobby category. The school colour segment has been the one which has been witnessing subdued performance because of competitive pressures and slightly mix consumption trends that we have been seeing. And we have consciously chosen to stay away from price led competition in this particular segment and our focus in the segment has been to develop new products which is more aligned to emerging consumer needs as [inaudible] India. And I'll share some of the work that we have done in this space. Writing instruments overall I think has been stable for us. We have been able maintain a very steady performance in some of our core product lines like markers and mechanical pencils. A wooden pencil has been a business of resurgence and this a product category where we had lost out as a Company and we are trying to revive this. And we have seen consistent growth rate upwards of 20 % over the past 2-3 years. And we will continue to build market share and try to build portfolio which has built on differentiation and adds better value to the consumers which creates most staying power for all the initiative that we are taking up in this space. Notebook has been a critical driver of growth over the past several years. The last financial year, the growth was little muted. This particular segment saw significant price competition and slightly muted demand and hence, I think we had slightly moderate growth on notebooks in the previous year, but we will continue to work on notebooks as a growth driver for our future business. In so far as others are concern, the more critical

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

	<p>products are geo boxes and adhesives. On geo boxes, we have completely revamped our portfolio. And we have been able to bring down skew of offering at premium end and I'll share that and this is being well received in the market. We have also expanded the portfolio at the lower end of the category and because of the kind of competition we have seen at low price point. Despite maintaining healthy volumes, the value growth has been not so healthy because of the fact that we had to compete at low prices and also compete at higher discounts. From here, I will very quickly talk about so what would be the outlook for the future? I think our focus is to build long term shareholder value that would be a driving principle of our business. Again, the drivers would be centred around innovation, it would be centred around market expansion, it would be about infusing digital technology into our operations and through that, driving operational excellence and definitely but surely build and embed ESG into our core operations and be a respected Company which has critical focus on sustainability.</p> <p>In a nutshell, the leadership is sharply focused on steering Kokuyo Camlin in the next phase of growth, and this will combine our ability to leverage our traditional strengths and drives new initiatives which is more relevant to the current times.</p> <p>Let's see quickly about each of the pillars, on product innovation I think the focus here is about innovation and modernization and I will explain that with a visual. And, to see how we can accelerate new product development and here the intent is to see every year how we can bring about 5-6 major new product launches while we continue to work on lot of minor line extensions which is relevant to taking care of portfolio needs. The focus I mentioned and have been saying about is premiumization and value-added products. And in doing all of this we will continue to deepen our R&amp;D collaboration with the parent Company in Japan. I am not getting into too much in the what's there into the bottom text, I just want to draw your attention to our R&amp;D and how we will be focusing on R&amp;D. Our Investment in R&amp;D has been increasing across years. Just to give you some numbers, our spent is closed to 0.73% and obviously</p>
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**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

we can do more than that. And we will continue to invest in R&D for future growth. I think that's a larger format that I wanted to communicate. And as I said we will continue to be in partnership with parent. Our partnership will largely be in leveraging technical expertise that the parent has as relevant for our business.

Here are the short visual snapshot of what we have done on modernization. I just like to draw your attention to school color visual, I think if you see how we tried to modernize our packaging over the last several years. Left hand side you see, traditional packaging that we had about a decade back and how that has evolved. In extreme right there is a current design that we have in the market. And this is being pretty much which has been co-created with our consumers and of course obviously working with the network of designers. I did mention about the geo box portfolio, which I think all of you have recognized. This is a very critical product in the journey of Kokuyo Camlin. I just want you to just look at the kind of revamp that we have been able to bring out and small subtle changes made in our core geometry box product. The bottom two are one, which are our premium products which essentially packaged, packed in superior functional performance at relatively higher price points. And the good news is that we have seen that this mix is starting to enhance its contribution to overall portfolio while the bottom of categories still has heavy volumes. We see a good shift happening and this segment of the categories is growing at faster than the lower end category which [inaudible] for future of our business. And on NPDs, I just want you to look at what the kind of work that we are trying to do is, and the critical point that I would like to point out is, we understand what kind of products and which are the products that different competitors are trying to bring out and what is the nature of competition that is playing in our industry. Our emphasis is not to just be a me-too product and try and lubricate that with better pricing and better discount. Our intent is to offer something which is differentiated and valuable to the consumers. The packing that we are offering that we have brought out in the gifting space, I think these are first time in India. And that's the kind of intent which we are

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

embarking on journey of creating differentiation. In markets, where we believe it is a significant opportunity. And some of the work that we are doing in differentiation is to bring a new form factors where essentially differentiation is centered around design. So, basically there are two access for differentiation, one is how do we bring out functional differentiation and second is how do we bring out differentiation to design. That will be the way in which our work for the future will be governed as far as innovation is concerned.

Quickly talking about the other strategic pillar which I think is very critical to try both short term and medium-term growth which is the work that we are going to put on distribution and also speak a little bit about international ambitions. Our endeavor will be to continue to strengthen our distribution and reach. And also, to look at the opportunity that omni channel landscape presents to us. And what we see in the stationery industry is that different companies have different go-to-market structures. And over the years, Kokuyo Camlin has built direct distribution model. Like a few other companies and I think while it has it's flip sides, there are positives in every GTM. We believe that this is the right model through which growth can be created for the future. And we will see how to leverage growth through this direct distribution channel that we have built. Quickly some numbers, currently all India, we work with about 2600 distributors and our products are available across 3,00,000 outlets. And if you see that it has grown substantially over the last 3-year period from 2 To 3. Within that 3,00,000, our direct reach is about 1,30,000 outlets. This is the area we would like to bring in technology and see how we can extract better value both for the customer and for the Company. In our ability to manage and service these 1,30,000 directly managed outlets. On international ambitions, I think one of the things that we recognized as within the stationery industry we have lower contribution coming from our international operations. Something that we can rule about the way we look at it as an opportunity for future growth. And here our intent is to clearly establish Kokuyo Camlin as a significant Pan Asian player. And in the medium term, our aim to achieve a 7-10 % contribution from exports. Today, it

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

hovers at about 3-4 %. So, I think there are some quick numbers to look at. Within the Asian market, our focus will be on the Asean region. I think here we are obviously working with our parent and trying to see how the footprint of the parent can be leveraged to build the export footprint for Kokuyo Camlin. And we will continue look at the markets beyond the Asean. We typically look at that market as diaspora markets and we look at other markets based on relevance and see how we can make more organic entry in those markets. Just a quick number, I thought I'll highlight, is in the last 3 years, from working with 9 countries, we have expanded out footprints in 3 years to about 20 countries.

