



set to  
SOAR

69th Annual Report 2015-16

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# Contents

Notice . . . . .	13	Balance Sheet . . . . .	78	Consolidated Balance Sheet . . . . .	116
Director's Report . . . . .	18	Statement of Profit & Loss . . . . .	79	Consolidated Statement of Profit & Loss . . . . .	117
Management Discussion and Analysis . . . . .	44	Cash Flow Statement . . . . .	80	Consolidated Cash Flow Statement . . . . .	118
Report On Corporate Governance . . . . .	51	Notes forming part of Financial Statements . . . . .	82	Notes forming part of Consolidated Financial Statements . . . . .	120
Auditors' Report . . . . .	70	Auditors' Report on Consolidated Financial Statements . . . . .	110		



Our **integrated manufacturing plant** at Patalganga is all set to commence commercial operations...

...**unleashing the thrust and power** in our engines that will provide us with the momentum.

Our renewed marketing is all set to leverage the **momentum of enhanced** manufacturing capacities...

...**accelerating us on the smooth runway** from where we are preparing for the take-off.

**Our quality, reach, presence,** brand and products are all set to propel us...

...into a new trajectory of **growth and expansion** as we aim to achieve our **vision of ₹ 1,000 crore** in the next three years.

The new **pace, passion and purpose** is reflected in our **improved performance** this year.

We are accelerating.

On the run-way.

**Ready to take-off.**

**We are**

**set to soar**



# Integrated Manufacturing Plant at Patalganga

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In 2013, we took a major strategic decision to consolidate our manufacturing at Patalganga in MIDC, Maharashtra.

The new integrated manufacturing plant at Patalganga is all set to commence production in second quarter of FY2016. Consolidating some of our manufacturing activities at Patalganga will catapult us into the next orbit as economies of size, scale and scope unlock immense new potential in procurement, logistics, production and delivery.

The Patalganga plant has locational advantages with excellent connectivity with national highway, proximity to JNPT and the proposed site for the new airport.

The new plant is spread over 56,600 sq.mts. (14 acres) of land. The Factory and Administrative section is spread over 26,401 sq.mts., making it the largest stationery plant in the Kokuyo Group. Another 11,644 sq.mts. of the plant will be used to accommodate the current factory and administrative area of Vasai and Taloja plants. The site has sufficient land available for further expansion in the future.

The Patalganga plant shall also be equipped with the latest machines and equipment. It shall be a state-of-the-art manufacturing unit with cutting-age technology and advanced automated production lines. The plant will immediately take our manufacturing efficiencies to the next level in terms of volumes as well as quality of products, not to mention the compelling cost advantages derived from single-location production.

As the Indian stationery market becomes more competitive and moves towards premiumisation, we are confident that our integrated manufacturing at Patalganga will enable us to consolidate our presence and expand into newer categories with more innovative products, competitive pricing and top-class quality.



Artists impression of proposed factory building.



- ✔ Biggest stationery plant in the Kokuyo Group
- ✔ Excellent connectivity and location
- ✔ Spread over 14 acres with sufficient land for future expansion
- ✔ State of the art plant with latest automated production lines
- ✔ Commercial production expected in second quarter of FY2016
- ✔ Over 200 products to be manufactured under one-roof



Artists impression of proposed factory building.

# Focussed Marketing Strategy

Over the last 3 years, we have been steadily focussing on our marketing strategy to leverage the powerful advantage of integrated manufacturing at Patalganga.

The Indian stationery market has become highly competitive in the last few years. Many new international players have been attracted in enter the foray as the fast-evolving Indian consumer demands more premium products in every category.



Not to scale - for graphic purpose only.

At Kokuyo Camlin, we have one of the most enduring and endeared brands in the stationery space in India. At Patalganga, we shall have one of the most advanced manufacturing plants in the country. Our marketing team has been focussing on expanding our market share with clear strategies and plans to synergies the dual strengths of a strong brand and integrated manufacturing.



# Marketing for the Next Gen Consumers

The digital revolution in the last few years has radically shifted marketing. Compared to traditional marketing which was based on communications in print and electronic media, today's consumers are 'always on' their smart devices, connected everywhere and engaged constantly. Marketing today needs to engage with consumers, converse with them on social media platforms and deliver interesting and interactive experiences.

We have understood this insight and change, and have aligned our marketing strategy in sync with the next gen consumers.

We continue to engage with our consumers through our wide digital presence across popular social media platforms. We are one of

the first movers in the digital space. Our Facebook page is liked by over 528,000 people. We engage with our consumers on a round the year basis through the digital medium. We make customers an integral part of our digital campaigns by engaging into regular conversations

to delivering improved product experiences. In fact, we involve our consumers in addressing social cause and issues like the Clean Ganga project, where over 170 artists were given Kokuyo Camlin products to paint, and the entire event was promoted by Media.

**Kidzania is a safe unique and interactive indoor theme park that empowers, inspires and educates kids through real life role play activities. Kokuyo Camlin has an Arts and Crafts Studio and Painting Studio where kids can express their creativity.**



Kokuyo Camlin helped in planting of over 1 lac trees as part of its environmental initiative. The project was also used to communicate the key marketing message that using Mechanical pencils saves wood, and therefore, helps sustain the environment. Using the social media, both the marketing message as well as the sustainability message were impactfully delivered.



## Rakhi App

In yet another example of innovation, Kokuyo Camlin launched its Rakhi app.

The Rakhi App is part of the ABBY Award winning Camlin Experience App. It takes the traditional Indian festival of Raksha Bandhan on the modern technology and digital platform.

Using a set of 'easy to use' tools, anyone can create a stunning Rakhi design within minutes. Beyond designing personalized Rakhis, they can tag and share the Rakhi with a loved one on Facebook within the app, or download and share via email.

## Expanding Reach and Presence

Reaching more customers across the country is key to expanding our market share. We already have one of the most elaborate and extensive distribution in the country, reaching every town and city in India. We are now building our online presence as e-commerce get set to emerge as a dominant new marketplace for the future. Our products are already available on all popular e-commerce platforms in India.





During the year, we introduced a range of innovative products.

1

### Brush Pens

Kokuyo Camlin launched an innovative product which gives children the joy of water colouring along with the convenience of brush - Brush Pens.



2

### Square Glue Sticks

This is a highly innovative glue stick in square shape which ensures that glue is evenly applied on all corners. This product is jointly designed and developed by Kokuyo Japan and Kokuyo Camlin. It is also exported by Kokuyo Camlin.



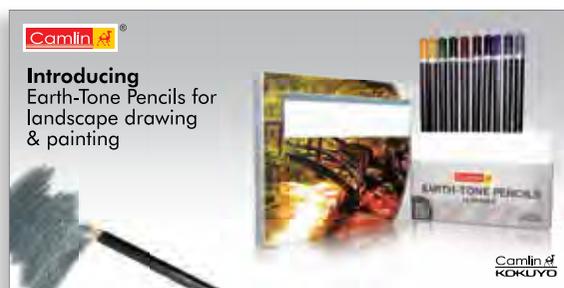
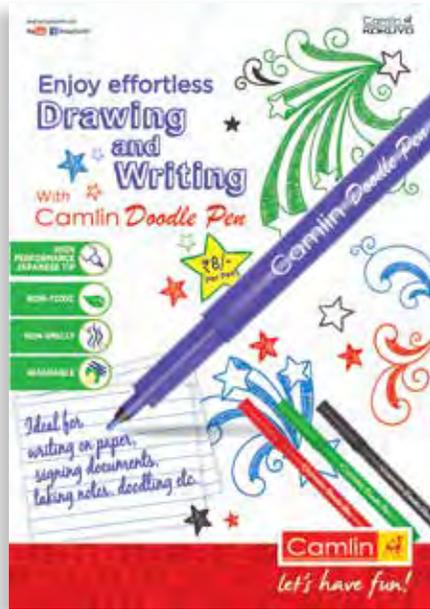
3

### Washable Crayons

With Washable Crayons kids can now express their creativity on any surface including walls as they are washable from most surfaces.



# New Products Launched





**Camlin**®

**Introducing**  
Water-soluble Graphite Sticks for  
freehand sketching & painting

**Camlin** **KOKUYO**

what's your  
**TORApanti?**

Smooth, Smart, Stylish

**Camlin** **TORA**  
Smooth writing. Smart styling.

**Camlin** **KOKUYO**  
let's have fun!

Make  
writing fun  
at just  
**₹10**

**SCHOLAR**  
Pen Pencil

Special grip for better writing  
Available in 5, 6mm, 7, 8mm & 9mm

**Camlin** **KOKUYO**  
let's have fun!

**Darker than  
the darkest**

**Supreme**  
1.0mm Fps Pencil  
Super Dark Pencil  
For Dark Writing...

**4B**  
Lead

**NO.1** Best  
Pencil

**Camlin** **KOKUYO**  
let's have fun!

**Camlin**®

**Introducing**  
Skin-Tint Pencils for  
portrait drawing  
& painting

**Camlin** **KOKUYO**

**EXPRESS  
YOUR OWN STORY**

**Supreme**  
PENCILS  
PRE-SHARPENED  
For extra dark & smooth writing

**Camlin** **KOKUYO**  
let's have fun!



# Events and Awards

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Mechanical Pencil - Out Of Home Bronze at ABBY Award Fest Goa 2016

Rakhi Maker - Gold 2016 (Innovation in Digital Marketing) at CEF Asia Pacific Region

Camlin Experience App - 2015 (Excellence in Online Media) at CEF Asia Pacific Region



CAMLIN DRAWS FOR DRAUGHT

Kokuyo Camlin organized artists to paint for the cause of Maharashtra farmers facing draught – the paintings were handed over to NGO Vandana Foundation run by Mr. A. N. Roy to auction and use funds for the cause of Maharashtra farmers.



**Camlin Paints for Ganga**

Kokuyo Camlin brought more than 150 artists to paint for Project Clean Ganga and donate their paintings to the NGO-My Home India which would use the funds to work the project.



**Camlin Children's day**

Every year, Kokuyo Camlin celebrates Children Day wherein we promote the cause of making learning fun for children and also make the day special for underprivileged children by not only taking them for joyride across city and give them Camlin goodies.



**Camlin Principals Day**

Kokuyo Camlin started launched the idea of Principal's Day in India to be celebrated on the birth anniversary of Swami Vivekanad - 11th January every year, to recognize the work of the head of schools towards their contribution on learning.



**Camlin tree plantation drive**

Kokuyo Camlin every drives tree plantation both across its factories and outside. Last year, with the help of the army and school children, Kokuyo Camlin organized a major tree plantation drive in Pithoragarh where more than 1 lac trees were planted in a single day.



**Camlin Swacch Bharat drive**

On World Art Day - 15th April, we converted the world's longest canvass into trash cans and distributed amongst children at Kidzania to promoted for segregating waste for making it a clean and environment friendly India.

# Corporate Information

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## 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. Yasushi Inoue  
(Non Executive Director)

Mr. Takeo Iguchi  
(Executive Director)

Mr. Nobuchika Doi  
(Executive Director)

## INDEPENDENT DIRECTORS

Mr. Shishir Desai

Mr. Ramanathan Sriram

Mr. Devendra Kumar Arora

Mr. Hisamaro Garugu

Mr. Venkataraman Sriram

Ms. Aparna Piramal Raje

## CHIEF EXECUTIVE OFFICER

Mr. Ayyadurai Srikanth

## 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

**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.

## AUDITORS

M/s. B. K. Khare & Co.  
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-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup West,  
Mumbai - 400 078.  
Tel : 91-022-2594 6970  
Fax: 91-022-2594 6969  
Email : rnt.helpdesk@linkintime.co.in

## AUDIT COMMITTEE

Mr. Shishir Desai  
Chairman

Mr. Venkataraman Sriram  
Member

Mr. Ramanathan Sriram  
Member

Mr. Takuya Morikawa  
Member

## STAKE HOLDER RELATIONSHIP COMMITTEE

Mr. Ramanathan Sriram  
Chairman

Mr. Devendra Kumar Arora  
Member

Mr. Shriram Dandekar  
Member

## REMUNERATION & NOMINATION COMMITTEE

Mr. Shishir Desai  
Chairman

Ms. Aparna Piramal Raje  
Member

Mr. Hisamaro Garugu  
Member

Mr. Dilip Dandekar  
Member

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Ramanathan Sriram  
Chairman

Mr. Nobuchika Doi  
Member

Mr. Shriram Dandekar  
Member



# Notice

NOTICE is hereby given that the 69<sup>th</sup> Annual General Meeting of the Members of KOKUYO CAMLIN LIMITED, will be held on Friday, the 29<sup>th</sup> July, 2016 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 31<sup>st</sup> March, 2016 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. Yasushi Inoue (DIN 06838399), who retires by rotation and being eligible offers himself for re-appointment.
4. 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, M/s. B. K. Khare & Co., Chartered Accountants, (Firm Registration No. 105102W) be and are hereby re-appointed

as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General meeting of the Company at such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors, in addition to the reimbursement of service tax and actual out-of-pocket expenses incurred in connection with the audit of accounts of the Company.

## SPECIAL BUSINESS:

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 Section 94, other applicable provisions, if any, 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), and in supersession of all earlier resolutions passed in this regard, consent of the members of the Company be and is hereby accorded for maintenance of the Register and Index of Members, Register and Index of Debenture holders and copies of all Annual Returns under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the office of M/s. Link Intime India Private Limited, having its registered office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078, the Company's Registrar and Transfer Agent, or at such other place within Mumbai, where the Registrar and Transfer Agent may shift its office from time to time.



KOKUYO CAMLIN LIMITED

**RESOLVED FURTHER THAT** any one of the Whole-time Directors of the Company and / or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution and to delegate all or any of the powers or authorities herein conferred by this resolution, to any Director(s) or to any other official of the Company or any other officer(s)/ authorized representative(s) of the Company or to engage any advisor, consultant, agent or intermediary.

**By Order of the Board**

**Regd. Office:**

Kokuyo Camlin Limited  
CIN :L24223MH1946PLC005434  
48/2, Hilton House,  
Central Road, M.I.D.C,  
Andheri (East),  
MUMBAI-400 093.

Dated: 12<sup>th</sup> May, 2016.

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

**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 No. 5 is annexed hereto.
5. The Register of Members and Share Transfer books will remain closed from 25<sup>th</sup> July, 2016 to 29<sup>th</sup> July, 2016 (both days inclusive).
6. Members holding Shares in physical form are requested to communicate any change in address, immediately to the Company's Registrars and Share Transfer (R&T) Agents, M/s. Link Intime India Private Limited.
7. In compliance with Sections 205A, 205C of the Companies Act, 1956, (which are still applicable as the relevant Section under the Companies Act, 2013 is yet to be notified) unclaimed dividend for the year ended 31<sup>st</sup> March, 2008, has been transferred to the "Investor Education and Protection Fund" established by the Central Government. (Members shall not be able to register their claims in respect of their un-encashed dividend with regard to the above dividend).
8. Members who have not encashed their dividend warrants for the financial year ended 31<sup>st</sup> March, 2009 and thereafter, may



immediately approach the R&T Agent and submit their claim for the said dividend. The amount of dividend remaining unclaimed for a period of 7 years shall be transferred to the "Investors Education and Protection Fund" as per provisions of Section 205C of the Companies Act, 1956. It may also be noted that once the unclaimed dividend is transferred to the Fund, as above, no claim shall lie in respect thereof.

As per the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has placed on its website ([www.kokuyocamlin.com](http://www.kokuyocamlin.com)) the information on dividend which remains unclaimed with the Company for the financial year ended 31<sup>st</sup> March, 2009 and thereafter. The information is also available on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

9. As per regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**'), 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.
10. The Company in compliance with regulation 39 (4) of the Listing Regulations has sent three reminder to the members in respect of shares which are lying unclaimed with the Company. The Company is in the process of transferring unclaimed share certificates of those members who have not claimed their shares, to unclaimed suspense account.
11. Any Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company atleast seven working days prior to the meeting, so that the required information can be made available at the meeting.
12. 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.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the R&T agent.
14. In Compliance with 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. 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 as if they have been passed at the AGM.
15. 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



KOKUYO CAMLIN LIMITED

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.

16. The Annual Report 2015-16 along with the Notice is being sent by electronic mode to those members whose email addresses are registered with the depository participants / Company's Registrar and Share Transfer Agent unless any member has specifically requested for a physical copy of the same. For members who have not registered their email addresses, physical copies 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.

17. The Annual Report 2015-16 and Notice of the 69<sup>th</sup> Annual General Meeting of the Company circulated to the Members of the Company, will be made available on the Company's website [www.kokuyocamlin.com](http://www.kokuyocamlin.com) and also on the website of the respective Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://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 days 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](mailto:investorrelations@kokuyocamlin.com).



## ANNEXURE FORMING PART OF THE NOTICE

(Explanatory Statement pursuant to Section 102 of the Companies Act, 2013)

### SPECIAL BUSINESS:

#### ITEM NO. 5:

The Company had appointed M/s. Sharepro Services (India) Private Limited ("**Sharepro**") as its Registrar and Transfer Agent (hereinafter referred to as "**R&T Agent**") with effect from 1<sup>st</sup> October, 1995.

SEBI on receiving a complaint from one of the listed entity on irregularities at Sharepro, conducted an inspection at their office and *inter alia* observed that dividend and shares belonging to rightful investors were transferred to the persons related to the management of Sharepro. In view of the above, SEBI passed an interim order against them on 22<sup>nd</sup> March, 2016 restraining Sharepro from buying, selling or dealing in the Securities market or associating itself with the Securities market.

Pusuant to the aforesaid Order of the SEBI and with a view to protect the interests of the shareholders, the Board of Directors of the Company at its meeting held on 12<sup>th</sup> May, 2016, had approved the termination of Sharepro as the Company's R&T Agent and the appointment of M/s Link Intime India Private Limited, having its registered office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078, as the R&T Agent of the Company with effect from 13<sup>th</sup> May, 2016.

In accordance with Section 94 and other applicable provisions of the Companies Act, 2013 ("**Act**") read with the rules framed thereunder, the

Register and Index of Members Register and Index of Debenture holders, and copies of all Annual Returns under Section 92 of the Act are required to be kept and maintained at the Registered Office of the Company, unless a special resolution is passed in a General Meeting authorizing keeping of the register at any other place within the city, town or village in which the Registered Office is situated. The Company accordingly seeks the approval of the members to maintain the Register and Index of Members and Returns at the offices of M/s Link Intime India Private Limited, having its registered office at C-13, Pannalal Silk Mills Compound , LBS Marg, Bhandup (West), Mumbai 400 078 or at such other place within Mumbai, with effect from 13<sup>th</sup> May, 2016.

None of the Directors/Key Managerial Personnel's (KMPs) of the Company and their relatives are concerned or interested in the resolution.

The Board recommends passing of the resolution set out at item 5, as a special resolution.

**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: 12<sup>th</sup> May, 2016.



# Directors' Report

To,  
**The Shareholders of Kokuyo Camlin Limited**

Your Directors take pleasure in presenting herewith the 69<sup>th</sup> Annual Report together with the Audited Financial statements for the Financial Year ended 31<sup>st</sup> March, 2016.

## FINANCIAL RESULTS (STANDALONE):

(₹ in Lacs)

	2015-2016	2014-2015
Net Sales /Income from Business Operations	61,418.72	54,387.93
Other Income	536.58	766.73
Total Income	61,955.30	55,154.66
Profit before Interest and Depreciation	2990.18	2502.25
Less Interest	1,072.91	977.29
Less Depreciation	1,186.22	1,096.84
Profit before Tax	731.05	428.12
Less Provision for Tax		
- Current	-	-
- Deferred	209.57	(64.27)
- Prior Years (Net)	(4.42)	-
Net Profit after Tax	<b>525.90</b>	<b>492.39</b>
Balance carried to Balance Sheet	<b>525.90</b>	<b>492.39</b>
Earnings per share (Basic)	<b>0.52</b>	<b>0.49</b>
Earnings per Share(Diluted)	<b>0.52</b>	<b>0.49</b>

## OPERATING PERFORMANCE:

During the year the Company reported net sale of ₹ 61,418.72 Lacs as compared to ₹ 54,387.93 Lacs for the last year representing a robust value growth of 12.93 % over the corresponding period of the previous year. Your Company has continued to grow ahead of the stationery Industry despite a challenging macro environment. Company's focus has been to accelerate innovation and back new product launches with Increase marketing spends. During the last year your Company came out with new product launches in the domestic market which will further enhance the Company's competitiveness, improve the equity of its brands and drive increased penetration and consumption.

The continued focused approach of growing profitable business along with major steps taken in the areas of margin improvement and cost control have resulted in the better performance of the Company at the EBITA level for the year as compared to previous year.

Given the growth requirements of the business and absence of sufficient profits, your directors do not recommend any dividend for the financial year 2015-2016.

Your Company looks forward to further strengthen its performance in the coming years. The performance review, outlook and strategy have been spelt out in depth in the Management Discussion and Analysis Report which forms part of this Directors Report.



### 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 31<sup>st</sup> March, 2016 was ₹ 1003.04 Lacs.

### MERGER OF HOLDING COMPANY:

During the year under review our holding Company M/s. Kokuyo S & T Co Ltd, Japan merged into its 100% Holding Company Kokuyo Co Ltd, Japan w.e.f 1<sup>st</sup> October, 2015. In view of the merger, Kokuyo Co Ltd is now our Holding Company and one of the promoters of the Company. Kokuyo Co Ltd, Japan is listed on the Tokyo Stock Exchange.

### MANAGEMENT DISCUSSION AND ANALYSIS:

In accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

### MEETINGS OF THE BOARD:

During the year five Board Meetings were convened and 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.

### DIRECTOR'S RESPONSIBILITY 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 31<sup>st</sup> March, 2016, 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2016 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.

### EXTERNAL COMMERCIAL BORROWINGS (ECB):

During the year under review, your Company availed fresh ECB for USD 31.20 lacs from Sumitomo Mitsui Banking Corporation (SMBC) for an average tenor of 5 years on unsecured basis. The funds drawn under ECBs were utilised to fund capital expenditure program of the Company and other approved end uses as per extant Reserve Bank of India Guidelines and the terms of the loan. As at 31<sup>st</sup> March, 2016, long term borrowings stood at ₹ 2581.82 lacs as against ₹ 883.96 Lacs as on 31<sup>st</sup> March, 2015.



KOKUYO CAMLIN LIMITED

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

There has 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. 31<sup>st</sup> March, 2016) and the date of the report.

## **PERFORMANCE EVALUATION OF THE DIRECTORS ETC.:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Remuneration and Nomination Committee has laid down the criteria for performance evaluation of Board of Directors (Including Independent Directors), Key Managerial Personnel and committees of the Board on the basis of which they have been evaluated.

## **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.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not granted any loans, guarantees and investments during the financial year ended 31<sup>st</sup> March, 2016.

## **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.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In terms of the provisions of the Companies Act, 2013, Mr. Takeo Iguchi and Mr. Yashushi Inoue, Directors of the Company, retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment.

The Company has received declarations from all the Independent Directors of the Company, confirming that they meet with the criteria of independence as prescribed both under Companies Act, 2013 and the Listing Regulations.

None of the Directors are disqualified from being appointed as Directors as specified in section 164 of Companies Act, 2013. The profile of Directors seeking re-appointment forms part of the Corporate Governance Report.



The term of Mr. Dilip Dandekar, Chairman and Executive Director and Mr. Shriram Dandekar, Vice Chairman and Executive Director expired on 31<sup>st</sup> January, 2016. The Board of Directors in its meeting held on 29<sup>th</sup> January, 2016 re-appointed them on revised terms for a period of two years with effect from 1<sup>st</sup> February, 2016. The said appointment was also approved by members by passing Special Resolutions by way of postal ballot on 28<sup>th</sup> March, 2016 subject to approval of Central Government if required.

The Board of Directors also re-appointed Mr. Ayyadurai Srikanth as a "Manager" designated as "Chief Executive Officer" for a further period of two and half years with effect from 1<sup>st</sup> February 2016 on revised terms. The said appointment was also approved by the members by passing special resolution by way of Postal Ballot on 28<sup>th</sup> March 2016 subject to approval of Central Government if required.

The Company is in the process of filing an application in form MR-2 with Ministry of Corporate Affairs ("MCA"). The said form is pending for filing in view of technical issues faced by the Company on the MCA site for which the Company has taken this matter with the MCA authorities.

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Companies Act, 2013 read with the Rules framed thereunder.

1. Mr. Ayyadurai Srikanth – Chief Executive Officer
2. Mr. Chetan Badal - Chief Financial Officer
3. Mr. Ravindra Damle - Vice President (Corporate) & Company Secretary

None of the Key Managerial Personnel have resigned during the year under review.

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' and forms an integral part of this report.

#### **AUDITORS:**

M/s. B. K. Khare & Co., Chartered Accountants (FRN:105102W) Mumbai, Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment as Statutory Auditors to hold office till the conclusion of the next Annual General Meeting.

The Company has received a letter from them to the effect that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made shall be in accordance with the applicable provisions of the Companies Act, 2013 and the rules framed thereunder.

The Audit Committee and the Board of Directors recommends the re-appointment of M/s B. K. Khare & Co., Chartered Accountants, as the Auditors of the Company to hold office till the conclusion of the next Annual General meeting. The re-appointment proposed is within the time frame for transition under the third proviso to sub-section (2) of Section 139 of the Companies Act, 2013.

#### **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.

#### **SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has



KOKUYO CAMLIN LIMITED

appointed M/s. J. H. Ranade & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2015-2016. The Secretarial Audit Report is Annexed herewith. The report does not contain any qualification, reservation or adverse remark.

#### **DEPOSITS:**

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

#### **CORPORATE GOVERNANCE:**

Your Company has always endeavored to adhere to high standards of Corporate Governance and ensured its compliance both in spirit and law. As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the M/s. J. H. Ranade & Associates, Practicing Company Secretaries confirming compliance forms an integral part of this Report.

#### **FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS**

In compliance with the requirements of Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility 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>

#### **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.

#### **SUBSIDIARY COMPANIES:**

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

Pursuant to the Provisions of Section 129(3) of the 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 Section 136 of the Companies Act 2013, the Audited financial statements, including the consolidated financial statements and related information of the company and audited accounts of its subsidiary are available on the website [www.kokuyocamlin.com](http://www.kokuyocamlin.com)

#### **CONSOLIDATED FINANCIAL STATEMENTS:**

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of each of the subsidiaries, associate companies and joint venture in the prescribed Form AOC-1 is attached to the financial statements of the Company. Pursuant to Section 136 of the Companies Act, 2013, the financial statements of the subsidiary and associate Company 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 and associate company to the shareholders upon their request. The statements



are also available on the website of the Company viz. [www.kokuyocamlin.com](http://www.kokuyocamlin.com) under the Investor Relations section.

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

The Company had transferred a sum of ₹ 2.06 Lacs during the financial year to the Investor Education and Protection Fund established by the Central Government. The said amount represents Unclaimed Dividend for the financial year 2007-2008 with the Company for a period of 7 years from the due date of payment.

### **REGISTRAR AND SHARE TRANSFER AGENT:**

M/s. Sharepro Services (India) Pvt. Ltd., Mumbai were the Registrar and Share Transfer Agent of the Company. SEBI vide its order dated 22<sup>nd</sup> March, 2016 have restrained M/s. Sharepro Services (India) Pvt. Ltd. for carrying out Share Registry services and accordingly advised the Company to take necessary steps. Your Company has appointed M/s. Link Intime India Pvt. Ltd. as Registrar and Transfer Agents with effect from 13<sup>th</sup> May, 2016 and maintain the Register and Index of members at the address of the new Registrar and Transfer Agent M/s. Link Intime India Pvt. Ltd. The Directors recommend the special resolution of maintaining the records at the new address for your approval.

### **SEXUAL HARASSMENT 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 women representative from an NGO. During the year under review, no case was reported under the said policy.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company has its own process driven framework for Internal Financial Controls ("IFC"). For the year ended 31<sup>st</sup> March, 2016, 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. 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.

### **SIGNIFICANT AND MATERIAL ORDERS 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 RESPONSIBILITY (CSR):**

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

In line with Kokuyo Camlin's Philosophy of making meaningful contribution to society, Company has been promoting art for good causes. On 27<sup>th</sup> September, 2015 Kokuyo Camlin celebrated World River day by inviting around 170 artist's to paint on the theme "Ganga" in Varanasi. The paintings are planned to be donated by artists to raise funds and



KOKUYO CAMLIN LIMITED

awareness for project ganga, a project promoted by our Prime Minister. The proceeds will go to Swacch Kashi Swasth Kasha project of My Home India.

The Company has carried out this campaign voluntarily for the year under review as Section 135 of the Companies Act, 2013 was not applicable to the Company.

#### **ADOPTION OF NEW ARTICLES:**

The Companies Act, 2013 and the Companies (Amendment) Act, 2015 has necessitated changes in the Articles of Association of the Company. Accordingly a new set of Articles of Association were adopted by the members through postal Ballot on 28<sup>th</sup> March, 2016.

#### **CODE OF ETHICS & 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 statement 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 is posted on the website of the Company.

#### **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

review, 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.

The Board at its meeting held on 14<sup>th</sup> May, 2015 has adopted revised code of 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.

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

Kokuyo Camlin's mechanical Pencil creative for World Environment day won Abby award at the Goafest 2016.

Camlin's experience App rakhimaker bagged gold in digital marketing Innovation at Asia Pacific Customer Engagement Forum & Awards 2016.

#### **GREEN INITIATIVE 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 evoting 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, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations. The instructions for e-voting is provided in the e-voting form.

### **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 present parent Company Kokuyo Co. Ltd. Japan and also erstwhile Kokuyo S&T Co., Ltd., Japan which got merged with Kokuyo Co. Ltd. Japan

**For and on behalf of the Board**

**DILIP DANDEKAR  
CHAIRMAN &  
EXECUTIVE DIRECTOR**

Place: Mumbai  
Date: 12<sup>th</sup> May, 2016

# 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.
- Provision of energy efficient lights (LED) replacing conventional light fittings.
- Installation of energy savers on air conditioners.
- Preventive maintenance of various equipments to keep them in good condition.
- Replacements of V Belts on Compressors by flat belts.
- Reduction in power Consumption by installing Variable Frequency drives.
- Steam condensed recycled to boiler leading to saving in water and fuel consumption.
- Use of Solar Energy for process water heating.
- Use of Solar Energy for Street light.

- 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.
- Heaters temperature controller are digitalised leading to proper temperature control in process which has helped to reduce excess power consumption.
- Use of gravity in some process has reduced electricity for transfer of material.
- Auto controllers on lighting for switch on/off.

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

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

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

As a result of measures taken/to be taken, enumerated in (a) and (b) above there is a reduction in maintenance cost, machine



downtime and thereby savings in unit consumption which has helped in reducing the cost of production.

## B) TECHNOLOGY ABSORPTION:

### Research and Development (R & D):

1. Specific areas in which R & D carried out by the Company : New product development, process development.
2. Benefits derived as a Result of the above R & D : Cost reduction, quality 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 Lacs)	
	2015-2016	2014-2015
4. Expenditure on R&D		
a) Capital	-	-
b) Recurring	368.51	294.33
c) Total	<b>368.51</b>	<b>294.33</b>
d) Total R&D Expenditure as a Percentage of total turnover	0.57	0.52

## 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 region / 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 Lacs)

	2015-2016	2014-2015
Foreign exchange used	4386.67	4470.06
Foreign exchange earned	1772.51	1309.03

**For and on behalf of the Board**

**DILIP DANDEKAR  
CHAIRMAN &  
EXECUTIVE DIRECTOR**

Place: Mumbai

Date: 12<sup>th</sup> May, 2016



# Annexure 'B' to the Board's Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

[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 DETAIL:

i) CIN:-	L24223MH1946PLC005434
ii) Registration Date	24 <sup>th</sup> 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-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078 Tel.: 91-22-2594-6970 Fax: 91-22-2594 6969 Email id: rnt.helpdesk@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 main products /services	NIC Code of the Product/ service	% to total turnover of the company
1	Artists Colours	303.60	35.88

## 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.	Camlin International Ltd.	U51900MH1993PLC075140	Subsidiary	100	2(87)
2.	Colart Camlin Canvas Pvt. Ltd.	U17290MH2005PTC155976	Associate	40	2(6)



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

### (i) Category-wise Share Holding

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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individuals/ HUF	3288970	-	3288970	3.28	1244200	-	1244200	1.24	(2.04)
Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Bodies Corp	874860	-	874860	0.87	-	-	-	-	(0.87)
Banks/ FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>SubTotal(A)(1)</b>	<b>4163830</b>	<b>-</b>	<b>4163830</b>	<b>4.15</b>	<b>1244200</b>	<b>-</b>	<b>1244200</b>	<b>1.24</b>	<b>(2.91)</b>
<b>(2) Foreign</b>									
NRIs- Individuals	181000	-	181000	0.18	-	-	-	-	(0.18)
Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp	70871120	-	70871120	70.66	73971750	-	73971750	73.75	3.09
Banks/ FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>SubTotal(A)(2)</b>	<b>71052120</b>	<b>-</b>	<b>71052120</b>	<b>70.84</b>	<b>73971750</b>	<b>-</b>	<b>73971750</b>	<b>73.75</b>	<b>2.91</b>
<b>Total shareholding of Promoter</b>	<b>75215950</b>		<b>75215950</b>	<b>74.99</b>	<b>75215950</b>	<b>-</b>	<b>75215950</b>	<b>74.99</b>	<b>-</b>
<b>(A)=(A)(1)+(A)(2)</b>									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks/ FI	23250	3000	26250	0.03	18757	3000	21757	0.02	(0.01)
Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIs	1475864	-	1475864	1.47	37500	-	37500	0.04	(1.43)
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
<b>SubTotal(B)(1)</b>	<b>1499114</b>	<b>3000</b>	<b>1502114</b>	<b>1.50</b>	<b>56257</b>	<b>3000</b>	<b>59257</b>	<b>0.06</b>	<b>(1.44)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	3540400	21000	3561400	3.55	3290121	9000	3299121	3.29	(0.26)
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 2 lakhs	13747735	2521693	16269428	16.22	15359244	2237915	17597159	17.55	1.33
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	3444161	-	3444161	3.43	3625825	-	3625825	3.61	0.18



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	
c) Others (Specify)										
i) NRI (Non-Rep)	53796	-	53796	0.05	80223	-	80223	0.08	0.03	
ii) NRI (Rep)	252957	2000	254957	0.25	340109	2000	342109	0.34	0.09	
iii) Trust	2000	-	2000	0.00	35000	-	35000	0.03	0.03	
iv) NBFC registered with RBI	-	-	-	-	49162	-	49162	0.05	0.05	
<b>SubTotal(B)(2)</b>	<b>21041049</b>	<b>2544693</b>	<b>23585742</b>	<b>23.51</b>	<b>22779684</b>	<b>2248915</b>	<b>25028599</b>	<b>24.95</b>	<b>1.44</b>	
<b>Total Public Shareholding</b>	<b>22540163</b>	<b>2547693</b>	<b>25087856</b>	<b>25.01</b>	<b>22835941</b>	<b>2251915</b>	<b>25087856</b>	<b>25.01</b>	<b>-</b>	
<b>(B)=(B)(1)+(B)(2)</b>										
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	
<b>Grand Total (A+B+C)</b>	<b>97756113</b>	<b>2547693</b>	<b>100303806</b>	<b>100.00</b>	<b>98051891</b>	<b>2251915</b>	<b>100303806</b>	<b>100</b>	<b>-</b>	

### (ii) Shareholding of Promoters

Sl. 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 Company Limited*	70871120	70.66	-	73971750	73.75	-	3.09
2.	Shriram Sharad Dandekar	1343870	1.34	-	250000	0.25	-	(1.09)
3.	Dilip Digambar Dandekar	768200	0.77	-	768200	0.77	-	-
4.	Dandekar Developers LLP	614860	0.61	-	-	-	-	(0.61)
5.	Rahul Dilip Dandekar	364900	0.36	-	-	-	-	(0.36)
6.	Kanchan Dipen Gokhale	181000	0.18	-	-	-	-	(0.18)
7.	Dandekar Investments & Consultants Pvt. Ltd.	260000	0.26	-	-	-	-	(0.26)
8.	Aparna Upendra Kanitkar	160000	0.16	-	-	-	-	(0.16)
9.	D D Dandekar HUF	126000	0.13	-	126000	0.13	-	-
10.	Subhash Digambar Dandekar	200000	0.20	-	100000	0.10	-	(0.10)
11.	Aditi Dilip Dandekar	81000	0.08	-	-	-	-	(0.08)
12.	Neelima Vilas Divekar	180000	0.18	-	-	-	-	(0.18)
13.	Nikhil Shriram Dandekar	65000	0.06	-	-	-	-	(0.06)
<b>TOTAL</b>		<b>75215950</b>	<b>74.99</b>		<b>75215950</b>	<b>74.99</b>		

\*Kokuyo S&T Co. Ltd merged into its 100% holding company Kokuyo Co. Ltd.