A quick point about operational excellence and how we would love to leverage digital technology. I will focus on the bottom three buckets, I think the intent here is to bring in best in class equipment and infuse that into our operations and not look for machinery which just allows better cost but it gives us suspicious reliability. So, we are okay to invest in the best machinery and that's what we have done in Patalganga plant and once we believe that we bring in such machinery that gives us a most stable output, an enduring asset and our ability to continuously improve our needs in operation. While doing this, obviously with our parent being in Japan, we are completely in sync with the Japanese philosophy, and our endeavor has always been to bring in some of the the Japanese manufacturing practices into our operations essentially centered around the 5S and Kaizen. And lastly the digital tool is something that we would love to leverage in our sales operations, and I think there is lots of work that has happened. And I think this will benefit the company as it tries to drive its future growth. So, we will see lot of tech in our sales operations. We are also using digital tools for our inventory operations especially in forecasting and replenishment of our stock. And gradually but surely, we will extend that to some of our expense management functions so that I think as an organization, we have control and visibility on how our expenditures are being incurred.

Lastly, on our commitment to sustainability and ESG, I think the intent is to embed sustainability into our

**78<sup>th</sup> AGM Transcript  
Kokuyo Camlin Limited**

	<p>operations and strategy. We are committed to be aligned with all the expectations that our investors have and to be in sync with Ethos of the Kokuyo group, which has a very strong commitment to sustainability as a larger corporate. The work that we have done in the last several years has been centered around plastic reduction. We always and consistently are evaluating opportunities to bring in sustainable packaging into our business. Based on feasibility and based on our ability to source it from within India. While doing so we remain completely compliant with the norms that have been put on by the State and Central Pollution Control Boards. And we are striving to see how we can better those norms and make sure we are net zero plastic consumers. On power consumption, bringing solar into our operations has been a very cherished idea back in the Company. We have installed a solar power plant in our Patalganga facility which generates about 1000 KWp. And just about a couple of years back, we also bought it into our Tarapur facility and getting about 500 KWp of power. We would love to extend it to all our operations or the factory operations that we have. Our intent is to generate about 30% of our power requirement through Solar in the near future. And we are also deeply committed to intent to engage with local community both through our CSR initiatives and non-CSR activities that keep happening within the Company.</p> <p>Some of work that I would like to highlight is the setting up of 9 Mini science centres at Maharashtra and J&amp;K. We have been continuously focused on training teachers on STEM pedagogy, and our intent is to add the art into the STEM. So, we are looking at how can art intake the role in the learning process of children. So, we are working with teachers to see how this can be shifted. It's very initial effort but it's a commitment and we would like to sustain on this effort.</p> <p>And lastly, through our CSR initiatives, we have been able to support 108 Nani Kalis for education and for life skills. On waste reduction, we are proud of the fact that we maintain the zero liquid discharge in both our Tarapur plants and Patalganga facility has 50 lacs liter water harvesting pond too. We remain compliant to all the certifications by BIS and IMS. And we are committed to safety and would love to ensure that</p>
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**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

	<p>any given point of time despite operational pressures we do not fall back on our ability to run our operations safely. So, in conclusion, we are confident too and better prepared for the road ahead. We are optimistic about the initiative that we currently undertaking. And the fact that we are trying to leverage digital capabilities, we are trying work on how we can make our employees more skillful and while we continue to harness synergies with our parent Company. So, looking ahead, our fundamentals are strong, our brands have been well recognized, continuously modernized and made more contemporary. And the new products should add another wing or two to the growth of our brands. We have built a culture where our teams are continuously empowered and overall financial positions are secure to drive the kind of aspirations that we have for our business.</p> <p>Thank you and over to you.</p>
<p><b>Chairman</b></p>	<p>: Thank you, Satish, for an excellent presentation. This 78<sup>th</sup> Annual General Meeting is being conducted in the manner laid down in the circulars issued by the Ministry of Corporate Affairs, applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations prescribing the procedures and manner of conducting general meetings through VC/OAVM. The proceedings of this meeting are being web-casted live for all the shareholders as per the details provided in the Notice to the AGM. The proceedings of this meeting are being recorded for compliance purposes.</p> <p>The Notice convening this 78<sup>th</sup> AGM and the Annual Report for the year ended 31<sup>st</sup> March 2025 along with the Directors' Report and the Audited Financial Statements of the Company have been circulated to you. I request your kind permission to take these documents as read.</p> <p>I wish to draw the attention of shareholders to Auditors Report section on page no. 34 &amp; 35 of the Annual Report, which contains the Board's response on the auditor's qualifications, which are self-explanatory. With the permission of the shareholders, I propose to take it as read.</p>

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

The requirements of sending a physical copy of the Notice of the 78<sup>th</sup> AGM and the Annual Report for the year ended 31<sup>st</sup> March, 2025 to the Members have been dispensed with, pursuant to the relevant circulars issued by the Ministry of Corporate Affairs and SEBI.

As you are aware, the Company has provided all the shareholders with the facility of e-voting and the e-voting was open between Tuesday, 5<sup>th</sup> August, 2025 (9:00 a.m.) and Thursday, 7<sup>th</sup> August, 2025 (5:00 p.m.). Mr. Jayant Ranade, Practising Company Secretary of M/s. JHR & Associates, has been appointed as Scrutinizer to carry out the entire exercise of e-voting.

The Company is providing the facility to electronically cast the votes during this AGM for those shareholders who could not exercise their votes during the e-voting period. As per the provisions of the Companies Act, 2013, there will be no show of hands for the proposed resolutions.

Accordingly, I will now only read the resolutions set out in the Notice of the 78<sup>th</sup> AGM and then take questions from the shareholders who have registered themselves as speakers during the registration period kept open by the Company.

**ORDINARY RESOLUTION NO: 1**

To receive, consider and adopt the audited financial statements for the financial year ended 31<sup>st</sup> March, 2025 and the Reports of the Board of Directors and Auditors thereon.

**ORDINARY RESOLUTION NO: 2**

To appoint a director in place of Mr. Dilip Dandekar (DIN: 00846901), who retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS:**

**ORDINARY RESOLUTION NO: 3**

To appoint M/s. JHR & Associates, Practising Company Secretaries as Secretarial Auditor of the Company for an audit period of 5 years commencing

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

	<p>from financial year 2025-26 till financial year 2029-2030.</p> <p><b><u>SPECIAL RESOLUTION NO: 4</u></b></p> <p>Payment of remuneration by way of perquisites to Mr. Dilip D. Dandekar (DIN: 00846901), Chairman &amp; Non-Executive Director.</p> <p>I would like to request the Company Secretary &amp; Compliance Officer to share guidelines for the question-and-answer session.</p>
<p><b>Vipul Bhoy</b></p>	<p>:</p> <p>Thank you, sir. Today, we have 20 speaker shareholders who have registered themselves for the meeting. In order to conduct this question answer session smoothly, I will be reading out the name of the shareholders. This session will be anchored by me, and I will call the pre-registered shareholder one by one. Members are requested to unmute their microphone before speaking and also enable webcam, if they wish to appear on a video. Members are also requested to mention their name and introduce themselves before raising their questions. Members are requested to restrict their questions to 3 minutes so that all the speakers may get an opportunity to share their views. It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time for the AGM.</p> <p>I am now commencing the question answer session. I will call the name of the first shareholder. After the first shareholder completes question, I will read the name of the second shareholder who will come on screen, I once again request all the shareholders to be very precise with the questions and observations and avoid duplications in questions and observations already mentioned. Answers to the queries raised by the shareholders will be provided once all the speaker shareholders have completed their questions.</p> <p>Let's start with the question answer session. Our first speaker shareholder is Mr. Naresh Kachalia.</p>

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

<b>NSDL Tech Support</b>	:	Mr. Naresh Kachalia has not joined in the meeting.
<b>Vipul Bhoy</b>	:	Okay. We will move to the next speaker shareholder, Mr. Anil Parekh.

<b>Vipul Bhoy</b>	:	Is he there?
<b>NSDL Tech Support</b>	:	Mr. Anil is also not in the Meeting.
<b>Vipul Bhoy</b>	:	Okay. Our next speaker is Mr. Yusuf Rangwala.
<b>Yusuf Rangwala</b>	:	Very good morning Dandekar sir. How are you sir? Last year, I could not meet you. I am sorry for that. You stay in our heart. Your image is always there in our eyes. Your brother passed away in 2024. My deepest condolences for loss of your brother. We will miss him alot. Dandekar Sir, you are very good, polite and down-to-earth person. We are very lucky to have a chairman just like you. I'll come to the point. Sir, this was 78 <sup>th</sup> year. You did not celebrate 75 years. You did not also distribute dividend. At least 50% dividend should be given. I'll give you an example. Motilal Otswal, sharekhan all these brokers and LIC, UTI will not invest, if you don't pay dividend. But they say, that the Company is good because it is with Dandekar Sir. We are world famous in stationery. Very good morning to all the Japanese people on the dais. I thank them. Kids from 1 <sup>st</sup> standard till 10 <sup>th</sup> standard are using your products Sir. If possible, please arrange to send us your products, Sir. Please arrange a get-together for shareholders after Diwali. My good wishes to you for all the upcoming festivals. Today, there are lot of meetings. But I am grateful that I could connect with you. Thank you very much Sir. Jai Hind. Vande Mataram. Bharat Mata ki Jay.

<b>Chairman</b>	:	Thank you Yusuf bhai. Thank you for all your praises. We will consider your points during our management meeting and will come up with our answer.
<b>Yusuf Rangwala</b>	:	Thank you, sir.
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**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

<b>Vipul Bhoy</b>		Thank you. Our next speaker shareholder is Mr. Jehangir Batiwala. Mr. Jehangir Batiwala?
<b>NSDL Tech Support</b>	:	Mr. Jehangir Batiwala has not joined in this meeting at this time.
<b>Vipul Bhoy</b>	:	OKay. Mr. Bimal Agarwal.
<b>NSDL Tech Support</b>	:	Mr. Bimal kumar Agarwal, you are unmuted. You can speak.
<b>Bimal Agarwal</b>	:	<p>Hello. can you hear me? Good morning to you Sir. Good afternoon, good evening and good night to other shareholders who have joined from other parts of the world. Sir, you have given a very good Chairman's speech. What is the attrition rate of our Company? and what is the cost for Annual report? And Who sends the email? Company sends? or RTA sends? or NSDL sends emails?</p> <p>That's all from me. Thank you very much. If you can't answer these questions, you can email me answers to these questions. That's all from me. Thank you very much and please continue this video conferencing meeting, always.</p>
<b>Vipul Bhoy</b>	:	Thank you, Sir. We will move to our next speaker shareholder, Mr. Himanshu Trivedi. Mr. Himanshu Trivedi?
<b>NSDL Tech Support</b>	:	Mr. Himanshu Trivedi has not joined this meeting at this time.
<b>Vipul Bhoy</b>	:	Okay. We will move to our next speaker shareholder, Ms. Lekha Shah.
<b>Lekha Shah</b>	:	Hello. Am I audible sir?
<b>Vipul Bhoy</b>	:	Yes.
<b>Lekha Shah</b>	:	Thank you, Sir. Respected Chairman Sir, Board of Directors and my fellow Members, Good Morning and regards to everyone. Myself, Lekha Shah from Mumbai. First of all, I would like to thank the Company Secretary, Vipul ji and specially Manisha Ma'am for giving me this opportunity and for a smooth process where I am able to talk in front of you all in AGM. I found the AGM Notice. I am delighted to say that it's

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

		so beautiful, full of colours, facts and pictures in place. Chairman Sir, your opening remarks were so insightful and comprehensive that you already addressed everything that I had in my mind. And also, thank you Satish ji, for such an informative and wonderful presentation. Chairman Sir, may all your upcoming festivals filled with joy and blessings. I am proud to be a shareholder of this Company. Again, I thank our Company Secretarial team for their best performance and outstanding support for all my doubts. Sir, I have complete trust and faith in Board of Directors and Chairman Sir, there are no more questions. Chairman Sir, please continue video conferencing meeting in future. So, I would like to say, I strongly and wholeheartedly support all the resolutions for today's meeting. Thank you, Sir.
<b>Chairman</b>	:	Thank you Lekha ji. Thank you very much.
<b>Vipul Bhoy</b>	:	Thank you. Will move to our next speaker, Mr. Manjit Singh.
<b>NSDL Tech Support</b>	:	Mr. Manjit Singh has not joined this meeting at this time.
<b>Vipul Bhoy</b>	:	Okay. Our next speaker shareholder is Mr. Dinesh Bhatia.
<b>NSDL Tech Support</b>	:	Mr. Dinesh Bhatia, you are unmuted. You can proceed.
<b>Vipul Bhoy</b>	:	Mr. Dinesh Bhatia, you can unmute yourself and speak.  I think we can move to the next speaker.
<b>Chairman</b>	:	Yes.
<b>Vipul Bhoy</b>	:	Our next speaker shareholder is Mr. Bharat Shah. Mr. Bharat Shah...is he there? If he is not there we can move to the next speaker.
<b>NSDL Tech Support</b>	:	There is a person named Bharat Negandhi.
<b>Vipul Bhoy</b>	:	No. That's the different shareholder. We can move to next speaker, Ms. Smita Shah
<b>Smita Shah</b>	:	Hello... Can you hear me?