KOKUYO CAMLIN LIMITED

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

Sl. 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.	<b>Kokuyo Co. Ltd.</b>				
	At the beginning of the year	70871120	70.66	70871120	70.66
	Inter-se transfer as on 4 <sup>th</sup> August, 2015	2754630	2.74	73625750	73.40
	Inter-se transfer as on 14 <sup>th</sup> December, 2015	346000	0.34	73971750	73.75
	At the end of the year			73971750	73.75
2.	<b>Shriram Sharad Dandekar</b>				
	At the beginning of the year	1343870	1.34	1343870	1.34
	Inter-se transfer as on 4 <sup>th</sup> August, 2015	(1093870)	(1.09)	250000	0.25
	At the end of the year			250000	0.25
3.	<b>Dilip Digamber Dandekar</b>				
	At the beginning of the year	768200	0.77	768200	0.77
	Purchase/ Sale during the year	-	-	768200	0.77
	At the end of the year			768200	0.77
4.	<b>Dandekar Developers LLP</b>				
	At the beginning of the year	614860	0.61	614860	0.61
	Inter-se transfer as on 4 <sup>th</sup> August, 2015	(614860)	(0.61)	-	-
	At the end of the year			-	-
5.	<b>Rahul Dilip Dandekar</b>				
	At the beginning of the year	364900	0.36	364900	0.36
	Inter-se transfer as on 4 <sup>th</sup> August, 2015	(364900)	(0.36)	-	-
	At the end of the year			-	-
6.	<b>Kanchan Dipen Gokhale</b>				
	At the beginning of the year	181000	0.18	181000	0.18
	Inter-se transfer as on 14 <sup>th</sup> December, 2015	(181000)	(0.18)	-	-
	At the end of the year			-	-
7.	<b>Dandekar Investments &amp; Consultants Pvt. Ltd.</b>				
	At the beginning of the year	260000	0.26	260000	0.26
	Inter-se transfer as on 4 <sup>th</sup> August, 2015	(260000)	(0.26)	-	-
	At the end of the year			-	-
8.	<b>Aparna Upendra Kanitkar</b>				
	At the beginning of the year	160000	0.16	160000	0.16
	Inter-se transfer as on 4 <sup>th</sup> August, 2015	(160000)	(0.16)	-	-
	At the end of the year			-	-
9.	<b>D D Dandekar HUF</b>				
	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			126000	0.13

Sl. 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
10.	<b>Subhash Digambar Dandekar</b>				
	At the beginning of the year	200000	0.20	200000	0.20
	Inter-se transfer as on 14 <sup>th</sup> December, 2015	(100000)	(0.10)	100000	0.10
	At the end of the year			100000	0.10
11.	<b>Aditi Dilip Dandekar</b>				
	At the beginning of the year	81000	0.08	81000	0.08
	Inter-se transfer as on 4 <sup>th</sup> August, 2015	(81000)	(0.08)	-	-
	At the end of the year			-	-
12.	<b>Neelima Vilas Divekar</b>				
	At the beginning of the year	180000	0.18	180000	0.18
	Inter-se transfer as on 4 <sup>th</sup> August, 2015	(180000)	(0.18)	-	-
	At the end of the year			-	-
13.	<b>Nikhil Shriram Dandekar</b>				
	At the beginning of the year	65000	0.06	65000	0.06
	Inter-se transfer as on 14 <sup>th</sup> December, 2015	(65000)	(0.06)	-	-
	At the end of the year			-	-

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

Sl. 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.	<b>Girish S. Apte</b>				
	At the beginning of the year	678123	0.68	678123	0.68
	Increase/ Decrease upto 31 <sup>st</sup> March, 2016	-	-	678123	0.68
	At the end of the year			678123	0.68
2.	<b>Ramesh Damani</b>				
	At the beginning of the year	375000	0.37	375000	0.37
	Increase/ Decrease upto 31 <sup>st</sup> March, 2016	-	-	375000	0.37
	At the end of the year			375000	0.37
3.	<b>Pulkit N. Sekhsaria</b>				
	At the beginning of the year	352887	0.35	352887	0.35
	Increase/ Decrease upto 31 <sup>st</sup> March, 2016	-	-	352887	0.35
	At the end of the year			352887	0.35
4.	<b>Ragini Finance Ltd.</b>				
	At the beginning of the year	345430	0.34	345430	0.34
	Increase/ Decrease upto 31 <sup>st</sup> March, 2016	-	-	345430	0.34
	At the end of the year			345430	0.34



KOKUYO CAMLIN LIMITED

Sl. 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
5.	<b>Kalpna Rajiv Dandekar</b>				
	At the beginning of the year	77029	0.07	77029	0.07
	Increase/ Decrease upto 31 <sup>st</sup> March, 2016	255888	0.26	332917	0.33
	At the end of the year			332917	0.33
6.	<b>Sanjay Shared Kumar Sathey</b>				
	At the beginning of the year	320775	0.32	320775	0.32
	Increase/ Decrease upto 31 <sup>st</sup> March, 2016	-	-	320775	0.32
	At the end of the year			320775	0.32
7.	<b>Benu Gopal Bangur</b>				
	At the beginning of the year	312600	0.31	312600	0.31
	Increase/ Decrease upto 31 <sup>st</sup> March, 2016	-	-	312600	0.31
	At the end of the year			312600	0.31
8.	<b>Sudhir N</b>				
	At the beginning of the year	313000	0.31	313000	0.31
	Increase/ Decrease upto 31 <sup>st</sup> March, 2016	(490)	(0.00)	312510	0.31
	At the end of the year			312510	0.31
9.	<b>Vijay V. Wadhwa</b>				
	At the beginning of the year	350000	0.35	350000	0.35
	Increase/ Decrease upto 31 <sup>st</sup> March, 2016	(89000)	(0.09)	261000	0.26
	At the end of the year			261000	0.26
10.	<b>Deepak M. Dandekar</b>				
	At the beginning of the year	-	-	-	-
	Increase/ Decrease upto 31 <sup>st</sup> March, 2016	255888	0.26	255888	0.26
	At the end of the year			255888	0.26

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of 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.	<b>Mr. Dilip D. Dandekar</b>				
	At the beginning of the year	768200	0.77	768200	0.77
	increase/ decrease in shareholding during the year	-	-	768200	0.77
	At the end of the year			768200	0.77
2.	<b>D D Dandekar (HUF)</b>				
	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			126000	0.13

Sl. No.	Name of 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
3.	<b>Mr. Shriram S. Dandekar</b>				
	At the beginning of the year	1343870	1.34	1343870	1.34
	increase/ decrease in shareholding during the year	(1093870)	(1.09)	250000	0.25
	At the end of the year			250000	0.25
4.	<b>Mr. Takuya Morikawa</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
5.	<b>Mr. Nobuchika Doi</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
6.	<b>Mr. Takeo Iguchi</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7.	<b>Mr. Shishir B. Desai</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
8.	<b>Mr. Ramanathan Sriram</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
9.	<b>Mr. Hisamaro Garugu</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
10.	<b>Mr. Devendra Kumar Arora</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
11.	<b>Mr. Venkataraman Sriram</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-



KOKUYO CAMLIN LIMITED

Sl. No.	Name of 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
12.	<b>Mr. Yasushi Inoue</b> At the beginning of the year increase/ decrease in shareholding during the year At the end of the year	-	-	-	-
13.	<b>Ms. Aparna Piramal Raje</b> At the beginning of the year increase/ decrease in shareholding during the year At the end of the year	-	-	-	-
14.	<b>Mr. Ayyudarai Shrikant</b> At the beginning of the year increase/ decrease in shareholding during the year At the end of the year	-	-	-	-
15.	<b>Mr. Chetan Badal</b> At the beginning of the year increase/ decrease in shareholding during the year At the end of the year	23030	0.02	23030	0.02
16.	<b>Mr. Ravindra V. Damle</b> At the beginning of the year increase/ decrease in shareholding during the year At the end of the year	28677	0.03	28677	0.03

## V. INDEBTEDNESS:

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	15.04	7275.44	-	7290.48
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	50.42	-	50.42
<b>Total (i+ii+iii)</b>	<b>15.04</b>	<b>7325.86</b>	-	<b>7340.90</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	-	3026.96	-	3026.96
· Reduction	2.65	435.78	-	438.43
<b>Net Change</b>	<b>2.65</b>	<b>2591.18</b>	-	<b>2588.53</b>



(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	12.39	9866.62	-	9879.01
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	49.08	-	49.08
<b>Total (i+ii+iii)</b>	<b>12.39</b>	<b>9915.70</b>	<b>-</b>	<b>9928.09</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		Dilip Digamber Dandekar	Shriram Sharad Dandekar	Takeo Iguchi	Nobuchika Doi	Srikanth Ayyadurai	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	83.45	70.41	45.19	45.19	67.38	311.62
	(b) Value of perquisites u/s. 17(2) Income-tax Act, 1961	52.99	42.12	46.56	46.56	13.79	202.02
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission						
	- as % of profit	-	-	-	-	-	-
	- others, specify...	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	<b>Total (A)</b>	<b>136.44</b>	<b>112.53</b>	<b>91.75</b>	<b>91.75</b>	<b>81.17</b>	<b>513.64</b>

### B. Remuneration to other Directors:

#### 1. Independent Directors:

(₹ in Lacs)

Particulars of Remuneration	Name of Directors				Total Amount
	Ramanathan Sriram	Hisamaro Garugu	Shishir Babubhai Desai	Aparna Piramal Raje	
Fee for attending board/ committee meetings	2.75	1.20	2.55	1.55	8.05
Commission	-	-	-	-	-
Others	-	-	-	-	-
<b>Total (1)</b>	<b>2.75</b>	<b>1.20</b>	<b>2.55</b>	<b>1.55</b>	<b>8.05</b>



Particulars of Remuneration	Name of Directors				Total Amount
	Takuya Morikawa	Devendra Kumar Keshoram Arora	Sriram Venkataraman	Yasushi Inoue	
Fee for attending board/ committee meetings	-	1.30	-	-	1.30
Commission	-	-	-	-	-
Others	-	-	-	-	-
<b>Total (2)</b>	-	<b>1.30</b>	-	-	<b>1.30</b>
<b>TOTAL B = (1+2)</b>					<b>9.35</b>

(₹ in Lacs)

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Ravindra Damle	Chetan Badal	Total
		VP (Corporate) & CS	CFO	
1.	Gross salary			
	(a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961	29.59	52.66	82.25
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	11.10	15.19	26.29
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others	-	-	-
	<b>Total (A)</b>	<b>40.69</b>	<b>67.85</b>	<b>108.54</b>

(₹ in Lacs)

**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)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board

**DILIP DANDEKAR**  
CHAIRMAN &  
EXECUTIVE DIRECTOR

Place: Mumbai  
Date: 12<sup>th</sup> May, 2016



# 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	61.46
Mr. Shriram Dandekar	Vice Chairman and Executive Director	50.69
Mr. Nobuchika Doi	Executive Director	41.33
Mr. Takeo Iguchi	Executive Director	41.33

· The median remuneration of employees of the Company was ₹ 2.22 lacs.

· 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	12.06
Mr. Shriram Dandekar	Vice Chairman and Executive Director	10.09
Mr. Nobuchika Doi	Executive Director	5.87
Mr. Takeo Iguchi	Executive Director	6.02
Mr. A Srikanth	Chief Executive officer	8.75
Mr. Chetan Badal	Chief Financial Officer	20.17
Mr. Ravindra Damle	Vice President(Corporate) & Company Secretary	21.83

· The above increase is on the basis of actual remuneration paid for both the years inclusive of variable pay wherever applicable.

3. The percentage increase in the median remuneration of employees in the financial year: 6.3%
4. The number of permanent employees on the rolls of company: 1,232
5. The explanation on the relationship between average increase in remuneration and company performance

	2015-2016	2014-2015	Growth
Net revenue from operations	64314.09	56824.78	12.93%
Profit Before tax and exceptional Items	731.05	428.12	70.75%
Profit After Tax	525.90	492.39	6.80%

On an Average employee received an annual increase of 7.76%. The increase in Remuneration is in line with market trend. The Salary increase that were made were based on Organisation performance as well as Individual performance.

6. Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company :

The remuneration paid to KMPs aggregate to approximately 0.29 % of the Gross Revenue and 25.94% of Profits.

7. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came



KOKUYO CAMLIN LIMITED

out with the last public offer in case of listed companies

Sr. No.	Description	Amount
1.	Market Capitalisation variation	
	Market Cap at 31 <sup>st</sup> March, 2016	83553.23
	Market Cap at 31 <sup>st</sup> March, 2015	73422.53
	Variation in Market Cap in FY 2016 (%)	13.80
2.	Price to Earning ratio	
	PE as at 31 <sup>st</sup> March, 2016 (mrkt price/ EPS)	160.19
	PE as at 31 <sup>st</sup> March, 2015 (mrkt price/ EPS)	149.38
	Variation in PE in FY 2016 (%)	7.24
3.	% Increase / Decrease from last Public Offer	
	Public Offer price of Convertible Debenture made on June 1988 at FV of ₹ 10/- adjusted at the present FV of Re 1/-	2.80
	Market price as at 31 <sup>st</sup> March, 2016	83.30
	% increase from last Public Offer	2975

8. 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 7.17% for Employees other than Managerial Personnel and 11.58% for Managerial Personnel

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

Sr No	Particulars of Remuneration	Mr. Ayyadurai Srikanth CEO	Mr. Chetan Badal CFO	Mr. Ravindra Damle CS
1.	Remuneration in FY 2016	81.17	67.85	40.69
2.	Total Revenue	64314.09		
3.	Remuneration (as % of total revenue)	0.13	0.10	0.06
4.	Profit Before Tax	731.05		
5.	Remuneration (as % of profit before tax)	11.10	9.28	5.56

10. The key parameters for any variable component of remuneration availed by the Directors

There is no Variable Component in the Remuneration of the Director

11. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.

None.

12. 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

**General Note:**

- Calculation of Market Capitalization, price to earnings and other details are based on stock price on National Stock Exchange of India Limited on relevant dates.
- Managerial Personnel includes Whole-time Director.

**For and on behalf of the Board**

**DILIP DANDEKAR  
CHAIRMAN &  
EXECUTIVE DIRECTOR**

Place: Mumbai  
Date: 12<sup>th</sup> May, 2016



## Form No. MR-3

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2016**

**[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]**

To,  
The Members  
Kokuyo Camlin Limited  
48/2, Hilton House, Central Road, M.I.D.C  
Andheri (East), Mumbai- 400 093

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 31<sup>st</sup> March 2016, 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 31<sup>st</sup> March, 2016 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)



KOKUYO CAMLIN LIMITED

- 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 (applicable w.e.f. 1<sup>st</sup> December 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. (Applicable w.e.f 1<sup>st</sup> July 2015).
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, etc. 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. There was no change in the Composition of the Board of Directors during the audit period.

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 were accorded to the Board under section:

- a. 180(1)(c) of the Act for borrowing from time to time monies not exceeding ₹ 300 crores at the Annual General Meeting.
- b. 14 of the Act for adoption of new set of Articles of Association under Postal Ballot.

For **J. H. Ranade & Associates**  
Company Secretaries

**J. H. Ranade**  
(Proprietor)

Place: Thane  
Date: 12<sup>th</sup> May, 2016

FCS: 4317, CP: 2520



To,  
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 2015-16 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 **J. H. Ranade & Associates**  
Company Secretaries

**J. H. Ranade**  
(Proprietor)

FCS: 4317, CP: 2520

Place: Thane  
Date: 12<sup>th</sup> May 2016

# Management Discussion And Analysis

## **ECONOMIC OVERVIEW :**

The global economy grew 3.1% in 2015 as compared to 3.4% in 2014. Despite slowdown in growth rate for the fifth consecutive year, emerging and developing economies continued to be the major contributor (over 70% share in growth) to the global growth as it grew by 4% in 2015 compared to 4.6% in 2014. China and India witnessed a growth of 6.9% and 7.3% respectively. The outlook for economic growth is not very strong given volatility in global asset market, declining growth momentum in the advanced economies, headwinds in emerging and low-income countries and other non-economic stresses. The global economy is expected to grow marginally by 3.2% in 2016 and pick up momentum to 3.5% growth in 2017. Emerging and developing economies would continue to be major growth driver with a 4.1% and 4.6% growth forecast in 2016 and 2017 respectively.

According to RBI's advanced estimates the real GDP in India is expected to grow from 7.2% in 2014-15 to 7.6% in 2015-16 primarily driven by increasing private consumption due to lower energy prices and higher real incomes. However, the second half of the year witnessed a slowdown due to poor monsoon impacting agricultural productivity, weak rural consumption and on-going fiscal consolidation. The gross value added by industry sector increased 9.5% despite lower production volumes owing to reduction in input prices. The services sector continued expanding at nominal rates. The inflation levels in the country have continued to fall due to relatively tight monetary policy, various supply side measures and lower commodity prices. The trend is

expected to continue and it is expected the country can achieve its headline CPI inflation target of 5% in 2016-17. The real GDP growth in India is expected to be 7.6% in 2016-17.

## **INDUSTRY OVERVIEW:**

The Indian stationery market, comprising a mixed range of products, (paper, writing and marking instruments, computer, staplers, erasers, binders, punching machines and other related items) caters primarily to the school and office segments. Notebook and paper comprise the largest pie in the segment followed by writing instruments, computers and other daily use stationery. The stationery market in India is highly fragmented and dominated by the unorganised sectors. However, with rising income and aspiration levels the demand for premium products is increasing, leading to opening up a gamut of opportunities for the organised sectors. The entry of various leading international players is a testimony for the same. The market is driven by rising literacy, demand for premium products, product personalisation, growing number of offices and favourable demographics. Indian stationery market is pegged at ₹ 15,000-18,000 cr, and growing at around 10% p.a.

## **BUSINESS OVERVIEW:**

Kokuyo Camlin Limited (the Company) is one of leading and most trusted stationery brand in India. The Company started operations in 1930s and has an unmatched legacy with the brand name synonymous with quality products for schools, offices and niche art markets. CAMEL and CAMLIN are the flagship and the most recognised brands of



the Company. In 2011, Kokuyo S&T Co. Ltd. ( now Kokuyo Co. Ltd.) , a leading Japanese stationery manufacturer, acquired a majority stake in the erstwhile Camlin Ltd. enabling the Company to enhance its presence in the Indian market with increased product portfolio. The strong R&D capabilities of Kokuyo will also enable Camlin to improve its product quality and develop innovative and aesthetically pleasing products for the Indian market.

The Company has a huge product portfolio comprising inks, writing instruments, colours, technical and drawing instruments, office stationery, markers, fine art, notebooks and scholastic and hobby art materials.

These products are broadly classified into three business segments:

1. School and Education products
2. Fine Art and Hobby Materials
3. Office Stationery products

Kokuyo Camlin currently has market leadership in many categories like Crayons, Water Colours, Mechanical Pencils, Geometry box, Markers etc, with the help of increased marketing and distribution efforts. (Kokuyo Camlin advertising efforts on both TV and social media has won awards like Abby, DMA and CEF). Company is now strengthening its portfolio in the categories of pens & notebooks.