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

<b>Chairman</b>	:	Yes. I can hear you.
<b>Smita Shah</b>	:	<p>Thank you so much. Respected Chairman, Mr. Dilip Dandekar, Senior Vice Chairman, Mr. Masaharu Inoue, Vice Chairman, Mr. Shriram Dandekar and Managing Director, Mr. Satish Veerappa, along with all other the respected Directors present today, a very good morning to all of you and Namaste.</p> <p>Firstly, I would like to thank Secretarial team for giving me a physical copy of the Annual report and an opportunity to speak. Also, I would like to thank Mr. Vipul, Company Secretary, for his good job.</p> <p>And I also want to congratulate Chairman Sir for excellent performance and maintaining a good name of Camel brand in the market over the years. Dilip ji, your leadership is excellent. We will also remember Mr. Subhash Dandekar hard work and dedication. I request you to take the Company to the new heights and bring it on the dividend paying list. Request you to please distribute dividend.</p> <p>Chairman Sir, my good wishes are always with you. May you always remain healthy and move towards the path of progress always. I also wish you a very happy Raksha bandhan and all the upcoming festivals.</p> <p>I wholeheartedly support all the resolutions placed in today's meeting. Please keep the conversation going, Mr. Bharat Shah will speak.</p>
<b>Bharat Shah</b>	:	<p>Respected Chairman Sir and Managing Director and all other Directors present, I am shareholder of this Company since issue time. I would like to thank you for running a successful Company since years. You have always taken good care of shareholders. Chairman Sir, I would request you to please arrange a get together, we haven't met you since long. Otherwise keep a physical meeting next year. Further, I also would like to thank to Company secretarial team for sending a link to join this meeting within time. for meeting you. Please consider us for factory visit this year, if any, as we have not visited factory for a long time.</p>



**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

	<p>is only one chance in a year to meet you. My second suggestion is to arrange a factory visit for the speaker shareholders and also the shareholders who have attended today's VC meeting. My third suggestion is that you should send your products to the speaker shareholders at least. We are not paying dividend, no problem. Our progress is very good. We see our revenue is Rs. 762.53 crores year. And we earn Rs. 5.83/- on Rs.1/- share which is good. You are doing very excellent work. We got good information from the speech that you and your team delivered at the beginning. I see that March performance is very good. It has started with profit. So, we hope that our Company will keep making progress and we will be in dividend paying list soon.</p> <p>Thank you for listening to me and giving me further chance. Thank you and your secretarial team and your entire team is doing very good. I support all the resolution. All the best. Thank you.</p>
<b>Chairman</b>	<p>Thank you, Dinesh Bhai, for your good words. As I mentioned earlier that we are considering all your points for further discussion, and we will definitely take all your points on the agenda. Vipul?</p>
<b>Vipul Bhoy</b>	<p>Thank you, Sir. We will move to our next speaker shareholder, Mr. Bharat Negandhi.</p>
<b>NSDL Tech Support</b>	<p>Mr. Bharat Negandhi, you are unmuted. You can proceed please.</p>
<b>Vipul Bhoy</b>	<p>Mr. Bharat Negandhi, you can unmute yourself. Mr. Negandhi?</p>
<b>Bharat Negandhi</b>	<p>Hello,</p>
<b>Vipul Bhoy</b>	<p>Yes sir, we can here you.</p>
<b>NSDL Tech Support</b>	<p>Yes, Bharat bhai.</p>
<b>Vipul Bhoy</b>	<p>Sir, you have muted yourself again. You have to unmute yourself and speak.</p>
<b>Bharat Negandhi</b>	<p>Can you hear me?</p>

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

<b>Vipul Bhoy</b>	Yes sir. We can hear.
<b>Bharat Negandhi</b>	Respected Chairman, Board of Directors, fellow shareholders, my name is Bharat Negandhi. First of all, I received annual report in time. Report is very beautiful, attractive and transparent. I want to congratulate Company Secretary, Vipul and Sarika madam and team for sending me a physical copy of the annual report at my residence. I want to ask 4-5 questions. Number one. Sir, Auditor's have signed report in May. The meeting is being held today. Today, there are other meetings as well. So, this is my humble request, when you are not giving any dividend, you should conduct this meeting early. Number two. What is the Capex program? Number three. What is the total number of employees in office and in the plants? Number four. Who is major competitor? Number five, How many of our subsidiaries are profit making? Number six. Other expenses gone up. No problem. I support all the resolutions and wish a very successful future of the Company. Once again, I thank to Mr. Vipul Bhoy, Sarika and team for sending me copy of the Annual Report. Thank you very much and request you to arrange a plant visit for those who have attended this meeting today.
<b>Vipul Bhoy</b>	Thank you, Sir. We will move to the next speaker. Ms. Prakashini Shenoy
<b>Prakashini Shenoy</b>	Hello, am I audible?
<b>Vipul Bhoy</b>	Yes, ma'am.
<b>Chairman</b>	Yes
<b>Prakashini Shenoy</b>	Thank you, Sir. I am Prakashini Ganesh Shenoy from Bombay. Chairman sir, since we are meeting for the first time in 2025, I wish one and all happy, healthy, wealthy and prosperous 2025. Respected Hon'ble Chairman, other dignitaries on the Board and my fellow shareholders. Good morning to all of you. I received the AGM report well in time, which is colorful, informative, transparent, and contains all the information as per corporate governance. I Thank the Company Secretary, Mr. Vipul and Ms. Manisha for the same. I should not forget to thank them once

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

	<p>again for reminding me of today's meeting along with the link. Thank you once again Mr. Vipul and Ms. Manisha. Both of them are shareholder friendly. I respect them. The Chairman and Mr. Satish Veerappa ji has given a beautiful picture regarding the Company and its working along with the presentation. Thank you and congratulations for the same. I am glad to note that the Company is doing well as compared to the last year. Sir, I have one or two questions. My first question is kindly highlight the future road map for the growth and risk in business due to global situation and my last question is how we adopt digital technology to increase productivity. Chairman Sir, last but not the least, my honest request to you, as my predecessors, Ms. Lekha Shah and Mr. Bimal Agarwal, have told, I also join them and personally requesting you to please continue with VC, so the people all over, will have an opportunity to express their views. I wish the Company Goodluck for the bright future and pray God that the profit of the Company shall reach to the peak in due course. Sir, I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you, Chairman Sir.</p> <p><b>Vipul Bhoy</b></p> <p>Thank you so much ma'am. Our next speaker shareholder is Mr. Manoj Kumar Gupta.</p> <p><b>Manoj Kumar Gupta</b></p> <p>Good morning respected Chairman, Board of Directors and fellow shareholders. My name is Manoj Kumar Gupta. I have joined this meeting from residence in city of joy, Kolkata. I feel proud to be a shareholder of Camlin. And I thanks to you and your team for your excellent result for the FY 2024-2025 and thanks to the Company Secretary and his team who help us to join this meeting through VC. Sir, our partner is Japanese people, and they are very faithful and loyal. They are giving a good contribution to India in every aspect and in every sector. We have full faith on them, and I believe they continue to support our Company to grow more in future also. How will we face a competition? There is a lot of competition in art business from DOMS, Classmate, Flair and other companies. What's your future? How much is our ESG score? If our ESG is proper, then what is plan in this regard? And how much is our market share? And keep continue to have VC meeting in future also. So</p>
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**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

	<p>that we can talk to you and see over video. Sir, spread the wings of the distribution in rural areas because DOMS and Flair have reach to the rural areas. And DOMS has launched a stationery also. Do you have any plans to launch stationery like copies and spiral books for students. So, please try to launch 35% for shareholders. With this I strongly support all the resolutions. Thank you, Sir.</p> <p>Thank you so much. We will move to our next speaker, Mr. Amit Doshi.</p> <p>Hello, am I audible?</p> <p>Yes sir, we can hear you.</p> <p>Thank you. Sir my questions are related to multiple comments made by Mr. Veerappa during his opening remarks and presentation. So, you mentioned that for FY 2025, please treat this is as an aberration, so we understand that there is impact on inventory fraud identification and therefore, obviously, on the profit front, we can treat this as an aberration, but how on the topline we are not able to grow? So, that is something which is astonishing. Because even in last AGM you had mentioned that will grow in double digits but that's nowhere is to be seen. On the profit front, I agree about the aberration. But on the topline, can you please explain why? Second, of course you did mention about subdued demand but if we see all the other stationery players, whether direct competitors like DOMS, Flair, Link, everybody has grown, and not like we can see the subduedness in any of those results, so how is that possible? And considering that our distributors have increased from 2.00 lac to 3.00 lac in last three years. So, there has to be some Impact that to be seen on that. Third on the margin front, You mentioned that if this fraud have had not happened, our profits or EBIDTA margin would have been 7.5 % rather than 4- 4.5 % that we achieved this year. So, even if that to be considered, considering our strong brand, distribution reach, how is that our margins are less than half of other industry players? What is it that we are not able to generate? You had mentioned that our target is to reach to 10- 10.50 % of EBIDTA margin. So, what are the growth levers that you</p>
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**78<sup>th</sup> AGM Transcript  
Kokuyo Camlin Limited**

<p><b>Vipul Bhoy</b></p> <p><b>NSDL Tech Support</b></p>	<p>believe that have pending to be executed which will allow us to go from 7 to 10 %? So, if you can answer on that margin front as well that was question no. 3, Fourth, we did lot about premiumization and our focus on the premium products etc. I did notice three names mentioned in the annual report about launching of new products etc. So, can you broadly tell us what is the contribution of those premium products in our sales for FY 2025 and overall, also, if you can say, what percentage of new products is part of our annual sales? If you can give us new product sales verses existing product line. The fifth one is about the exports. We mentioned that we would want to focus on exports, in fact we have from last three years gone from 9 countries to 20 countries in terms of our reach to the exports. I think that's where probably we are using our parent company, Kokuyo's support to collaborate and grow in those areas. But, if I see the numbers in last year FY 2024, our sales were around 37.50 crores whereas in current year, it is 26 crores. So, how come that we have reached out to more countries, but our sales have reduced in export market.? Domestic, you have mentioned about competition, but can you clarify on that front as well. And how in future, we achieve our target to reach 10 % from 7 % in sales as export. If you can clarify on that front as well. In terms of our presence, just wanted to understand our breakup of general trade, e-commerce and quick commerce. Because quick commerce is the new thing and we being in Mumbai, we do check things or orders from Blinkit or Instamart etc, but we don't see much of a presence, so I just wanted to understand, what is our current breakup in general trade, quick commerce and e-commerce? And what is our future strategy on that? And if you can give some guidance, what are the reasons if you can answer in detail that will be really helpful as this is the only place where we can access the management and like other shareholders, I would also request plant visit which will be helpful for a genuine shareholders like us. Thank you and wish you all the very best.</p> <p>Thank you, Sir. Our next speaker shareholder is Mr. Keshav Garg.</p> <p>Mr. Keshav, you are unmuted, please speak.</p>
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**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

**Keshav Garg**

Yes, Thank for the opportunity. Sir, I have sent list of questions, I will just ask the main ones. Sir, what is the outlook for FY 2026 and FY 2027 in terms of top line and bottom line? Sir, what is the EBIDTA margin that we should expect going forward and what is the expected margin improvement that we can see over the next 2-3 years? Sir, you have mentioned that you will try to improve our margin from 7 – 10% in a medium term. Sir, it would be very helpful If you could quantify, like can we expect it in next two years? Sir, Why did our export revenue declined from 36.50 crores to 26 crores in FY 2025? Why are we loosing market share? Because it seems that industry is growing at 10-12% but we have not. Can we expect to grow at a rate that is faster than an industry's growth rate of 10-12% over the next five years? What are the prospects are growing our business With US tariffs on Chianese as well as competitors or else just applying to our parent's base in different countries? How are you planning to increase our exports going forward? Sir, our competitor DOMS does 18 to 20 % EBIDTA margins in the stationery segment as well as other competitor, Flair does much higher margins than us in their stationery segment, versus our 8 % EBIDTA in FY 2024. Sir, how are we trying to reduce this gap and when can we expect to reach similar levels? Is there any product for which the Indian entity is exclusive manufacturer within the group? Are we exporting our products to our parent or any group entities and what are the prospects of increasing the same as you mentioned that we will plan to leverage this and if you can help us understand how we are planning to do that? Our distributors have grown by 40% from 1500 to more than 2600 in past three years. But that does not reflect in our revenue. If you can explain that although our distribution has increased but why our revenue not? Are we currently marketing or selling our product from parent's portfolio in India? What impact the new education policy can have on our business? Where do we see a reach of these 2600 distributors growing over the next 2-3 years and how should that affect our revenue or growth? What percentage of our revenue do we plan to spend on advertising and on sales promotions, as well as on R&D going forward? Why did sales to Kokuyo declined from 16 crores to 8 crores in FY 2025 v/s FY