Kokuyo range of premium stationery products have been launched to cater to the needs of discerning consumers.

The Company has a pan-India network of 1,500+ dealers/distributors ensuring supply of the Company's products to over 300,000 retailers in the remotest corner of the country.

The Company annually organises "Camel Art Contest (CAC)", erstwhile known as "All India Camel Colour Contest (AICCC)", across schools in India with the objective of promoting art and art culture. In 2011-12, the contest was recognised by the Guinness Book of World Records as the largest Art Competition in the World for the year 2011-12, with 48.50 lac participants across 6601 schools. The contest has now become international and is also gradually getting online.

## RECENT DEVELOPMENTS:

### **Patalganga Plant:**

The Company commenced construction on its integrated manufacturing plant at Patalganga, MIDC, in May 2015. The work is nearing completion and the plant is expected to commence commercial production in the second quarter of financial year 2016-17. Once the Patalganga plant is fully operational, it will have a significant impact as economies of scope, scale and size come together to unleash major competitive advantages to the Company in terms of capacity, costs, logistics, procurement as well as other operational efficiencies.

The Patalganga plant is spread over 14 acres of land, with the current unit constructed over 6.5 acres. The site has additional land available to further expand and enhance capacity in the coming years, as growth in demand is witnessed.

## REVIEW OF PERFORMANCE:

There has been a rise in demand for mass quality, particularly with numerous foreign players entering the Indian markets. Another growing sub-segment of the market is premium products, particularly in the stationery and writing instruments categories. Your Company has a presence in both mass quality as well as premium product segments, and plans are afoot to garner a larger share in these segments, particularly leveraging the wide portfolio



KOKUYO CAMLIN LIMITED

of Kokuyo. This is in addition to dominating segments like arts and hobby materials, scholastics products and school products, where your Company is an established leader. The year saw your Company launching many innovative products in order to fulfill the promise of making learning fun for children such as:

Washable crayons and brush pen  
Water colour pen  
Premium sketch pen etc.

The notebook category of your company is showing good promise and is gaining momentum on the back of superior product quality and range. Our association with Kokuyo has helped in this area.

During the year, your Company has continued with its long-term plan to expand its reach and penetration on a Pan-India basis. Distribution expansion is key to any consumer product. Your Company will continue to focus in this area. Further your Company is one of the first movers into the online commerce space and has its products available on popular e-market places. The Company's is very active and visible on the social media.

Apart from digital marketing your company is aware of the tremendous advantages and efficiencies that can be delivered by IT to every aspect of its business. Your company has been deploying IT solutions to enhance supply chain efficiencies, streamline processes and systemise operations.

#### REVIEW OF FINANCIAL PERFORMANCE:

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

The Company's cost cutting measures through Kaizen, Value Analysis, Value Engineering and procurement processes have yielded results. The earlier cost cutting initiatives which continued as per

the plan during the year under review such as supplier consolidation, outsourcing and indigenization are helping to reduce the cost of operations.

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

#### Revenue from operations:

	(₹ in Lacs)		
	FY 2016	FY 2015	Change %
Revenue from operations	61418.72	54387.93	12.93%

The increase was largely due to increase in sales volume and partly due to increase in selling prices of certain products.

#### Other Income:

	(₹ in Lacs)		
	FY 2016	FY 2015	Change %
Other Income	536.58	766.73	-30.20%

Decrease in current year is due to utilisation of funds raised for Patalganga project. Last year the company has earned interest income on the funds raised through rights issue of equity shares, amounting to ₹ 101.56 crs (net of issue expenses) which has been maintained as Fixed Deposits with banks until utilization for the project.

#### Cost of Material:

	(₹ in Lacs)		
	FY 2016	FY 2015	Change %
Cost of Material	38166.90	34361.13	11.08%

The increase is due to increase in production required for increased sales and inventory as compared to previous year. The increase is proportionately lower to sales due to improved product mix and cost reduction.



### Employee benefit expenses:

	(₹ in Lacs)		
	FY 2016	FY 2015	Change %
Employee benefit expenses	6659.52	6035.93	10.33%

The increase is due to regular annual increments given to employees and also Bonus payable to employees increased as per the amendment in Payment of Bonus Act.

### Finance cost:

	(₹ in Lacs)		
	FY 2016	FY 2015	Change %
Finance cost	1072.91	977.29	9.78%

Finance cost has increased due to increased utilisation of overdraft facility required for the growth in business.

### Depreciation:

	(₹ in Lacs)		
	FY 2016	FY 2015	Change %
Depreciation	1186.22	1096.84	8.15%

Increase in depreciation is due to addition in fixed assets worth ₹ 10.01 crs in FY 15-16.

### Other expenses:

	(₹ in Lacs)		
	FY 2016	FY 2015	Change %
Other expenses	14138.70	12255.35	15.37%

The increase in other expenses is due to increased cost of services and other operating expenses, growth in scale of operation during the year.

### Outlook of business:

The Indian stationery market, although dominated

by unorganised players, is set on immense growth in the coming years. The various factors that shall drive growth in the coming years are:

- Government initiatives:** The budget allocation to the education sector in 2016-17 increased 4.9% from ₹ 68,963 cr in 2014-15 to ₹ 72,394 cr (₹ 43,554 cr towards school education and ₹ 28,840 cr towards higher education). Currently India spends only about 3.4% of the GDP on education compared to 5-6% in developed countries. However, over the time the government plans to increase education expenditure to meet the growing demand for skilled force in India.
- Increasing student enrolments:** Since 2001, India has brought in 20 million children in primary school through its various educational programmes. India currently has 95% children attending primary schools but just 44% of 16 year olds complete class 10. To change the scenario the government further targets to bring 90% of the country's 50 million secondary age children to school by 2017.

The gross enrolment ratio (GER, ratio of total enrolment to the eligible population) in higher education has improved from 21.5 in 2012-13 to 23.6 in 2014-15 with 33.3 million enrolments. The Ministry of Human Resources Development targets to achieve a GER of 30% by 2020.

- Increasing workforce:** Growing economy and rising industrialisation is likely to generate additional workforce requirement. According to skill gap report commissioned by National Skill Development, India will need an additional 119 million skilled workforce across 24 sectors to sustain its economic growth momentum.
- Rising literacy in India:** India, with the second largest population in the world has the largest number of students' body. It is the world's



KOKUYO CAMLIN LIMITED

fastest growing stationery market owing to the increasing rate of literacy in India. According to the Census data, literacy rates in India increased from 64.8% in 2001 to 72.99% in 2011. The rising students' base in India and government's impetus to enhance literacy in India is likely to boost growth in the segment.

With the Patalganga plant becoming fully operational this year, your Company is poised to launch newer products at a faster rate, as well as continue to grow product categories where it is already established with more capacity. The Company has taken a step-by-step approach to consolidate its manufacturing and scale up its capacity. It believes that the building blocks are now firmly in place, and as the Company is confident of reaping the rewards in the years to come.

The Company will participate in growth by i) widening its market reach in terms of width and depth, ii) increasing its manufacturing efficiencies, iii) generating and adding capacities and iv) introducing new products.

## **RISKS & CONCERNS:**

### **Competition:**

The Indian stationery market, especially the organised and premium segments, is growing rapidly. With the growing economic development the country's industrial and educational sectors are likely to witness strong growths which in turn would create significant demand for the office and school stationery products. This has led to entry of major international stationery companies to invest in the Indian market making it more competitive.

Your Company, enjoys a strong brand connect in the Indian market through its flagship brands Camel and Camlin. It is also one of the leading stationery companies with a strong pan-India distribution network having over 2,000 stock keeping units (SKUs).

Moreover, the Company's association with Kokuyo will further enable it to expand its product portfolio and develop innovative products leveraging the strong R&D capabilities of the Japanese leader. The Company's notebook is one such business segment, as a result of this association, that has found immense popularity in the Indian market and is growing really fast.

### **Marketing:**

Stationery business is highly competitive, low margin, high volume business and the inability of the Company to manufacture quality products and market the same may lead to inventory blockage and in turn result in losses for the Company.

Your Company has significant marketing presence in India with a network of 1,500+ dealers/distributors ensuring regular supply of products. Over 300,000 retailers across India continue to trust the quality of products and strong brand of the Company resulting in ready demand for our products. Moreover, the Company's association with Kokuyo will open up opportunities for export of products.

### **Foreign exchange:**

The primary raw materials used by the Company for stationery production is petrochemicals and fuel, which are imported and dependent on international commodity prices. Any major increase in prices of the commodity or devaluation in the currency may spike up production costs resulting in pressure on margins.

The Company has strong intellectual capital having experience in raw material procurement for getting the best deal. The Company has also worked on its production parameters and R&D to reduce production costs. In some cases the Company is also able to pass on the increased costs to the customers thereby limiting reduction in margins.



### **Business seasonality:**

The Company's products cater to three primary end user segments – the office segment, art and hobby segment and the school segment. The office segment and art and hobby segment witness regular flow of business throughout the year. However, the school business is seasonal in nature – as the demand rises during the beginning of school term which tapers towards the end of session. Though the school segment which is a larger business segment is seasonal in nature, the risk is mitigated by office and art and hobby segment which witnesses the regular flow of business throughout the year.

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

The Company has internal control systems in place commensurate with the size and industry it operates in. It has well-defined and well-documented systems, policies, procedures and guidelines to cover various aspects of operations. The Company strictly adheres to the laws, rules and statutes of the land, and ensures compliance at all levels and across all divisions and departments. The Company regularly undertakes internal audit which is under the review of its Audit Committee. Any concerns raised are addressed and resolutions found. The Company has well-defined MIS systems that ensure all expenses are within the budgetary allocations, and any mismatch is immediately flagged off for attention and corrective measures.

### **SIGNIFICANT DEVELOPMENT IN HUMAN RESOURCES:**

In line with the philosophy of creating value for all our stakeholders, the Company had undertaken development initiatives for its employees. Keeping the consumers engaged and ensuring their loyalty to the brand is getting tougher for organisations. Today only "new products" cannot win the consumer

hearts, what we need is continuous engagement with the customers. And for any organisation the key employees playing this crucial role is the Sales team. Kokuyo Camlin has also been undertaking various interventions for development of our sales teams. While last year saw development initiatives in imparting "Selling Skills" training, this year the focus has been on "Product Training".

The organisation has taken various other endeavors also, towards employee development and enhancing business skills. The year 2015-16 also saw "Project Parivartan" aimed at enhancing the quality consciousness for our Vasai & Taloja factories. The employee development initiatives are gaining increased momentum with each passing year.

At one end, management is investing in upskilling the employees and at the same time, to sustain in the long run and to fulfill our stakeholder's expectations, is continuously working towards a performance oriented culture. HR also organised various engagement activities to boost employee morale and increase interdepartmental bonding. The organisation believes that employees shall be the key to the success of Kokuyo Camlin and would undertake all efforts for their development. Overall the talent management system in the organisation is shaping up to be more robust and to be closely aligned to the business objectives.

The new financial year also looks promising with new projects underway for the HR function.

As on 31<sup>st</sup> March, 2016, the total numbers of employees were 1232.

### **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 Directors present the Company's Report on Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], for the year ended 31<sup>st</sup> March, 2016.

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

Corporate Governance is an integral element in the business environment. It is a combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. Good Corporate Governance leads to long-term shareholder value and enhances interests of all stakeholders. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

Your Company's philosophy on Corporate Governance is guided by strong emphasis on transparency, accountability, responsibility, fairness, integrity, consistent value systems and delegation across all facets of its operations leading to sharply focused and operationally

efficient growth. The Company's beliefs on Corporate Governance are intended at supporting the management of the Company for competent conduct of its business and ensuring long term value for shareholders, as well as customers, suppliers, employees and statutory authorities.

The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in the Listing Regulations as applicable from time to time.

## 2. BOARD OF DIRECTORS:

### **Details on Composition, Attendance, Directorships and Committee Memberships :**

The Company has an optimum combination of Executive and Non-Executive/ Independent Directors. The composition of your Company's Board is balanced and diversified comprising of 12 Directors in conformity with the Companies Act, 2013 and the listing regulations.

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



KOKUYO CAMLIN LIMITED

Details of composition of the Board, category, attendance of Directors at the Board Meetings and last Annual General Meeting (AGM), number of other Directorships and Committee Memberships as on 31<sup>st</sup> March, 2016 are given below:

Name, Designation & DIN of Directors	Category	No. of Board Meetings Attended	No. of Directorships held in other Companies (+)	Attendance at last AGM	No. of Committee positions held in other Companies.	
					Chairman of Committee	Member of Committee
Mr. Dilip D. Dandekar Chairman & Executive Director (00846901)	ED(P)	5	11	Yes	Nil	1
Mr. Takuya Morikawa Sr. Vice Chairman (03599830)	NED	5	Nil	Yes	Nil	Nil
Mr. Shriram S. Dandekar Vice Chairman & Executive Director (01056318)	ED(P)	5	2	Yes	Nil	Nil
Mr. Nobuchika Doi Executive Director (03599835)	ED	5	2	Yes	Nil	Nil
Mr. Takeo Iguchi Executive Director (03599826)	ED	5	1	Yes	Nil	Nil
Mr. Yasushi Inoue (06838399)	NED	5	NIL	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)	4	Nil	Yes	Nil	Nil
Mr. Devendra Kumar Arora (05160734)	NED (I)	4	Nil	Yes	Nil	Nil
Mr. Venkataraman Sriram (06790179)	NED (I)	5	NIL	Yes	NIL	NIL
Ms. Aparna Piramal Raje (01667835)	NED (I)	5	2	Yes	Nil	Nil

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

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

As on 31<sup>st</sup> March 2016, none of the Directors are related inter-se.

None of the Directors on the Board is a member of more than 10 committees or chairman of more than 5 committees as specified in the Listing regulations.

The Non-Executive/ Independent Directors are not holding any shares of the Company as on 31<sup>st</sup> March, 2016.

### Number of Board Meetings:

During the year, Five (5) Board Meetings were held and the details are given below:

Sr. No.	Date	Board Strength	No. of Directors Present
1	14 <sup>th</sup> May, 2015	12	11
2	30 <sup>th</sup> July, 2015	12	12
3	10 <sup>th</sup> November, 2015	12	12
4	29 <sup>th</sup> January, 2016	12	11
5	26 <sup>th</sup> February, 2016	12	12



### 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](http://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 Chairman and Executive Director has been obtained.

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

#### i. Mr. Yasushi Inoue:

Mr. Yasushi Inoue is a Non-Executive Director of our Company. He is associated with Kokuyo group since 1981. He has a wide experience in product planning and development. He held various positions in Kokuyo Co. Ltd. having worked in KOKUYO EUROPE (Dusseldorf, Germany) and KOKUYO USA INC. Presently, he is Deputy Division Manager of Kokuyo Co., Ltd.

Other Directorship - 1

Name of the Company	Position
Kokuyo Riddhi Paper Products Private Limited	Director

#### ii. Mr. Takeo Iguchi:

Mr. Takeo Iguchi is an Executive Director of our Company. He has a degree in Bachelor of Arts from the Meiji University, Tokyo, Japan. He joined Kokuyo Co. Ltd. in the year 1991 and was the department manager of the business planning department of Kokuyo S&T, Asia Pacific marketing division. He has approximately 21 years of 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. Iguchi looks after the business aspects with respect to production, planning and control of the Company.

Other Directorship - 1

Name of the Company	Position
Kokuyo Riddhi Paper Products Private Limited	Director

### 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](http://www.kokuyocamlin.com).

### 3. COMMITTEES OF THE BOARD:

The Board of Directors has constituted four Committees i.e. Audit Committee, Stake Holder Relationship Committee, Remuneration and Nomination Committee and Corporate Social Responsibility Committee. The roles and responsibilities assigned to these Committees are covered under the terms of reference approved by the Board and are subject to review by the Board from time to time. The minutes of the meetings of Audit Committee, Stake Holder Relationship Committee, Remuneration and Nomination Committee and Corporate Social Responsibility Committee are placed before the Board for their information and noting. The details as to the composition, terms of reference, number of meetings and related attendance etc. of these Committees are given below :

#### I. AUDIT COMMITTEE:

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

During the financial year 2015-16, Four (4) meetings of the Audit Committee were held on 14<sup>th</sup> May, 2015, 30<sup>th</sup> July, 2015, 10<sup>th</sup> November, 2015 and 28<sup>th</sup> January, 2016.

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

Name	Designation	Category	No. of Meetings attended
Mr. Shishir B. Desai	Chairman	NED(I)	4
Mr. Ramanathan Sriram	Member	NED(I)	4
Mr. Takuya Morikawa	Member	NED	4
Mr. Venkataraman Sriram	Member	NED(I)	4

The meeting of Audit Committee is also attended by Whole time Directors, Chief Executive Officer, Chief Financial Officer, Statutory and Internal Auditors as special invitees. The Company Secretary acts as a Secretary to the Audit Committee. Minutes of the Audit Committee are placed and discussed in the next meeting of the Board.

Members of the Audit committee have requisite financial and Management expertise and have held or hold senior positions in reputed Organizations.

The Chairman of the Audit committee was present at the Annual General Meeting held on 30<sup>th</sup> July, 2015.

##### **Terms of reference:**

The terms of reference to this committee, *interalia* covers all the matters specified under regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 includes (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.



## II. REMUNERATION AND NOMINATION COMMITTEE :

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

During the financial year 2015-16, Three (3) meetings of the Remuneration and Nomination Committee were held on 13<sup>th</sup> May, 2015, 29<sup>th</sup> July, 2015 and 28<sup>th</sup> January, 2016.

The details of composition of the Committee and their attendance at the meeting are given below:

Name	Designation	Category	No. of Meeting attended
Mr. Shishir B. Desai	Chairman	NED (I)	3
Mr. Dilip D. Dandekar	Member	ED (P)	2
Mr. Hisamaro Garugu	Member	NED (I)	2
Ms. Aparna Piramal Raje	Member	NED(I)	3

### Terms of reference:

The terms of reference to this committee, *inter alia* covers all the matters specified under regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to 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 recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to 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 is given in form MGT-9 which forms part of the Directors Report. A brief of the Remuneration paid to Directors and Manager is given below:**

**A. Directors:**

(₹ In Lacs)

Name of Director	Sitting fee	Salary including HRA*	Perquisites#	Total
Mr. Dilip D. Dandekar	N.A.	83.45	52.99	136.44
Mr. Shriram S. Dandekar	N.A.	70.41	42.12	112.53
Mr. Nobuchika Doi	N.A.	45.19	46.56	91.75
Mr. Takeo Iguchi	N.A.	45.19	46.56	91.75
Mr. Shishir B. Desai	2.55	N.A.	N.A.	2.55
Mr. Ramanathan Sriram	2.75	N.A.	N.A.	2.75
Mr. Hisamaro Garugu	1.20	N.A.	N.A.	1.20
Mr. Devendra Kumar Arora	1.30	N.A.	N.A.	1.30
Ms. Aparna Piramal Raje	1.55	N.A.	N.A.	1.55

\* Salary including HRA.