**78<sup>th</sup> AGM Transcript  
Kokuyo Camlin Limited**

	<p>2024? Is there any additional inventory write off expected during FY 2026 or the loss that we book in FY 2025 was the worst? Similarly, our indirect taxes have increased by 10.3 crores vis a vis 36.6 crores. How much of this additional contingent liability can hit our P&amp;L apart from the 2.14 crore that were due to the inventory write off? What is the import duty on most of our products? What is the annual price hike we expect to take going forward? What is working capital requirement as a percentage of revenue that we should expect? What is working capital improvement we can expect going forward? What is the current capacity and utilisation levels? What the optimum revenue that we can generate running at multiple shifts from our current capacity? What are our exports prospects and leveraging the parent's network? If you could just quantify, how can grow over the next 2-3 years? We mentioned that we have launched some new products, if you could just help us understand the progress that we made during the year to enter new geographies and market our new products to customers. What is the expected impact from the same? What is the market size of filter paper market and what is the expected revenue potential from expansion in this segment? Sir, what is the expected IRR or payback we aim for before embarking on a new capex of investments? And my final question is where do we see our business growth over the next 3-5 years? So, these are my questions, and it would be very helpful if you could answer these to your shareholders as this is the only time, we are able to interact with you. Thank you so much and all the best.</p>
<b>Vipul Bhoy</b>	Thank you, Sir. We will move to our next speaker, Mr. Rajendra Sheth.
<b>NSDL Tech Support</b>	Mr. Rajendra Sheth has not joined this meeting at this time.
<b>Vipul Bhoy</b>	Okay. Mr. Rishi K.
<b>NSDL Tech Support</b>	Mr. Rishikesh has joined in this meeting.
<b>Vipul Bhoy</b>	Please unmute.
<b>Rishi K.</b>	Hello, can you hear me?

**78<sup>th</sup> AGM Transcript  
Kokuyo Camlin Limited**

<p><b>Vipul Bhoy</b></p> <p><b>Rishi K.</b></p> <p><b>Vipul Bhoy</b></p> <p><b>Rishi K.</b></p>	<p>Yes Sir.</p> <p>Sir, many thanks for the opportunity first of all. But you take the shareholders which are holding one, two shares and speak like a begger in the beginning, that is really bad. We are holding shares more than a million and we wait for the year to get this opportunity. Please do prioritize in future as per this thing. And I want to speak to the Chairman directly so I will just do one message for him in Japanese.</p> <p>We are not able to hear you sir.</p> <p>Mr. Masaharu, first of all under your leadership, last year we had a inventory loss of Rs. 23 crores. How did this particular the fraud has happened? Have you done the forensic study from some of your own Japanese people? Because Indians are full of frauds because I stay in Singapore, so I know about Indians and I am an Indian unfortunately now. Why don't you check this fraud from a global agency? Why this particular inventory fraud has happened? And now you are proposing again Mr. Dilip Dandekar as a board member or a Chairman. Why so, Sir? Under his leadership the Company has not grown over last 5 years. There are leakages in the purchase and sales department I believe, that's why your margins are below this thing. I checked with the market sources. you earn more profit than in the books, but you never show it. He sold the Company, the Camlin, to you, at a very high price, after that the books are not up to the mark, what you were expecting as a Japanese Company. And if you are actually, ethical Japanese manufacturer, why don't you punish the people who have actually done the fraud and remove the top brass first of all on the ground. This is unexpected from a Company like Japan, I visited Japan 7 times in my life. I am a shareholder of Toyota as well, just see the Toyota price. It has not moved in seven years, but when it moved in three years, it is five times. Your share price has not given even the ten percent return on CAGR basis. Very disappointing Sir. On the ground, your products are well established, brand is well established and then also you are not able to show the profits. As Mr. Keshav, my earlier speaker, has spoken. You should give respect to the people who</p>
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**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

	<p>trusted you when you needed the money. We are the shareholders who supported you when the stock price was going down. If you got a self-respect, please remove Mr. Dilip Dandekar. That is my request to you and to top three people who are involved in the fraud. Let him take responsibility. And I want to give the message to Dilip Dandekar. Sir, you cannot take any money from this place. You take the speaker who want to appreciate you despite the fraud. We as a shareholder, has put our hard-earned money and not got any return. You should resign today. Its disappointing. I don't want to talk anything further. Just improve the ground root work, operational efficiencies and improve the EBIDTA margin to 13-14% which is industry specific. I was there in the stationery industry. I used to do corporate sales 15 years back. I did it 5 years back in Nehru place and ten other places. There is no respect to the shareholders who have trusted you. One day, share price will come to zero. If the frauds keep on happening, If the leakages keep on happening, there will be no respect. That's all from my side. Thank you.</p> <p>Mr. Rishikesh, I can understand your sentiments. But first of all, try to find out how is the structure of the organization. It is not the one person who runs the organization.</p> <p>I am holding Companies in Thailand and Singapore. If something goes wrong, I am responsible. Let the independent international agency do the forensic audit for 5 years and I will prove, I will buy 3% of your equity at any price, if everything goes wrong and you clear chit. Your politicians are bad, your police is bad and now the Companies are bad. I trusted this company because, it has a Japanese parent. Just that.</p> <p>We will move to our next speaker, Mr. K. Bharatraj.</p> <p>Mr. Bharat raj has not joined this meeting at this time.</p> <p>Mr. Anil Mehta.</p> <p>Mr. Anil Mehta. You are unmuted. Please proceed.</p>
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**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

<b>Anil Mehta</b>	Hello. Am I audible?
<b>Vipul Bhoy</b>	Yes Sir.
<b>Anil Mehta</b>	<p>Thank you, Sir. Good morning. This is Anil Mehta attending this meeting from my residence in Kandivali, Mumbai. First of all we want to tell you that we have not received any intimation from NSDL for this meeting. As soon as I logged in for a voting, we came to know about the said meeting. I called the Company and informed Ms. Manisha. She has taken immediate action for the same. Thanks to her for her quick action and support. Now. I will come to the questions Sir. The first question is that, looking to the trade war and present situation with our neighbor country, and also the present repo rate, how much growth can we expect in current FY 2025-26? Second question. Sir, why we are keeping so much balance Rs.493 lakhs in a current account, where we are not getting any interest from the Bank Sir? Sir our export is growing. Now its at 3.5%. but just we want to know whether we have taken any forward contract for hedging this exchange fluctuation risk and also the credit risk, whether we have taken the ECGC policy. With this we are supporting all the resolution and thanks to the secretarial department led by Mr. Vipul Bhoy and also Ms. Manisha for their co-operation and support. Thank you and all the best for bright future of our Company.</p>
<b>Vipul Bhoy</b>	<p>Thank you, Sir. With this we have completed all the speaker shareholders. Thank you for your questions. I will not request Managing Director to address the shareholders.</p>
<b>Managing Director</b>	<p>Just allow us a minute to group the questions.</p> <p>Okay. Thank you everyone. It's been a long list of questions. Hence, we will just try to group and make sure we don't miss any of the questions. We will try to make sure that we will respond to everything that is being asked of us. So, there are set of questions which is a combination of what is your future roadmap for growth, how do you compare with competition, how do you look at those numbers and how do you understand that. Despite the event having</p>

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

happened in the factory, why is it that topline has not grown. I think these are the whole lot of questions which are centered around growth. There are some questions which are centered around exports. I have clubbed all of them together just to ensure that we don't miss any of the points that have been made and we will make sure that we cover all of them in our response. Little bit about margins and how do we see ourselves in margin improvement journey. I will definitely want to talk about incident is played out in so far as the discrepancy in stocks and subsequent investigation that has happened. I will only restrict to just putting out the facts as far as what is being done and Nilesh, after that I think, you can answer all the financial questions.

Understanding Industry growth and looking at how we compare ourselves with that and what is happening within our environment, our focus is acutely on consumer. We maintain significant cognizance on what is happening with competition. As far as industry growth is concerned, our understanding is that there is a wide spectrum of growth. If you look at the data for the industry across players both listed and unlisted, so you see players, May be, just one player at the one end of the spectrum showing very high growth and lot of them would get clustered around low single digit growths. Basis that, what has happened for us, we have shown negative growth of 6% in FY 25. One of the reasons that despite the incident being restricted to the factory, why is that it had impact on the topline, it's because the fact that the incident had to be resolved. I had mentioned that in my presentation that it led to discontinuation of operations in the factory. And this led to, we not been able to service our seasonal volumes, because that factory was not fully functional during that period, when all the investigation was going on. So, some of that led to stock loss and that stock loss led to top line loss. That's one. And second, we've consciously abstained from fighting price battles that have emanated within the industry over last 12 months. I think, this is one of the common features. We have seen this across industry. When growth is challenged, you would see deep discounting. If growth was hunky dory, I don't think, there would be no need for others to indulge in such

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

serious price competition. We have taken a very conscious position to stay away from it and we have been focusing on building a range of products which is more value adding and they are more premiumly priced. The contribution of these products is gradually being getting enhanced. It is different for different categories. But at an overall number, in FY 25, the contribution from new products was close to about 7% of our annual business. The 7%, given the topline that we've reported is a substantive number and I believe we will be able to take this further as we go forward because that's the critical driver for growth in future. There is a pipeline of products, we are currently working on, which should make sure that our contribution from NPDs will only keep getting boosted as we move forward. That's the little perspective on what is your perception of what we see as a growth and what is the growth that you might be hearing from industry reports or may be from other competitors reports. Our focus is on what we can do better. While we know what's happening in the environment, and we will continue to double down on what are our own strengths and capabilities, and try and address the gaps that we believe, is holding us back in driving the growths that we believe is relevant to Kokuyo Camlin.

Quickly then jumping to exports, I think it was rightly pointed by one of our shareholders, that despite of increase in number of countries, why is it that our export revenue for this particular year has come down. And he himself has actually answered that when he said that why is your contribution of exports to Japan has reduced. That I think was the reason that we've seen a slide in our export performance particularly in FY 25. So, degrowth that we saw in our exports to Japan has been the contributing factor for the revenue loss that we've had on exports. Now, why is it that the exports to Japan de-grew is because from Japan, it was getting re-distributed or that product was being sold to many subsidiaries of the Parent. The Parent has also witnessed some significant slowdown in sales in China. That has been reason for degrowth in our exports to Japan in FY 25.

There were questions centered around what is the contribution from GT, e-commerce and quick

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

commerce, I would like to say that GT obviously is going to be a dominant contributor to our business given the nature of the market that we have in India. The e-commerce is currently hovering about 4-5%. The quick commerce is quickly gaining traction and actually is superseding e-commerce. So quick commerce, the total sales quarter on quarter is bigger than e-commerce and as we enhance our play with different operators in the market. We would see a growth happening pretty strongly in quick commerce. Today, we are working with all the major players in that particular channel while we have more better presence with a particular player and slightly lesser presence with another player. But we are fully engaged with all of them. As we keep improving share of revenue from each one of the them, the quick commerce, over a period of time should be significantly stronger than e-commerce. While we continue to work with Amazon and we continue to work with other e-commerce players, we will look at both the opportunities and make sure that we are fully capitalize on what each channel can offer to us. both in terms of our ability to drive sales, more importantly, also to build a brand as consumption pattern evolves within the country. In our view, we are doing well with quick commerce. If there is difference of opinion, we can possibly sort that out.

Coming back to margin trend, I think on EBITDA margins, we see a significant spectrum and I don't think there is anything like industry average which is at x. We are pretty much aware of what kind of EBITDA different players are working at. Our focus is on what is it that Kokuyo Camlin can do better, given where it is. In that, our first pursuit is to make sure that EBITDA is taken to 10%+ level. There are plans that we are working on to make sure that it happens. Once that milestone is achieved, then there are other things that will get kicked in at that point in time. It should take us to more respectable EBITDA and make us a fairly profitable player within the industry. I don't want to say that we are going to be anchoring against X or Y. I would say that we have a fair reading of what margins is Company reporting and we will be competitive and we will be competitive on our own terms.

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

Now coming quickly on the point about the forensic, as I said I'll just try to place the facts and leave the judgement to all the shareholders. First and foremost, I tried to mention in my presentation was basis our internal management review, this was not something which was enforced on Kokuyo Camlin. This was based on routine management review of its business that we noticed that there is something not looking right. That led to an investigation which was initiated by the management and then followed up with our auditors and then eventually when we noticed what could be the potential reasons for this discrepancy, we went on and commissioned a full-fledged forensic audit and these were done by a reputable firm. This was not done and handed over to somebody who is just an unlisted or unrecognized entity to carry out such investigation. So, this was given to a reputable firm. I am sure, they have applied all their framework, and processes. They have taken their time. Based on conclusions that the forensic audit has thrown, actions have been taken on those relevant employees and we have made sure that the factory where this has happened has been cleaned up. We've terminated these employees. We've recruited a new team. Lot of process changes that have happened. I would love to offer our shareholders come and visit the factory. I think you've been asking for factory visit. I would love to organize a factory visit to the factory where the issue had happened. So there is nothing like seeing it and then making sense of it. I would eagerly welcome our shareholder to come and visit that factory where the issue had erupted. As I said, look at what's happened, look at what we have done, and all of these has been reported. All of this is there on the website of all the stock exchanges. And then, you can come to the conclusion, as to what happened, why did it happened, and what is it that the Company has done. Having said that, our belief is that it has been an opportunity to look at the gaps in our processes and strengthen those processes. That is where we will be looking at digital technologies quite strongly in how that capability can be embedded in our operations and how that will prevent such occurrences in future. So that, In a nutshell, I would like to respond to the entire episode of default that has happened on inventory and the action that we

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

have taken including the forensic that followed as a part of that investigation.

On employees, there were few questions on what is the attrition rate and what is the number of staff that we have in head office, at the factory and may be on the field. Our headcount is 1165. 70% of them are in the factory and the field. Entire field force is about 700 odd people. At the factory, we have around 200-300 people. Rest of the folks would be based of the head office. Attrition is something that we have seen significantly at the lower levels of employment. We see attrition which is hovering about 20% - 25%.