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



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

Agreement for a period of two years have been executed with whole – time Directors namely Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar for their appointment and remuneration w.e.f. 1<sup>st</sup> February, 2016, on the recommendation of Remuneration and Nomination Committee and approval of the Board of Directors. The approval of the members was also sought for their appointment and remuneration by way of passing special resolution through postal ballot on 28<sup>th</sup> March, 2016, subject to approval of Central Government.

The Company has paid legal fees of ₹ 4.07 Lacs for the financial year 2015-16 to M/s. Desai & Chinoy, a firm of Solicitors & Advocates in which Mr. Shishir B. Desai is a partner. The services provided by his firm are purely of professional nature. The aforesaid professional fees paid to M/s. Desai & Chinoy 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 B. Desai. Accordingly there are no pecuniary relationship or transactions of Independent Director vis-à-vis the Company which has potential conflict with the interest of the Company at large.

#### **B. Manager:**

Mr. Ayyadurai Srikanth, Manager and designated as Chief Executive Officer was paid a remuneration of ₹ 81.17 Lakhs for the period ended 31<sup>st</sup> March, 2016.

Agreement for a period of two and half years has been executed for his appointment and remuneration with effect from 1<sup>st</sup> February, 2016 on recommendation of Remuneration and Nomination Committee and approval of the Board of Directors. The approval of member was also sought for his appointment and remuneration by way of passing special resolution through postal ballot on 28<sup>th</sup> March, 2016, subject to approval of Central Government.

### **III. STAKEHOLDER RELATIONSHIP COMMITTEE:**

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

During the financial year 2015-16, four (4) meetings were held on 14<sup>th</sup> May, 2015, 30<sup>th</sup> July, 2015, 10<sup>th</sup> November, 2015 and 29<sup>th</sup> January, 2016.

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

Name	Designation	Category	No. of Meetings attended
Mr. Ramanathan Sriram	Chairman	NED (I)	4
Mr. Shriram S. Dandekar	Member	ED (P)	4
Mr. Devendra Kumar Arora	Member	NED(I)	3

The Board has designated Mr. Ravindra V. Damle, Vice President (Corporate) & Company Secretary as the Compliance Officer.

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

During the year, two (2) Complaints were received from shareholders, which were attended promptly and resolved to the satisfaction of the concerned Shareholders.



KOKUYO CAMLIN LIMITED

#### IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

During the financial year 2015 – 16, two (2) meetings were held on 13<sup>th</sup> May, 2015 and 9<sup>th</sup> November, 2015.

The details of the Composition of the Committee is given below:-

Name	Designation	Category	No. of meetings attended
Mr. Ramanathan Sriram	Chairman	NED (I)	2
Mr. Nobuchika Doi	Member	ED	2
Mr. Shriram S. Dandekar	Member	ED (P)	2

#### 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.

#### V. INDEPENDENT DIRECTORS MEETING:

As required by the Companies Act, 2013 and Listing Regulations, the meeting of Independent Directors was held on 29<sup>th</sup> January, 2016.

#### 4. GENERAL BODY MEETINGS:

##### A. Details of the Annual General Meetings held during the preceding 3 years and Special Resolutions passed thereat are given below:

Financial year	Venue	Date & Time	Details of Special Resolutions Passed
2014-15	Textile Committee Building Auditorium, 1 <sup>st</sup> Floor, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025	30 <sup>th</sup> July, 2015 at 3:30 p.m.	1. Approval for borrowing limits from Bank(s)/ Financial Institution(s) to the extent of ₹ 300.00 Crores.

Financial year	Venue	Date & Time	Details of Special Resolutions Passed
2013 - 14	Textile Committee Building Auditorium, 1 <sup>st</sup> Floor, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025	17 <sup>th</sup> July, 2014 at 11:30 a.m	<ol style="list-style-type: none"> <li>Alteration in Articles of Association of the Company in respect of clause on directors retiring by rotation</li> <li>Approval of appointment of Executive Directors and fixing their remuneration</li> <li>Approval of related party transaction</li> <li>Consent for mortgaging and/or charging all immovable and movable properties of the Company upto limit of ₹ 150 crores</li> </ol>
2012 - 13	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai- 400 020	23 <sup>rd</sup> July, 2013 at 3.30 p.m.	No Special Resolution was passed.

#### B. Postal Ballot:

During the year 2015-16, 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: Appointment of Mr. Dilip D. Dandekar as Chairman & Executive Director for a period of two years w.e.f 1<sup>st</sup> February, 2016 and remuneration payable to him.

No. 2: Appointment of Mr. Shriram S. Dandekar as Vice Chairman & Executive



Director for a period of two years w.e.f 1<sup>st</sup> February, 2016 and remuneration payable to him.

No. 3: Appointment of Mr. Ayyadurai Srikanth as "Manager" and designated as Chief Executive Officer for a period of two and half years w.e.f 1<sup>st</sup> February, 2016 and remuneration payable to him.

No. 4: Adoption of new set of Articles of Association of the Company in conformity with the Companies Act, 2013.

The Company had appointed Mr. J. H. Ranade, Practicing Company Secretary (FCS No. 4317, C.P. No. 2520) of M/s. J.

H. Ranade & Associates as scrutinizer for conducting the postal ballot/ e-voting process in a fair and transparent manner. The results were announced on 28<sup>th</sup> March, 2016.

Mr. Dilip D. Dandekar, Chairman & Executive Director announced the Postal Ballot results as per the scrutinizers report on 28<sup>th</sup> March, 2016 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](http://www.kokuyocamlin.com).

#### Details of the Voting pattern are as under:

Special Resolution No. 1: Appointment of Mr. Dilip D. Dandekar as Chairman & Executive Director for a period of two years w.e.f 1<sup>st</sup> February, 2016 and remuneration payable to him.

Ballots / No. of shares		Received	Invalid / Abstained / not voted	Counted for result	Assented	Dissented
Physical	A	216	22*	196#	183	13
No. of shares	B	15,19,834	10,60,404	4,59,430	4,45,811	13,619
Electronic	C	57	0	57	51	6
No. of shares	D	7,40,12,214	0	7,40,12,214	7,40,04,265	7,949
Physical + Electronic	A+C	273	22	253	234	19
Total no. of shares	B+D	7,55,32,048	10,60,404	7,44,71,644	7,44,50,076	21,568
<b>Percentage (%)</b>					<b>99.971</b>	<b>0.029</b>

\* Excludes 3 ballot papers not voted to the extent of 243 shares against their entitlement.

# Includes 2 ballot papers simultaneously voted as assent and dissent.

The resolution was passed with requisite majority



Special Resolution No. 2: Appointment of Mr. Shriram S. Dandekar as Vice Chairman & Executive Director for a period of two years w.e.f 1<sup>st</sup> February, 2016 and remuneration payable to him.

Ballots / No. of shares		Received	Invalid / Abstained / not voted	Counted for result	Assented	Dissented
Physical	A	216	20*	198#	185	13
No. of shares	B	15,19,834	3,19,828	12,00,006	11,88,839	11,167
Electronic	C	57	1	56	50	6
No. of shares	D	7,40,12,214	1	7,40,12,213	7,40,04,264	7,949
Physical + Electronic	A+C	273	21	254	235	19
Total no. of shares	B+D	7,55,32,048	3,19,829	7,52,12,219	7,51,93,103	19,116
Percentage (%)					<b>99.975</b>	<b>0.025</b>

\* Excludes 3 ballot papers not voted to the extent of 243 shares against their entitlement.

# Includes 2 ballot papers simultaneously voted as assent and dissent.

The resolution was passed with requisite majority

Special Resolution No. 3: Appointment of Mr. Ayyadurai Srikanth as "Manager" and designated as Chief Executive Officer for a period of two and half years w.e.f 1<sup>st</sup> February, 2016 and remuneration payable to him

Ballots / No. of shares		Received	Invalid / Abstained / not voted	Counted for result	Assented	Dissented
Physical	A	216	19*	199#	188	11
No. of shares	B	15,19,834	69,850	14,49,984	14,48,351	1,633
Electronic	C	57	2	55	50	5
No. of shares	D	7,40,12,214	103	7,40,12,111	7,40,10,701	1,410
Physical + Electronic	A+C	273	21	252	238	16
Total no. of shares	B+D	7,55,32,048	69,953	7,54,62,095	7,54,59,052	3,043
Percentage (%)					<b>99.996</b>	<b>0.004</b>

\* Excludes 3 ballot papers not voted to the extent of 265 shares against their entitlement.

# Includes 2 ballot papers simultaneously voted as assent and dissent.

The resolution was passed with requisite majority



Special Resolution No. 4: Adoption of new set of Articles of Association of the Company in conformity with the Companies Act, 2013.

Ballots / No. of shares		Received	Invalid / Abstained / not voted	Counted for result	Assented	Dissented
Physical	A	216	19*	199#	192	7
No. of shares	B	15,19,834	69,846	14,49,988	14,47,839	2,149
Electronic	C	57	2	55	51	4
No. of shares	D	7,40,12,214	1,001	7,40,11,213	7,40,10,303	910
Physical + Electronic	A+C	273	21	254	243	11
Total no. of shares	B+D	7,55,32,048	70,847	7,54,61,201	7,54,58,142	3,059
Percentage (%)					<b>99.996</b>	<b>0.004</b>

\* Excludes 3 ballot papers not voted to the extent of 261 shares against their entitlement.

# Includes 2 ballot papers simultaneously voted as assent and dissent.

The resolution was passed with requisite majority

#### **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 19<sup>th</sup> February, 2016 to enable them to vote within a period of 30 days, starting from Thursday, 25<sup>th</sup> February, 2016 at 9:00 a.m. to Friday, 25<sup>th</sup> March, 2016 at 5:00 p.m. After the last date of receipt of postal Ballots, the scrutinizer after due verification submitted his report on 28<sup>th</sup> March, 2016. Thereafter, the result of Postal Ballot was declared by the Chairman on 28<sup>th</sup> March, 2016 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.

#### **5. MEANS OF COMMUNICATION:**

The Company recognizes the importance of two way communication with shareholders and of

giving a proper reporting of results and progress and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting.

- i. Website: Comprehensive information about the Company, its business and operations and investors information can be viewed at the Company's website [www.kokuyocamlin.com](http://www.kokuyocamlin.com).
- 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 in accordance with the Listing Agreement/ Listing Regulations and also published in Financial Express (English) and Loksatta (Marathi) within 48 hours of approval thereof.



KOKUYO CAMLIN LIMITED

- iii. Annual Report: Annual report containing *interalia* audited Annual Accounts, Directors' Report, Auditors' 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 investors/ analysts during the year.

## 6. GENERAL SHAREHOLDER INFORMATION:

Annual General meeting (Day, Date, Time and Venue)	29 <sup>th</sup> July, 2016, Friday at 3:00 p.m. Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai - 400 020
Financial Year	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Date of Book Closure	25 <sup>th</sup> July, 2016 to 29 <sup>th</sup> July, 2016
Financial Results Calendar	First quarter results: By 14 <sup>th</sup> August, 2016 Second quarter results: by 14 <sup>th</sup> November, 2016 Third quarter results: by 14 <sup>th</sup> February, 2017 Fourth quarter results: by 30 <sup>th</sup> May, 2017

Listing on Stock Exchanges	<ul style="list-style-type: none"> <li>· BSE Ltd. (Scrip Code: 523207)</li> <li>· National Stock Exchange of India Ltd. (Trading Symbol: KOKUYOCLMN)</li> </ul>
International Securities Identification Number (ISIN)	INE760A01029
Corporate Identification Number (CIN)	L24223MH1946PLC005434

Note: Annual Listing fees for the year 2016-17 has been paid to BSE & NSE

## 7. STOCK MARKET DATA:

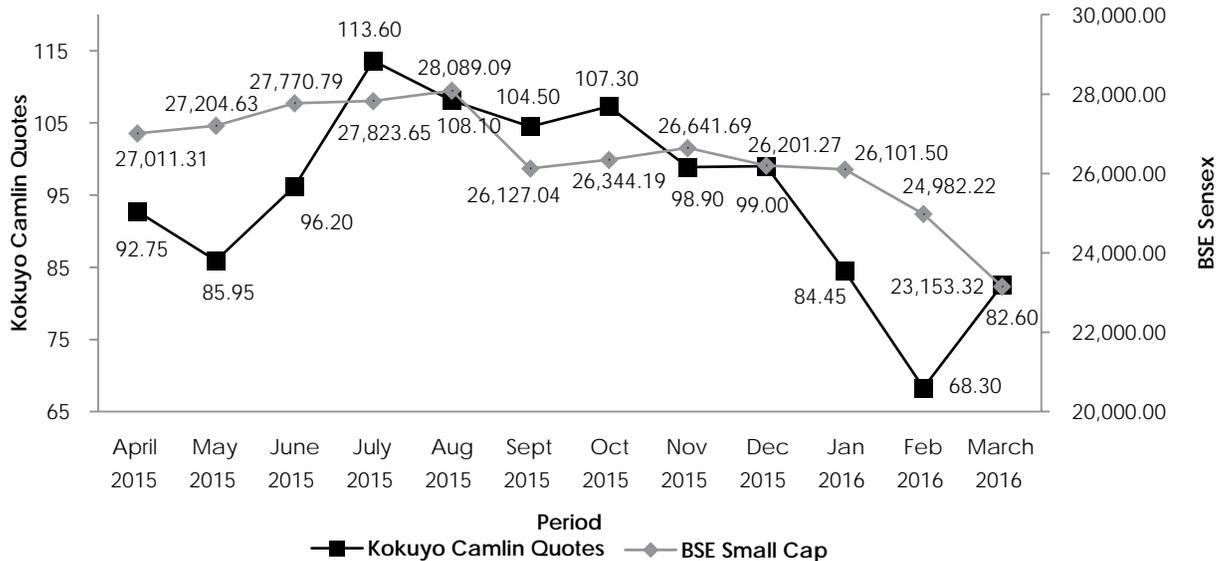
Share prices (High/ Low) for the year at BSE and NSE are as follows:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2015	109.00	72.20	109.25	72.00
May 2015	97.70	85.35	97.40	85.50
June 2015	97.70	76.00	97.95	75.05
July 2015	122.05	92.00	121.90	92.00
August, 2015	126.70	89.00	126.40	89.10
September, 2015	113.50	94.00	113.75	94.00
October, 2015	121.00	105.30	120.95	105.05
November, 2015	113.90	97.30	114.00	97.40
December, 2015	104.75	94.00	104.70	94.40
January, 2016	103.00	77.80	102.80	77.70
February, 2016	84.00	65.00	83.80	65.00
March, 2016	92.75	68.20	92.70	68.55

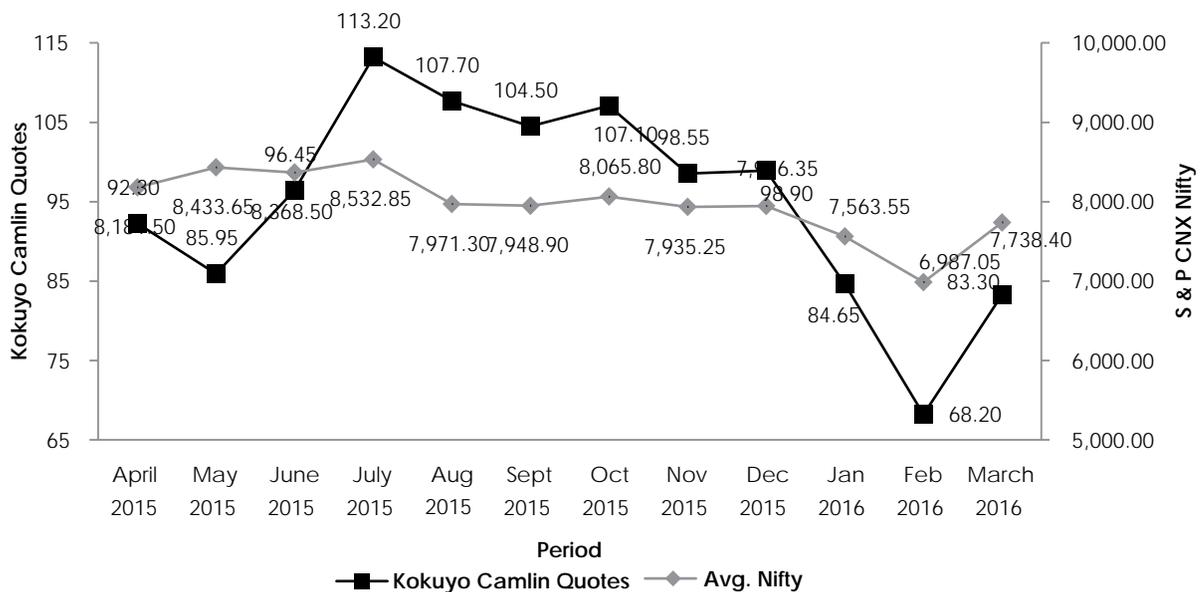


## 8. STOCK PERFORMANCE

**Kokuyo Camlin Share Price vis-a-vis BSE Small Cap**



**Kokuyo Camlin Share Price vis-a-vis S & P CNX Nifty**



## 9. REGISTRARS AND SHARE TRANSFER AGENTS FOR SHARES :

M/s. Sharepro Services India Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Near Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072, Tel: (022) 67720300/ 67720400 and Fax : (022) 28591568 were acting as Registrar & Transfer Agents(RTA) for handling the shares related matters both in Physical & Dematerialized mode.



KOKUYO CAMLIN LIMITED

As per SEBI order PR NO 66/2016 dated 22<sup>nd</sup> March, 2016, the Company was directed to change their Registrar and Transfer Agents. The Board of Directors accordingly at its meeting held on 12<sup>th</sup> May, 2016 appointed M/s. Link Intime India Pvt. Ltd. as their RTA w.e.f. 13<sup>th</sup> May, 2016, for handling the shares related matter in Physical & Dematerialised mode. Shareholders are advised to send all correspondence to the new RTA at the below mentioned address:

**Link Intime India Pvt. Ltd.**

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup West,  
Mumbai – 400 078  
Tel.: 91-22-2594-6970 Fax: 91-22-2594 6969  
Email id: rnt.helpdesk@linkintime.co.in

**10. 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 lodgement, subject to the transfer instrument being valid and complete in all respects.

**11. 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).

**12. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2016:**

No. of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
Up to 5000	17255	96.92	10129406	10.10
5001-10000	270	1.52	2006098	2.00
10001-20000	129	0.72	1905346	1.90
20001-30000	49	0.27	1207618	1.20
30001-40000	26	0.15	894235	0.89
40001-50000	16	0.09	745433	0.74
50001-100000	26	0.15	1973710	1.97
100001 and above	33	0.18	81441960	81.20
<b>Total</b>	<b>17804</b>	<b>100.00</b>	<b>100303806</b>	<b>100.00</b>

**13. CATEGORY OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2016:**

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	21757	0.02
Foreign Institutional Investors	37500	0.04
Bodies Corporate	3299121	3.29
Individuals	21222984	21.16
Non – Resident (Non-Rep.)	80223	0.08
Non – Resident (Rep.)	342109	0.34
Trust	35000	0.03
NBFC	49162	0.05
<b>Total Public Shareholding (B)</b>	<b>25087856</b>	<b>25.01</b>
<b>Total Shareholding = (A) + (B)</b>	<b>100303806</b>	<b>100.00</b>

**14. DEMATERIALISATION OF SHARES:**

The Company's Equity Shares are held in dematerialised form by National Securities Depository Ltd. (NSDL) and Central Depository Services India Ltd. (CDSL) under ISIN No. INE 760A01029. As on 31<sup>st</sup> March, 2016, 97.76% 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 Exchanges India Limited and The BSE Limited.

## 15. 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.

## 16. 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.

## 17. 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
E.mail	: investorrelations@kokuyocamlin.com.

## 18. 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.

## 19. 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 review 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



KOKUYO CAMLIN LIMITED

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 years 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 26 to the financial statements in the Annual Report. The Board of Directors have approved a policy of related party transactions which has been uploaded on the website of the Company [www.kokuyocamlin.com](http://www.kokuyocamlin.com).

**vi. Risk Management :**

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

**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 is also posted on the website of the Company.

The Company has complied with all the mandatory requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Corporate Governance Report of the Company for the year ended 31<sup>st</sup> March, 2016 are in compliance with the requirements of Corporate Governance under clause 49 of the Listing Agreement or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**i. Non Executive Chairman's Office:**

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

**ii. Shareholders Rights:**

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

**iii. Modified opinion in Auditors Report:**

The Company's financial statement for the year ended 31<sup>st</sup> March, 2016 does



not contain any modified Audit opinion.

**iv. Separate posts of Chairperson and Chief Executive Officer:**

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

**v. Reporting of Internal Auditor:**

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

**For and on behalf of the Board**

**Dilip D. Dandekar**  
**Chairman & Executive Director**

Place : Mumbai

Dated : 12<sup>th</sup> May, 2016

**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 31<sup>st</sup> March, 2016.

**For Kokuyo Camlin Limited**

**Ayyadurai Srikanth**  
**Chief Executive Officer**

Place: Mumbai

Date: 12<sup>th</sup> May, 2016



## CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,  
Board of Directors  
Kokuyo Camlin Ltd.

We have reviewed the financial statements and the cash flow statement of Kokuyo Camlin Ltd. for the year ended 31<sup>st</sup> March, 2016 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**

**Ayyadurai Srikanth**  
**Chief Executive Officer**



# Certificate

To,  
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 31<sup>st</sup> March, 2016, 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 J. H. Ranade & Associates  
Company Secretaries**

Place: Thane  
Date: 12<sup>th</sup> May, 2016

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

# Independent Auditor's Report

To the Members of Kokuyo Camlin Limited

## REPORT ON THE STANDALONE FINANCIAL STATEMENTS

1. We have audited the accompanying standalone financial statements of Kokuyo Camlin Limited ("the Company"), which comprise the balance sheet as at March 31, 2016, and the related statements of profit and loss and cash flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

2. 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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.
5. 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 financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor



considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

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

## OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2016, and its profit and its cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations

given to us, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. 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 purpose 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 and Cash Flow dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II.



KOKUYO CAMLIN LIMITED



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 (as amended), 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 financial statements – Refer Note 15 and 16 to the financial statements.
- ii. The Company does not have any long term contracts including derivate contracts for which there were any material foreseeable losses.

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

For **B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration Number 105102W

**Himanshu Chapsey**  
Partner  
Membership Number 105731  
Mumbai, May 12, 2016



## ANNEXURE I REFERRED TO IN OUR REPORT OF EVEN DATE

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 

(b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.

(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 are held in the name of the Company.
- 2 Management has conducted physical verification of inventory during the year. Confirmations have been received in respect of inventories lying with third parties. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between physical stocks and book records were not material and have been properly dealt with in the books of account.
- 3 According to the information and explanations given to us and to the best of our knowledge and belief, 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. Therefore, the provisions of para 3(iii) of the said Order are not applicable to the Company.
- 4 According to the information and explanations given to us and to the best of our knowledge and belief there are no guarantees and securities given as mentioned under section 185 and 186 of the Act. The investments made and loans given by the Company are in compliance with the provisions of section 186 of the Act.
- 5 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 and the provisions of Sections 73-76 of the Act apply. Accordingly, the provisions of para 3(v) of the Order are not applicable to the Company.
- 6 We have broadly reviewed the books of account relating to manufacture of stationery and stationery items maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- 7 (a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Sales tax, service tax, duty of



customs, duty of excise, value added tax, cess and any other applicable statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax and cess are in arrears, as on March 31, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of income tax, sales tax, wealth tax, service –tax, duty of excise, duty of customs, value added tax, and cess which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of dues	Amount (₹ In lakhs)	Periods to which amounts relates	Forum where the dispute is pending
The Income tax Act, 1961	Income tax	19.92	2005-06	Dy. Comm of Income Tax CIT (Appeals)
Service Tax Act	Service Tax	9.99	2006-07	Comm of Central Excise (Appeals) Mumbai
Excise Duty Act	Excise duty	20.63	1990-95	Mumbai High Court
	Excise duty	28.45	2012-13	The Customs, Excise and Service Tax Apellate Tribunal
	Excise duty	18.14	1992-93	The Customs, Excise and Service Tax Apellate Tribunal
	Excise duty	2.32		Comm of Central Excise (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	27.21	1995- 2011	Sales Tax Authorities
	Central Sales Tax	0.30	2000-2001	Comm of Sales Tax – Tribunal
State Sales Tax Act	Local Sales tax/ Vat	69.16	1995-2011	Sales Tax Authorities

8 Based on the records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government during the year. The Company has not issued any debentures.

9 In our opinion and according to the information and explanations given to us, the term loans availed by the Company have been applied by the Company for the purposes for which they were obtained. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.

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

11 Based on the records examined by us and according to the information and explanations given to us and as described in note 26 (d) to the financial statements, the managerial remuneration paid /provided by the Company to one of its directors is in excess of the amounts specified in section 197 of the Act read with Schedule V of the Companies Act. As described in the aforesaid note, the Company is in the process of applying to the Central Government for the necessary approval of the same.

12 In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provisions of para 3(xii) of the said Order is not applicable.



- 13 Based on the records examined by us and according to the information and explanations given to us, 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 financial statements as required by the applicable accounting standards.
- 14 Based on the records examined by us and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15 Based on the records examined by us and according to the information and explanations

given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, the provisions of para 3(xv) of the Order is not applicable.

- 16 In our opinion and 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.

For **B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration Number 105102W

**Himanshu Chapsey**  
Partner  
Membership Number 105731  
Mumbai, May 12, 2016



## **ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KOKUYO CAMLIN LIMITED**

### **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 March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended March 31, 2016.

#### **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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 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 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 Institute of Chartered Accountants of India. 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 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 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 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 March 31, 2016, 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.

For **B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration Number 105102W

**Himanshu Chapsey**  
Partner  
Membership Number 105731  
Mumbai, May 12, 2016



KOKUYO CAMLIN LIMITED



# Balance Sheet

as at March 31, 2016

	Notes	As at 31.03.2016 (₹ in Lacs)		As at 31.03.2015 (₹ In Lacs)	
<b>EQUITY AND LIABILITIES</b>					
Share Capital	2.a		1,003.04		1,003.04
Reserves and Surplus	2.b		20,830.64		20,304.74
Shareholders' Funds	2		21,833.68		21,307.78
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings	3.a		2,581.82		883.96
Other long-term liabilities	3.b		1,152.77		1,097.25
Long-term provisions	3.c		317.41		316.94
<b>Non-Current liabilities</b>	3		<b>4,052.00</b>		<b>2,298.15</b>
<b>CURRENT LIABILITIES</b>					
Short-term borrowings	4.a		6,858.48		5,968.09
Trade payables	4.b		9,926.19		9,994.32
Other current liabilities	4.c		1,862.51		2,028.86
Short-term provisions	4.d		215.04		194.60
<b>Current Liabilities</b>	4		<b>18,862.22</b>		<b>18,185.87</b>
<b>TOTAL</b>			<b>44,747.90</b>		<b>41,791.80</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Fixed Assets	5.a				
Tangible Assets	5.a.i	10,269.93		10,389.41	
Intangible Assets	5.a.ii	241.40		315.40	
Capital Work-in-progress	5.a.iii	2,497.93	<b>13,009.26</b>	130.34	<b>10,835.15</b>
Non-Current investments	5.b		16.88		16.88
Deferred tax assets (Net)	23		484.66		694.23
Long-term loans and advances	5.c		1,630.11		1,351.65
Other Non-current assets	5.d		21.18		22.69
<b>Non-Current assets</b>	5		<b>15,162.09</b>		<b>12,920.60</b>
<b>CURRENT ASSETS</b>					
Inventories	6.a		12,437.19		12,328.14
Trade receivables	6.b		9,099.55		7,695.83
Cash and Bank Balances	6.c		6,727.50		7,433.44
Short-term loans and advances	6.d		1,190.15		1,144.60
Other current assets	6.e		131.42		269.19
<b>Current Assets</b>	6		<b>29,585.81</b>		<b>28,871.20</b>
<b>TOTAL</b>			<b>44,747.90</b>		<b>41,791.80</b>
Significant Accounting Policies	1				
The accompanying notes are an integral part of these financial statements.					

**As per our report of even date annexed**

For B.K. Khare & Co.  
Chartered Accountants  
Firm Registration No. 105102W

Ayyadurai Srikanth  
Chief Executive Officer  
  
Chetan Badal  
Chief Financial Officer

Dilip Dandekar  
Shriram Dandekar  
Nobuchika Doi  
Takeo Iguchi  
Shishir B. Desai

Chairman & Executive Director  
Vice Chairman & Executive Director  
Executive Director  
Executive Director  
Director

Himanshu Chapsey  
Partner  
Membership No. 105731  
Mumbai  
Dated: May 12, 2016

Ravindra Damle  
V.P. (Corporate) & Company Secretary  
Mumbai  
Dated: May 12, 2016



# Statement of Profit and Loss

for the year ended March 31, 2016

	Notes	Year ended 31.03.2016 (₹ in Lacs)	Year ended 31.03.2015 (₹ In Lacs)
<b>INCOME</b>			
Revenue from Operations	7	64,314.09	56,824.78
Less: Excise duty		2,895.37	2,436.85
		<b>61,418.72</b>	<b>54,387.93</b>
Other Income	8	536.58	766.73
<b>TOTAL INCOME</b>		<b>61,955.30</b>	<b>55,154.66</b>
<b>EXPENDITURE</b>			
Cost of materials	9	23,697.34	22,690.38
Purchases of Stock-in-Trade	10	14,407.48	13,147.28
Changes in the Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	11	62.08	(1,476.53)
Employee Benefit Expenses	12	6,659.52	6,035.93
Finance Costs	13	1,072.91	977.29
Depreciation	5.a	1,186.22	1,096.84
Other Expenses	14	14,138.70	12,255.35
<b>TOTAL EXPENDITURE</b>		<b>61,224.25</b>	<b>54,726.54</b>
<b>Net profit before tax</b>		<b>731.05</b>	<b>428.12</b>
<b>Less : Tax Expenses</b>			
: Current Tax		-	-
: Prior Years (Net)		(4.42)	-
: Deferred Tax	23	209.57	(64.27)
<b>Profit after Tax for the period</b>		<b>525.90</b>	<b>492.39</b>
Earning Per Share - Basic and Diluted of equity shares of face value of Re.1/ each (in ₹)	24	0.52	0.49
Significant Accounting Policies	1		
The accompanying notes are an integral part of these financial statements.			

#### As per our report of even date annexed

For B.K. Khare & Co. Chartered Accountants Firm Registration No. 105102W	Ayyadurai Srikanth Chief Executive Officer	Dilip Dandekar Shriram Dandekar Nobuchika Doi	Chairman & Executive Director Vice Chairman & Executive Director Executive Director
Himanshu Chapsey Partner Membership No. 105731 Mumbai Dated: May 12, 2016	Chetan Badal Chief Financial Officer	Takeo Iguchi Shishir B. Desai	Executive Director Director
	Ravindra Damle V.P. (Corporate) & Company Secretary Mumbai Dated: May 12, 2016		



KOKUYO CAMLIN LIMITED



# Cash Flow Statement

for the year ended march 31, 2016

	Year ended 31.03.2016 (₹ In Lacs)	Year ended 31.03.2015 (₹ In Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit	731.05	428.12
<b>Adjustments for:</b>		
Depreciation	1,186.22	1,096.84
Foreign Exchange (Unrealised)	25.26	3.72
(Profit)/Loss on disposal of Fixed Assets	(2.38)	8.96
Finance Costs	1,072.91	977.29
Interest/Dividend Accrued	(527.76)	(766.17)
<b>Operating Profit before Working Capital changes</b>	<b>2,485.30</b>	<b>1,748.76</b>
<b>Adjustments for:</b>		
Inventories	(109.05)	(1,609.30)
Trade Receivables	(1,403.72)	(611.85)
Loans and Advances	(68.48)	(121.06)
Trade Payables	(68.13)	1,298.56
Other Current Liabilities	359.47	206.01
Changes in Working Capital	(1,289.91)	(837.64)
<b>Cash generated from Operations</b>	<b>1,195.39</b>	<b>911.12</b>
Direct taxes paid	40.80	(75.13)
<b>Net cash from operating activities</b>	<b>1,236.19</b>	<b>835.99</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including advances)	(4,106.76)	(1,881.88)
Sale of Fixed Assets	11.30	5.60
(Purchase)/Sale of Investments	-	50.00
(Increase) / Decrease in bank deposits (having maturity of more than three months)	4,430.31	(4,374.27)
Interest received	661.93	797.94
Dividend received	3.60	2.80
<b>Net cash used in Investing Activities</b>	<b>1,000.38</b>	<b>(5,399.81)</b>



# Cash Flow Statement

for the year ended march 31, 2016

	Year ended 31.03.2016 (₹ In Lacs)	Year ended 31.03.2015 (₹ In Lacs)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	3,026.97	608.89
Repayment of borrowing	(438.43)	(436.74)
Finance Costs paid	(1,074.25)	(993.69)
Dividend Paid	(2.73)	(2.12)
<b>Net cash used in Financing Activities</b>	<b>1,511.56</b>	<b>(823.66)</b>
<b>D. UNREALISED FOREIGN EXCHANGE FLUCTUATION</b>	<b>(25.26)</b>	<b>(3.72)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,722.86</b>	<b>(5,391.20)</b>
Cash and Cash Equivalents (Opening Balance)	286.49	5,677.69
Cash and Cash Equivalents (Closing Balance)	4,009.35	286.49
The accompanying notes are an integral part of these financial statements.		

#### As per our report of even date annexed

For B.K. Khare & Co.  
Chartered Accountants  
Firm Registration No. 105102W

Himanshu Chapsey  
Partner  
Membership No. 105731  
Mumbai  
Dated: May 12, 2016

Ayyadurai Srikanth  
Chief Executive Officer  
Shriram Dandekar  
Nobuchika Doi

Chetan Badal  
Chief Financial Officer  
Takeo Iguchi  
Shishir B. Desai

Ravindra Damle  
V.P. (Corporate) & Company Secretary  
Mumbai  
Dated: May 12, 2016

Dilip Dandekar  
Chairman & Executive Director  
Shriram Dandekar  
Vice Chairman & Executive Director  
Nobuchika Doi  
Executive Director  
Takeo Iguchi  
Executive Director  
Shishir B. Desai  
Director

# Notes

to the Financial Statement for the year ended March 31, 2016

## 1. STATEMENT OF ACCOUNTING POLICIES AND PRACTICES

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

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting, in accordance with the generally accepted accounting principles in India to comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013 ("the Act") ("Indian GAAP").

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

### B. Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of financial statements and the reported amount of revenues and expenses, during the reported period. Actual results could differ from those estimates.

### C. Fixed Assets :

- i. Fixed Assets are recorded at cost of acquisition or construction and they are stated at historical cost (net of Cenvat and Vat). Interest on project loans and all direct expenses attributable to acquisition of Fixed Assets are capitalised, upto the date of installation. Capitalised hardware/software costs of Enterprise Resource Planning (ERP) System include cost of designing software, which provides significant future economic benefits over an extended period. The cost comprises of license fee, cost of system integration and initial customization. The costs are capitalised in the year in which the relevant system is ready for intended use. The upgradation/enhancements are also capitalised and assimilated with the initial capitalisation cost.
- ii. In compliance with Accounting Standard (AS-28)– "Impairment of Assets" issued by the Institute of Chartered Accountants of India (ICAI), the Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. Impairment loss is recognised wherever carrying amount exceeds the recoverable amount.



# Notes

to the Financial Statement for the year ended March 31, 2016

- iii. The depreciation on all assets of the company excluding freehold land & leasehold land has been charged to write off the cost less residual value using the straight-line basis over the expected/estimated useful life in the manner as specified in Schedule II of the Companies Act 2013. Residual values have been reviewed and considered by the management. The normal expected/estimated useful lives of major categories of Fixed Assets are as follows:

Freehold Land	NIL
Leasehold Land	Lease term
Site developments	30 years
Buildings & sheds	30 years and 60 years
Plant & Machinery & Electrical Installation	7.5 years to 25 years
Office equipment	3 to 6 years
ERP Hardware & Software	5 years
Furniture & Fittings	10 years
Vehicles	8 to 10 years

## D. Investments :

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

## E. Valuation of Inventories :

A. Raw Materials and Packing Materials	:	At moving weighted average cost, written down to realizable value if the costs of related finished goods exceed net realisable value.
B. Work in process	:	At lower of moving weighted average cost or net realisable value.
C. Finished Goods	:	At lower of moving weighted average cost or net realisable value.

## F. Excise Duty :

Excise duty on finished goods manufactured is accounted on clearance of goods from factory premises and also in respect of year end stocks in bonded warehouse. CENVAT credit is accounted by adjustment against cost immediately upon receipt of the relevant input. Input credit not recoverable is charged to the Statement of Profit and Loss.

## G. Foreign Currency Transactions :

- i. Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency assets and liabilities are translated at year end exchange rates.