I think my last question and then I will hand it over to Nilesh. The question was on what is happening to your market share and what are we doing on distribution and what are we doing to push ourselves to rural areas. What I tried to bring out in my presentation, the categories we have been maintaining leadership, we continue to maintain. Within that there are few categories where we had to take little bit of back slide not driven by market share considerations but driven by profit impact and sustainability of sales that we had to do to maintain leadership. Where the price was the key factors, which was governing sales, we have taken a backstep and we said that its not important that we just have to maintain market share at any cost. It is prudent to look at what is the better trade off for the organization and there we've consciously chose to step back. I am sure that once the sanity prevails, we will figure out how to re-enter. Having said so, our journey is on building profile of products where consumer equity is built and where the consumer really wants to be buying the kind of product that we would love to make and serve. Lastly, on rural distribution, today, I think we are doubling down, on deepening direct reach. Our pivot on distribution is going to be on direct reach. We don't want to be a player who is just focused on wholesale and pricing to drive distribution. Our intent is to first be direct, so that we can offer certain level of service and kind of relationship which allows us to nurture those distributors and retailers to make sure that we build a growth which is not just a number but also qualitatively good. In that count, today, there are lot of efforts being made to go to tier 3 & tier 4

**78<sup>th</sup> AGM Transcript  
Kokuyo Camlin Limited**

**Chief Financial Officer**

cities. In fact, lot of distributor expansion we were talking about, has happened in those market. One of the questions I also remember, as to the number of distributors have increased, why has the sales growth not happened. One of the reasons, that it has not happened, firstly, all the distributors were not added in FY 25. This has been an efforts of last three years. Lot of them got inducted in FY 24 and we've seen some of the growth that we were able to achieve in FY 24. More importantly, the fact that we are adding distributors and we are trying the make sure that our volumes are protected, But I think our ability to convert volume growth to value growth has got little subdued because of intense competitive pressure on pricing especially in the categories that we've been operating. We've taken cognizance of that. My sense is that we were to maintain market share, we can always come back and fight the price battle. That's been our endeavor. That's why you see a little bit of disconnect between the growth of the distributors and growth of the organization.

That's it. I have answered whatever I thought were relevant in the course of this meeting. Nilesh, you would like to answer financial questions.

Thank you, Satish. I have seen lot of questions on the financials. Questions like what is the Capex, what are other expenditure, margins, spent on advertisement, Indirect tax increase, working capital requirement, IRR payback, and expected write off in coming years. So, I will take the questions one by one.

On the Capex, for the financial year 2024-25, it was Rs.19.8 crores out of which 15.5 crores was on plant and machinery. Planned capex for the next year is always focused on strategic ideas such as technology expansion and structural improvements. This will support our growth objectives and enhancing operational efficiency going forward. In terms of our expenditure on advertisement, roughly around 2% of our spent was on advertisement. In terms of future guidance, we plan to allocate consistent percentage of our revenue towards advertisement and sales promotion expenditure, ensuring our brand visibility while protecting our cost efficiencies. Exact percentage may vary depending upon the market

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

condition and the campaign priorities for us. The next question was on expected IRR or payback we aim for. We are very mindful of the IRR and payback period while considering any capex or investment. We will ensure that expected IRR exceeds cost of capital which is a key measure for value creation. While there is no standard pay back period, we carefully assess each of the project payback timelines to ensure that it aligns with our growth objectives. Our goal has to maintain optimal balance between the long-term value creation and the prudent financial management before incurring any consumption capex.

On the import duty on products, generally import duty depends on the HSN classification of the products. There are two categories, primarily which is around 7.5% and 10% on different categories. On the question on the any expected additional write off during the financial year 2025-26, as a part of routine scrutiny of inventory, we continue to monitor inventory ageing as per the practice that has been followed since past many years. Any write offs arising out of the process are typically nominal and we do not foresee any significant or unexpected write off like this which we have seen last year. In addition, we have implemented several interventions over the past 3-4 quarters to improve the inventory management. Additional system controls have been implemented into our accounting systems. We have appointed PricewaterhouseCoopers as an Internal Auditors for two years to enhance audit processes. Inventory consumption dashboards have been introduced for real time tracking and better decision making. Operational efficiencies at manufacturing plant has been further improved to optimize processes and better resource management. Physical inventory processes has been strengthened to ensure alignment between physical stocks and the books stocks. There are 2-3 internal projects like project Ops-shield has been launched to standardize the process across all manufacturing locations.

There were some questions on working capital management. So, working capital typically range between 16% - 17% of the revenue depending upon the seasonality and other operational factors. This

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

<p><b>Vipul Bhoy</b></p>	<p>ratio reflects the capital that we need to support our operations including receivables, inventory and payables. As far as debtors are concerned, we are pretty consistent for past few years. At a pre-covid level, we were at around 48-50 days of debtors or receivables which have been brought down to 37-38 days in last financial years. Having said that, we have done some significant rationalization of inventory in past few quarters and by choosing lot of process improvements on the sales forecasting, sales demand planning, integration of system controls, inventory dashboard reviews and the tighter controls on purchases. With these measures, we would like to maintain our working capital requirements at these levels going forward. That's all.</p> <p>Thank you, Nilesh san. There was a question on cost of annual report designing and printing. I would address those. The cost of designing of Annual report was around Rs.4 Lakhs and about Rs.1 Lakhs for printing. There was a question asked on the agency doing email sending of AGM Notice and Annual Report. We are doing it from NSDL. There was a question on having an AGM early. I would like to mention that we follow the policy of having an AGM in first five months of closure of financial year and we are maintaining that. There was a question on subsidiary. There is no subsidiary as of now for the Company. As far as sequence of speaker registration is concerned, we maintain the sequence in which we receive the registration from the shareholders.</p> <p>That sum up the answers to the questions raised by the shareholders. I would request chairman sir to take the proceeding ahead.</p>
<p><b>Chairman</b></p>	<p>Thank you, MD, CFO and Vipul for answering most of the questions. Now I request shareholders to cast their votes on all the resolutions set out in the AGM Notice. Those shareholders who have already voted through remote e-voting will not be eligible to vote again in the meeting but can only participate in the business of the meeting.</p> <p>After all the shareholders have cast their vote, the Scrutinizer will go through all the votes cast by the shareholders and the combined result of the remote</p>

**78<sup>th</sup> AGM Transcript**  
**Kokuyo Camlin Limited**

		<p>e-voting and voting at the AGM will be announced within 2 working days from the conclusion of the meeting. The voting results will also be forwarded to the stock exchanges and made available on the website of the Company.</p> <p>As business of the meeting is over, I formally declare the Meeting as concluded. Thank you very much for your presence and support.</p>
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