KOKUYO CAMLIN LIMITED

# Notes

to the Financial Statement for the year ended March 31, 2016

Exchange difference arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

- ii. In respect of forward exchange contracts the difference between the forward rate and the exchange rate at the inception of contract is recognised as income or expense over the period of the contract.
- iii. Gains or losses on cancellation/settlement of forward exchange contracts are recognised as income or expense.

## **H. Research and Development :**

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

## **I. Employee Benefits :**

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

## **J. Revenue / Expense Recognition :**

- i. Revenue from sale of goods is accounted for on the basis of dispatch of goods. Sales are inclusive of excise duty and net of sales returns / Trade Discount.
- ii. Revenue in respect of overdue interest, insurance claim, etc is recognized to the extent the Company is reasonably certain of its ultimate realisation.
- iii. Remission from Excise Duty paid in respect of clearance from Jammu Plant is recognised as revenue based on legal advice obtained by the Company [Refer Note No.16].
- iv. Expenses are accounted for on accrual basis.
- v. Provisions are recognised when a present legal or constructive obligation exists and the payment is probable and can be reliably estimated.
- vi. Lease Rentals in respect of assets taken on "operating lease" are charged to the Statement of Profit and Loss on straight line basis over the lease term.



# Notes

to the Financial Statement for the year ended March 31, 2016

## **K. Government Grants :**

- i. Where the grants are of the nature of promoters' contribution with reference to total investment in the undertaking or total capital outlay, they are treated as capital reserve.
- ii. Grants related to specific fixed assets are deducted from the book value of the related asset.
- iii. Grants related to revenue are credited to the Statement of Profit and Loss and presented as income from operations.

## **L. Borrowing Cost:**

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

## **M. Share Issue Expenses**

Expenses incurred in connection with fresh issue of share capital are adjusted against Securities premium reserve in the year in which they are incurred.

## **N. Contingent Liabilities :**

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

## **O. Accounting for Taxes on Income :**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

## **P. Earnings per share:**

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



# Notes

to the Financial Statement for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>2.a SHARE CAPITAL</b>		
<b>Authorised</b>		
20,00,00,000 (20,00,00,000) Equity Shares of Re. 1/- each	2,000.00	2,000.00
<b>Issued, Subscribed &amp; Paid-up</b>		
10,03,03,806 (10,03,03,806) Equity Shares of Re. 1/- each fully paid	1,003.04	1,003.04

Reconciliation of the shares outstanding at the beginning and at the end of the year

	31.03.2016		31.03.2015	
	No of shares	(₹ In Lacs)	No of shares	(₹ In Lacs)
Balance at the beginning and at the end of the year	100,303,806	1,003.04	100,303,806	1,003.04

## i) Terms/rights attached to equity shares

The Company has only one class of equity shares with a par value of Re. 1/- per share. Each holder of equity share is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by The Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

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

	31.03.2016		31.03.2015	
	No. of shares	% of holding	No. of shares	% of holding
Name of the Holding Company				
KOKUYO S&T CO. Ltd, Japan (a company incorporated in Japan)			70,871,120	70.66%
KOKUYO CO., Ltd. Japan (a company incorporated in Japan)	73,971,750	73.75%		

(Shares previously held by Kokuyo S&T Co. Ltd, which was a Wholly Owned Subsidiary of Kokuyo Co. Ltd which merged with Kokuyo Co. Ltd since October 1, 2015)

## 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.



# Notes

to the Financial Statement for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>2 b RESERVES AND SURPLUS</b>		
<b>i) Capital Reserve</b>		
Balance, beginning and end of the year	52.70	52.70
<b>ii) Share Premium Account</b>		
Balance, beginning and end of the year	17,901.56	17,901.56
<b>iii) General Reserve</b>		
Balance, beginning of the year	2,041.62	2,087.82
Less : Depreciation adjustment (Refer Note No. 5)	-	69.02
Deferred tax effect of the above	-	(22.82)
Balance, at end of the year	<b>2,041.62</b>	<b>2,041.62</b>
<b>iv) Surplus /(deficit ) in the Statement of Profit and Loss</b>		
Balance, beginning of the year	308.86	(183.53)
Add :Profit for the year	525.90	492.39
Balance at the end of the year	<b>834.76</b>	<b>308.86</b>
	<b>20,830.64</b>	<b>20,304.74</b>
<b>3 NON - CURRENT LIABILITIES</b>		
<b>a Long-term borrowings from banks</b>		
i) Unsecured	2,572.36	871.57
ii) Secured	9.46	12.39
	<b>2,581.82</b>	<b>883.96</b>
<b>b Other long term liabilities</b>		
Security Deposits	<b>1,152.77</b>	<b>1,097.25</b>
<b>c Long-term provisions</b>		
Provisions for Employee Benefits -(Refer Note no. 25)		
i) Gratuity	106.23	190.73
ii) Leave Encashment	211.18	126.21
	<b>317.41</b>	<b>316.94</b>



# Notes

to the Financial Statement for the year ended March 31, 2016

a. Long term borrowing comprise

i. a) External Commercial borrowing (ECB) from Bank of Tokyo-Mitsubishi UFJ,Ltd. Singapore

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 April 22, 2014 with last installment payable on October 18, 2017

i. b) External Commercial borrowing (ECB) from Sumitomo Mitsui Banking Corporation

The terms of the loan are as follows:

1. Rate of Interest is based on a LIBOR plus agreed spread.
2. Repayable in 8 equal half yearly installments starting from September 2, 2017 with last installment payable on March 2, 2021.

ii) The secured loan from bank is a vehicle loan

The terms of the loan are as follows:

- 1 Rate of Interest is 10.25 %
  2. Repayable in monthly installments starting from December 2014 with last installment payable on November 7, 2019.
  3. Secured against hypothecation of vehicle.
-



# Notes

to the Financial Statement for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>4 CURRENT LIABILITIES</b>		
<b>a Short term borrowings</b>		
Cash Credit / Working Capital Demand Loan (Unsecured)	<b>6,858.48</b>	<b>5,968.09</b>
Unsecured Cash Credit and working capital demand loan carry negative lien on all assets of the Company.		
<b>b Trade payables</b>		
Trade payables (including acceptances)	<b>9,926.19</b>	<b>9,994.32</b>
<b>c Others</b>		
i) 1 Current Maturities of Long Term Borrowings - Banks (Unsecured) (Refer note no. 3.a.i)	435.78	435.78
2 Current Maturities of Long Term Borrowings - Banks (Secured) (Refer note no. 3.a.ii)	2.93	2.65
ii) Advances from customers	177.58	180.38
iii) Employee Dues	698.95	405.94
iv) Security Deposits	28.73	9.38
v) Capital Creditors	0.75	446.35
vi) Statutory Liabilities	440.16	467.65
vii) Interest Accrued but not due on loans	49.08	50.42
viii) Investor Education and Protection fund will be credited by following amounts (as and when due)		
Unclaimed Dividends	10.22	12.95
ix) Others	18.33	17.36
	<b>1,862.51</b>	<b>2,028.86</b>
<b>d Short-term provisions</b>		
Provisions for Employee Benefits -(Refer Note no. 25)		
i) Gratuity	179.54	159.80
ii) Leave Encashment	35.50	34.80
	<b>215.04</b>	<b>194.60</b>



# Notes

to the Financial Statement for the year ended March 31, 2016

## 5. a) FIXED ASSETS

### i) Tangible assets

(₹ in Lacs)

PARTICULARS	COST				DEPRECIATION				BALANCE		
	Gross Block 31.03.2015	Additions during the year	Disposals/ Adjustments	As at 31.03.2016	Upto 31.03.2015	For the year	Disposals/ Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015	
Freehold Land	2.73	-	-	2.73	-	-	-	-	2.73	2.73	
Leasehold Land	2,251.42	-	-	2,251.42	52.02	32.46	-	84.48	2,166.94	2,199.40	
Site Development	42.69	-	-	42.69	4.52	1.89	-	6.41	36.28	38.17	
Building & Shed	1,945.65	17.80	-	1,963.45	415.69	67.13	-	482.82	1,480.63	1,529.96	
Plant, Machinery & Equipment	11,396.42	899.75	168.07	12,128.10	5,490.86	833.78	159.74	6,164.90	5,963.20	5,905.56	
Office Machinery	721.59	82.16	1.23	802.52	380.15	92.69	1.17	471.67	330.85	341.44	
ERP Hardware Cost	298.57	-	-	298.57	193.60	22.39	-	215.99	82.58	104.97	
Furniture & Fittings	339.58	1.95	0.49	341.04	177.18	36.31	0.23	213.26	127.78	162.40	
Vehicles	210.64	-	5.43	205.21	105.86	25.57	5.16	126.27	78.94	104.78	
<b>Total</b>	<b>17,209.29</b>	<b>1,001.66</b>	<b>175.22</b>	<b>18,035.73</b>	<b>6,819.88</b>	<b>1,112.22</b>	<b>166.30</b>	<b>7,765.80</b>	<b>10,269.93</b>	<b>10,389.41</b>	
Previous Year	13,538.32	3,706.41	35.44	17,209.29	5,706.81	1,133.95	20.88	6,819.88	10,389.41	7,831.51	

### ii) Intangible assets

(₹ in Lacs)

PARTICULARS	COST				DEPRECIATION				BALANCE		
	Gross Block 31.03.2015	Additions during the year	Disposals/ Adjustments	As at 31.03.2016	Upto 31.03.2015	For the year	Disposals/ Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015	
ERP Software Cost	510.76	-	-	510.76	195.36	74.00	-	269.36	241.40	315.40	
<b>Total</b>	<b>510.76</b>	<b>-</b>	<b>-</b>	<b>510.76</b>	<b>195.36</b>	<b>74.00</b>	<b>-</b>	<b>269.36</b>	<b>241.40</b>	<b>315.40</b>	
Previous Year	219.44	291.32	-	510.76	163.45	31.91	-	195.36	315.40	55.99	

### iii) Capital work in progress

								2,497.93	130.34
Total								<b>13009.26</b>	<b>10835.15</b>



# Notes

to the Financial Statement for the year ended March 31, 2016

## PREVIOUS YEAR

### i) Tangible assets

(₹ in Lacs)

PARTICULARS	COST				DEPRECIATION				BALANCE
	Gross Block 31.03.214	Additions during the year	Disposals/ Adjustments	As at 31.03.2015	Upto 31.03.2014	For the year	Disposals/ Adjustments	As at 31.03.2015	As at 31.03.2015
Freehold Land	2.73	-	-	2.73	-	-	-	-	2.73
Leasehold Land	320.51	1,930.90	-	2,251.41	24.69	27.33	-	52.02	2,199.39
Site Development	22.47	20.22	-	42.69	3.53	0.99	-	4.52	38.17
Building & Shed	1,756.38	189.27	-	1,945.65	357.64	58.05	-	415.69	1,529.96
Plant, Machinery & Equipment	10,086.20	1,318.13	7.91	11,396.42	4,640.28	850.97	0.39	5,490.86	5,905.56
Office Machinery	646.66	78.27	3.34	721.59	259.92	121.44	1.21	380.15	341.44
ERP Hardware Cost	186.61	111.96	-	298.57	186.61	6.99	-	193.60	104.97
Furniture & Fittings	302.93	36.65	-	339.58	138.99	38.19	-	177.18	162.40
Vehicles	213.82	21.01	24.19	210.64	95.15	29.99	19.28	105.86	104.78
<b>Total</b>	<b>13,538.32</b>	<b>3,706.41</b>	<b>35.44</b>	<b>17,209.29</b>	<b>5,706.81</b>	<b>1,133.95</b>	<b>20.88</b>	<b>6,819.88</b>	<b>10,389.41</b>

### ii) Intangible assets

(₹ in Lacs)

PARTICULARS	COST				DEPRECIATION				BALANCE
	Gross Block 31.03.2015	Additions during the year	Disposals/ Adjustments	As at 31.03.2015	Upto 31.03.2014	For the year	Disposals/ Adjustments	As at 31.03.2015	As at 31.03.2015
ERP Software Cost	219.44	291.32	-	510.76	163.45	31.91	-	195.36	315.40
<b>Total</b>	<b>219.44</b>	<b>291.32</b>	<b>-</b>	<b>510.76</b>	<b>163.45</b>	<b>31.91</b>	<b>-</b>	<b>195.36</b>	<b>315.40</b>

Consequent to the enactment of the Companies Act, 2013, the Company has charged depreciation on its fixed assets as per the useful life mentioned in Schedule II to the Act. Useful life is assessed by the management (Refer accounting policies note 1.C.iii). Consequently, depreciation charged for the year is increased by ₹ 101.52 lacs. Further, total depreciation and amortisation of ₹ 1165.86 lacs (aggregating ₹ 1133.95 lacs and ₹ 31.91 lacs) includes additional depreciation of ₹ 69.02 lacs on the fixed assets in respect of which useful life is fully exhausted as at April 1, 2014, which along with related deferred tax (See Note no 2.b. iii) is adjusted against the opening balance of General Reserve. The balance depreciation and amortisation of ₹ 1096.84 lacs has been charged to the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2015.



# Notes

to the Financial Statement for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>5 b NON-CURRENT INVESTMENTS</b>		
Investments in Equity Instruments		
<b>I Quoted</b>		
8,00,000 Shares of Re. 1/- each (8,00,000 Shares of Re. 1/- each)	9.73	9.73
Camlin Fine Sciences Ltd		
[Market Value ₹ 709.20 Lacs ( 706.40 Lacs)]		
<b>II Unquoted</b>		
<b>A Subsidiary Companies</b>		
a) 5,000 (5,000) Equity Shares of ₹ 100/- each in Camlin International Ltd.	5.00	5.00
<b>B Associates</b>		
a) 2,150 (2,150) Equity Shares of ₹ 100/- each in Excella Pencils Ltd	2.15	2.15
b) 5,22,000 (5,22,000) Equity Shares of ₹ 10/- each in ColArt Camlin Canvas Pvt. Ltd.	52.20	52.20
Less : Provision for diminution in value (as accumulated losses as on March 31, 2016 exceed the networth of the Company)	52.20	52.20
	<b>16.88</b>	<b>16.88</b>
Aggregate amount of unquoted investments	59.35	59.35
Aggregate provision for diminution in value of investments	52.20	52.20
<b>c Long-term Loans and Advances</b>		
i) Capital Advances	1,067.65	775.74
ii) Income Tax (net of provisions)	211.27	247.65
iii) Security Deposits	351.19	328.26
	<b>1,630.11</b>	<b>1,351.65</b>
<b>d Other Non-current assets</b>		
Fixed Deposits maturing after twelve months	<b>21.18</b>	<b>22.69</b>



# Notes

to the Financial Statement for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>6 CURRENT ASSETS</b>		
<b>a INVENTORIES</b>		
i) Raw Materials [includes in transit ₹ 83.45 Lacs (₹ 80.86 Lacs)]	1,774.47	1,658.19
ii) Packing Materials [includes in transit ₹ 122.63 Lacs (₹ 80.97 Lacs)]	1,814.94	1,760.09
iii) Work-in-Process	971.34	819.12
iv) Finished Goods	3,790.08	3,837.97
v) Stock-in-Trade [includes in transit ₹ 34.00 Lacs (₹ 26.35 lacs)]	4,086.36	4,252.77
	<b>12,437.19</b>	<b>12,328.14</b>
<b>b Trade receivables</b>		
<b>Unsecured</b>		
i) Outstanding for a period exceeding six months from the due date		
1 Considered Good	46.32	34.01
2 Considered Doubtful	182.07	171.60
ii) Other Debts - Considered Good	9,053.23	7,661.82
	<b>9,281.62</b>	<b>7,867.43</b>
Less: Allowance for doubtful receivables	182.07	171.60
	<b>9,099.55</b>	<b>7,695.83</b>
<b>c Cash and Bank Balances</b>		
<b>i) Cash and Cash Equivalents</b>		
Balances with Banks		
1. In Current Accounts	506.84	124.57
2. In EEFC Accounts	129.60	30.17
3. Deposits with maturity of less than three months	3,360.53	122.18
Cash on Hand	12.38	9.57
	<b>4,009.35</b>	<b>286.49</b>
<b>ii) Other Bank Balances</b>		
Deposits with original maturity of more than three months but less than twelve months	2,706.10	7,127.15
Staff Security Deposits	1.83	6.85
Earmarked for payment of Dividends / Interest on Fixed Deposits	10.22	12.95
	<b>2,718.15</b>	<b>7,146.95</b>
	<b>6,727.50</b>	<b>7,433.44</b>
<b>d Short term Loans and Advances</b>		
Unsecured (Considered Good)		
i) Advances to Related Parties [Ref Note No. 26(d)]	0.51	3.81
ii) Advances to suppliers	422.68	294.65
iii) Prepaid Expenses	145.72	205.81
iv) Deposits, balances and input credits for other taxes and duties	510.92	534.62
v) Other advances	110.32	105.71
	<b>1,190.15</b>	<b>1,144.60</b>
<b>e Other Non-current assets</b>		
Interest accrued on Deposits	<b>131.42</b>	<b>269.19</b>



# Notes

to the Financial Statement for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>7 REVENUE FROM OPERATIONS ( GROSS)</b>		
Sale of Products [Ref. Note No 21-i]]	64,197.49	56,738.22
Add : Other Operating Revenues	116.60	86.56
Revenue from Operations (Gross)	<b>64,314.09</b>	<b>56,824.78</b>
Less : Excise Duty-[Net of Rebate] [Refer Note No.16]	2,895.37	2,436.85
Revenue from Operations (Net)	<b>61,418.72</b>	<b>54,387.93</b>
<b>8 OTHER INCOME</b>		
i) Interest	524.16	763.37
ii) Dividend-On Trade Investments	3.60	2.80
iii) Profit on Sale of Assets	8.79	0.49
iv) Miscellaneous Receipts	0.03	0.07
	<b>536.58</b>	<b>766.73</b>
<b>9 COST OF MATERIALS</b>		
Colours / Pigments	2,573.52	2,315.28
Chemicals	2,890.85	2,822.75
Components	5,498.48	5,525.01
Containers	3,260.93	3,221.71
Others	9,473.56	8,805.63
	<b>23,697.34</b>	<b>22,690.38</b>
<b>10 PURCHASE OF STOCK-IN TRADE</b>		
i) Stationery Items	13,405.54	12,337.90
ii) Chemical and Chemical Products	1,001.94	809.38
	<b>14,407.48</b>	<b>13,147.28</b>
<b>11 CHANGES IN THE INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK IN TRADE</b>		
Stocks as per last Balance Sheet		
Work in Process	819.12	1,002.00
Stock-in-Trade	4,252.77	3,646.45
Finished Goods	3,837.97	2,784.88
	<b>8,909.86</b>	<b>7,433.33</b>
Less : Closing Stock as at year end		
Work in Process	971.34	819.12
Stock-in-Trade	4,086.36	4,252.77
Finished Goods	3,790.08	3,837.97
	<b>8,847.78</b>	<b>8,909.86</b>
	<b>62.08</b>	<b>(1,476.53)</b>



# Notes

to the Financial Statement for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>12 EMPLOYEE COST</b>		
Salaries, Wages and Bonus	5,961.55	5,199.43
Contribution to Provident & other funds [Refer Note no.5]	513.36	660.40
Staff and Labour Welfare	184.61	176.10
	<b>6,659.52</b>	<b>6,035.93</b>
<b>13 FINANCE COSTS</b>		
Interest Expense on Debts and Borrowings	792.88	766.73
Interest Expense relating to Taxes and Duties	4.57	2.48
Other Borrowing Costs	275.46	208.08
	<b>1,072.91</b>	<b>977.29</b>
<b>14 OTHER EXPENSES</b>		
Power and Fuel	563.72	490.91
Job work charges	2,435.70	2,265.83
Repairs		
- Building	21.71	23.22
- Machinery	111.88	120.02
Rent	927.81	857.69
Rates and Taxes	27.13	25.07
Net losses/(gains) in respect of translations of foreign currencies	147.55	(55.97)
Insurance	78.90	49.29
Advertisement and Sale Promotion	2,967.10	2,123.33
Transport & Forwarding Charges	2,198.84	2,127.70
Commission/Discount/Service Charges on Sales	1,734.03	1,520.19
Travelling & Conveyance	1,055.74	1,034.96
Payment to auditors	37.63	33.70
Miscellaneous Expenses	1,830.96	1,639.41
	<b>14,138.70</b>	<b>12,255.35</b>
Payment to Auditors		
a For Audit	23.00	16.25
b Taxation matters	8.00	8.00
c Others	6.63	9.45
	<b>37.63</b>	<b>33.70</b>

# Notes

to the Financial Statement for the year ended March 31, 2016

## 15 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

### i. Contingent Liabilities:

1. Claims against the Company not acknowledged as debts ₹ 293.06 lacs (₹ 332.88 lacs).
2. Other money for which the Company is contingently liable is Nil (₹ 14.39 lacs).
3. Bank Guarantees as at March 31, 2016 ₹ 93.93 lacs (₹ 76.03 lacs).

### ii. Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 4474.35 lacs (₹ 3,240.33 lacs)

## 16 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 of ₹ 293.09 lacs (₹ 306.20 lacs), is recognized as revenue and accrued as income from operations. The cumulative amount of remission as on March 31, 2016, so recognised is ₹ 2,078.41 lacs (₹ 1,785.31 lacs).
- 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 notification.

## 17 DERIVATIVES INSTRUMENTS AND FOREIGN CURRENCY EXPOSURE :

- a. The hedged exposure of foreign currency transaction is as follows.

		(Amt. in lacs)	
On Account of	Currency	2015-16	2014-15
Loan from - Banks (Unsecured)	(USD)	47.45	24.37



# Notes

to the Financial Statement for the year ended March 31, 2016

b. The unhedged exposure of foreign currency transaction is as follows.

On Account of		Currency	(Amt. in lacs)	
			2015-16	2014-15
(i)	Trade Receivables	(USD)	8.81	4.99
(ii)	Trade Payables	(YEN)	657.04	351.26
	Trade Payables	(USD)	1.05	-

## 18 UTILISATION OF PROCEEDS OF RIGHTS ISSUES :

On September 2, 2013, the Company pursuant to its right 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. August 2, 2013 at a price of ₹ 33/- per share (inclusive of Share Premium of ₹ 32/- per share). The aggregate amount collected pursuant to the rights issue was ₹ 10,323.66 lacs.

The utilisation of funds received by way of Right Issue

Particulars	(₹ in Lacs)	
	2015-16	2014-15
Right issue expenditure	167.23	167.23
Actual utilised till date for objects of the issue	6,163.69	2,927.13
Amount kept in Banks in Fixed Deposits & current Account	3,992.74	7,229.30
<b>Total funds raised from Rights issue of equity shares</b>	<b>10,323.66</b>	<b>10,323.66</b>

## 19 EXPENDITURE ON RESEARCH AND DEVELOPMENT :

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

		(₹ in Lacs)	
Sr. No.	Particulars	2015-16	2014-15
1.	Employee Cost	336.55	269.20
2.	Cost of Materials	2.33	0.64
3.	Other Expenses	29.63	24.49
<b>Total</b>		<b>368.51</b>	<b>294.33</b>



# Notes

to the Financial Statement for the year ended March 31, 2016

## 20 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 :

The amount due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at March 31, 2016 are as under:

Sr. No.	Description	(₹ in Lacs)	
		2015-16	2014-15
1.	Principal amount remaining unpaid beyond due date, to suppliers as at the end of accounting year.	186.47	27.32
2.	Interest due thereon remaining unpaid to suppliers as at the end of accounting year	2.10	0.11
3.	Amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year 2015-16	Nil	Nil
4.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	10.51	3.10
5.	Amount of interest accrued and remaining unpaid at the end of accounting year.	12.61	18.47
6.	The amount of further interest due and payable even in the succeeding year until such date when the interest due as above are actually paid to the suppliers for the purpose of disallowance as a deductible expenditure under Section 23.	Nil	Nil



# Notes

to the Financial Statement for the year ended March 31, 2016

## 21 i) BREAK UP OF SALES AND STOCKS

(₹ in Lacs)

CLASS OF GOODS	Sales	Inventory	
		Work -in-Progress	Finished Goods
<b>A) MANUFACTURED ITEMS</b>			
1 Chemical & Chemical Products Gum / Paste / Adhelin / Artist Colours	21,958.05 (20,363.33)	509.35 (479.67)	1,815.02 (1,994.89)
2 Stationery Items (A) S.P. Ink / Writing Ink	3,009.42 (2,531.91)	130.65 (125.99)	161.62 (257.34)
Stationery Items (B) Wooden Pencils / Markers / Hi- polymer Leads / Others	19,813.48 (18,316.27)	331.34 (213.46)	1,813.44 (1,585.74)
<b>B) TRADING ITEMS</b>			
1 Chemical & Chemical Products Gum / Paste / Adhelin / Artist Colours	1,552.03 (1,341.63)		722.56 (475.79)
2 Stationery Items (B) Mathematical instrument / Writing instruments / Others	18,831.91 (14,562.42)		3,363.80 (3,776.98)
Less : Trade Discount	967.40 (377.34)		
	<b>64,197.49</b> <b>(56,738.22)</b>	<b>971.34</b> <b>(819.12)</b>	<b>7,876.44</b> <b>(8,090.74)</b>

(₹ in Lacs)

	2015-16	2014-15
<b>(ii) Earnings in Foreign Exchange</b>		
Exports at F.O.B. Value (Excluding Nepal)	1,772.51	1,309.03
	<b>1,772.51</b>	<b>1,309.03</b>
<b>(iii) Expenditure in Foreign Currency</b>		
Travelling	34.76	49.74
Others	95.58	98.02
	<b>130.34</b>	<b>147.76</b>
<b>(iv) Value of Imports on C.I.F. Basis</b>		
a) Raw Materials	1,572.84	944.88
b) Components and Spare Parts	2,043.67	2,497.20
c) Capital Goods	369.06	309.96
d) Purchases of Traded Products	270.76	570.26
	<b>4,256.33</b>	<b>4,322.30</b>



# Notes

to the Financial Statement for the year ended March 31, 2016

	(₹ in Lacs)	
	2015-16	2014-15
<b>(v) Value of consumption of Raw Materials and Stores</b>		
a) Indigenous	19,051.27	18,461.85
b) Imported (Landed Cost) - Raw Material, Components & Spare Parts	4,646.07	4,228.53
	<b>23,697.34</b>	<b>22,690.38</b>
<b>(vi) Percentage of Consumption of Raw Materials &amp; Stores</b>		
a) Indigenous	80.39	81.36
b) Imported (Landed Cost) - Raw Material, Components & Spare Parts	19.61	18.64
	<b>100.00</b>	<b>100.00</b>

## 22. LEASES:

The Company has taken various office premises/godowns/residential flats (including furniture & fixtures) under lease and license agreements ranging under 12 months to 3 years on lease and license. These arrangements are renewable by mutual consent on mutually agreed terms. These lease payments are recognized in the statement of profit and loss under rent.

## 23 DEFERRED TAXES :

Particulars	Opening Balance as on 01.04.2015	Increase / (Decrease) during the year	(₹ in Lacs)
			Closing Balance as on 31.03.2016
<b>Liability:</b>			
Difference between book and tax depreciation	666.24	72.46	738.70
<b>Sub-total</b>	<b>666.24</b>	<b>72.46</b>	<b>738.70</b>
<b>Assets:</b>			
Provision for doubtful debts/ Leave Encashment	109.97	(31.79)	141.76
Gratuity	115.90	21.42	94.48
Expenses deductible in tax on actual payment	450.47	115.41	335.06
Unabsorbed Depreciation	684.13	32.07	652.06
<b>Sub-total</b>	<b>1,360.47</b>	<b>137.11</b>	<b>1,223.36</b>
<b>Net Deferred Tax Liability / (Asset)</b>	<b>(694.23)</b>	<b>209.57</b>	<b>(484.66)</b>

## 24 EARNINGS PER SHARE (BASIC & DILUTED):



# Notes

to the Financial Statement for the year ended March 31, 2016

	2015-16	2014-15
Net Profit available for equity shareholders – (₹ in Lacs)	525.90	492.39
Issued and Paid-up Equity Shares of face value of Re. 1/- each (Nos.)	10,03,03,806	10,03,03,806
Weighted average of Numbers of Equity Shares used in computing basic earnings per share (Nos.)	10,03,03,806	10,03,03,806
Weighted average of Numbers of Equity Shares used in computing diluted earnings per share (Nos.)	10,03,03,806	10,03,03,806
Earnings per Share- Basic ₹	0.52	0.49
Earnings per Share- Diluted ₹	0.52	0.49

## 25 RETIREMENT BENEFITS:

### Defined Contribution Plans

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

### 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. Past services are recognised on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

### Retirement Benefits

#### Gratuity

#### Description of the Plan

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



# Notes

to the Financial Statement for the year ended March 31, 2016

Principal actuarial assumptions:

	2015-16	2014-15
Discount rate	7.81%	7.95%
Expected return on plan assets	7.81%	7.95%

Reconciliation of Benefit Obligation:

	2015-16	2014-15
Liability at the beginning of the year	929.42	682.22
Interest Cost	73.89	63.65
Current Service Cost	44.05	44.39
Past Service Cost	0.00	0.00
Benefit Paid	(131.45)	(125.28)
Actuarial (Gain) / Loss on Obligations	201.55	263.10
Liability at the end of the year	1,117.46	929.42
Value of Plan Assets at the end of the year	831.69	578.89

Reconciliation of value of Plan Assets:

	2015-16	2014-15
Value of Plan Assets at the beginning of the year	578.89	623.26
Expected return on plan assets	46.02	50.74
Contributions by the employer	224.94	28.82
Benefit Paid	(131.45)	(125.28)
Actuarial (Gain) / Loss on Obligations	113.30	1.35
Value of Plan Assets at the end of the year	831.69	578.89

The Company expects to contribute ₹ 100.00 lacs to gratuity fund in the next year (previous year ₹ 224.94 lacs)

Expenses recognised in the Statement of Profit and Loss under the head Employee Cost



# Notes

to the Financial Statement for the year ended March 31, 2016

	(₹ in Lacs)	
	2015-16	2014-15
Current Service Cost	44.05	44.39
Past Service Cost	0.00	0.00
Interest Cost	73.89	63.65
Return on Plan Assets	(46.02)	(50.74)
Net Actuarial (Gain) / Loss recognized	88.26	263.10
Expenses recognised in the Statement of Profit and Loss	160.18	320.40

The amount of experience adjustments on plan assets and plan liabilities for the current and previous four years are as follows

	(₹ in Lacs)			
	2015-16	2014-15	2013-14	2012-13
Experience adjustment				
On plan liability(gains) / losses	194.99	278.08	105.28	162.08
On plan assets (losses) / gains	113.30	1.34	(5.67)	2.23

## Leave encashment:

The accumulated balance of leave encashment (unfunded) provided in the books as at year end is ₹ 246.68 lacs (₹ 161.01 lacs) determined on actuarial basis using projected unit credit method.



# Notes

to the Financial Statement for the year ended March 31, 2016

## 26 RELATED PARTIES DISCLOSURES : (AS CERTIFIED BY THE MANAGEMENT)

### a Name of related parties and nature of relationship

1	Kokuyo Co. Ltd.*	Holding Company
	Kokuyo S&T Co. Ltd*	Holding Company upto September 30, 2015
2	Camlin International Ltd.	Subsidiary

### b Name of other related parties and nature of relationship where there are transactions with related parties

3	Kokuyo Commerce (Shanghai) Co., Ltd.	Fellow Subsidiary
4	Kokuyo Riddhi Paper Products Pvt. Ltd.	
5	Excella Pencils Ltd.	
6	Camlin Fine Sciences Ltd.	Entities over which KMPs /directors and/or their relatives are able to exercise significant influence
7	Nilmac Packaging Industries Ltd.	
8	Triveni Pencils Ltd.	
9	Mayur Colours Ltd.	
10	Dandekar Inks & Adhesives Ltd.	

\*Shares of the Company previously held by Kokuyo S&T Co. Ltd ,which was a Wholly Owned Subsidiary of Kokuyo Co. Ltd which merged with Kokuyo Co. Ltd since October 1, 2015

### c Key Management Personnel and their Relatives

Name of the Person	Nature of Relationship
<b>Key Management Personnel</b>	
Mr. Dilip Dandekar	Chairman & Executive Director (C& ED)
Mr. Shriram Dandekar	Vice Chairman & Executive Director (VC & ED)
Mr. Nobuchika Doi	Executive Director
Mr. Takeo Iguchi	Executive Director
Mr. A. Srikanth	Chief Executive Officer
Mr. Chetan Badal	Chief Financial Officer
Mr. Ravindra Damle	V.P. (Corporate) & Company Secretary
<b>Relatives</b>	
Mr. Subhash. Dandekar	Chairman Emeritus and brother of C & ED
Mrs. Aditi Dighe	General Manager -Marketing (Colour Group 2) and daughter of C& ED



# Notes

to the Financial Statement for the year ended March 31, 2016

## d) Transactions with Associate Companies

Particulars	Entities over which KMPs / directors and/or their relatives are able to exercise significant influence	₹ in lacs
		2015-16
<b>Purchase of goods</b>	Camlin Fine Sciences Ltd	0.14
	<b>Total</b>	<b>0.14</b>
		(0)
<b>Sale of Goods</b>	Excella Pencils Ltd.	0.01
	Camlin Fine Sciences Ltd.	0.07
	<b>Total</b>	<b>0.08</b>
		(0)
<b>Purchase of Fixed Assets</b>	Mayur Colours Ltd.	20.10
	<b>Total</b>	<b>20.10</b>
		(464.27)
<b>Receiving Services</b>	Mayur Colours Ltd.	134.18
	Nilmac Packaging Industries Ltd.	623.69
	Excella Pencils Ltd.	927.93
	Dandekar Inks & Adhesives Ltd.	13.08
	<b>Total</b>	<b>1,698.88</b>
		(1,781.82)
<b>Dividend Received</b>	Camlin Fine Sciences Ltd.	3.60
	<b>Total</b>	<b>3.60</b>
		(2.80)
<b>Net Amount Payable</b>	Excella Pencils Ltd.	2.59
	Nilmac Packaging Industries Ltd.	40.41
	Mayur Colours Ltd.	0.01
	Excella Pencils Ltd.	23.11
	<b>Total</b>	<b>66.12</b>
		(347.63)
<b>Net Amount Receivable</b>	Triveni Pencils Ltd.	0.51
	<b>Total</b>	<b>0.51</b>
		(3.81)
<b>Reimbursement of expenses</b>	Excella Pencils Ltd.	142.95
	Triveni Pencils Ltd.	19.87
	Nilmac Packaging Industries Ltd.	6.54
	<b>Total</b>	<b>169.36</b>
		(144.20)
<b>Sale of Investments</b>		-
	<b>Total</b>	<b>-</b>
		(50.00)



# Notes

to the Financial Statement for the year ended March 31, 2016

## e) Payments to Key Management Personnel and their relatives

		(₹ in Lacs)
<b>Remuneration*</b>	Mr. Dilip Dandekar	136.44
	Mr. Shriram Dandekar	112.54
	Mr. Nobuchika Doi	91.75
	Mr. Takeo Iguchi	91.75
	Mr. A. Srikanth	81.17
	Mr. Chetan Badal	67.84
	Mr. Ravindra Damle	40.68
	Ms. Aditi Dighe	27.55
	<b>Total</b>	<b>649.72</b>
		(593.02)

\* Due to inadequacy of profits, the Company sought to file an application for approval of revised Managerial Remuneration effective from 1<sup>st</sup> February 2016 as approved by the Company's Shareholders vide special resolution dated 28<sup>th</sup> March 2016.

The filing is pending in view of technical issues with the MCA website. Pending approval of Central Government, the remuneration paid and expensed in the financial results of financial year 2015-16 is in excess of the applicable limits of Schedule V of the Companies Act 2013 by ₹ 2.36 lacs.

		(₹ in Lacs)
<b>Particulars</b>	Fellow Subsidiary Company	15-16
<b>Purchase of goods</b>	Kokuyo Riddhi Paper Products Pvt. Ltd.	37.57
	Kokuyo Commerce (Shanghai) Co., Ltd.	45.45
	<b>Total</b>	<b>83.02</b>
		(102.53)
<b>Sale of Goods</b>	Kokuyo Commerce (Shanghai) Co., Ltd.	5.13
	<b>Total</b>	<b>5.13</b>
		(0)
<b>Reimbursement of expenses paid</b>		-
		-
		(1.17)
<b>Net Amount Receivable</b>	Kokuyo Commerce (Shanghai) Co., Ltd.	5.13
	<b>Total</b>	<b>5.13</b>
		(0)



# Notes

to the Financial Statement for the year ended March 31, 2016

## f) Transaction with Holding Company

Particulars	Holding Company	(₹ in Lacs)	
		15-16	
<b>Purchase of goods</b>	Kokuyo S&T Co. Ltd	29.20	
	Kokuyo Co. Ltd	33.44	
	<b>Total</b>	<b>62.64</b>	
			(105.25)
<b>Sale of Goods</b>	Kokuyo S&T Co. Ltd	0.16	
	Kokuyo Co. Ltd	11.23	
	<b>Total</b>	<b>11.39</b>	
			-
<b>Reimbursement of Expenses paid</b>	Kokuyo S&T Co. Ltd	1.50	
	<b>Total</b>	<b>1.50</b>	
			(1.09)
<b>Reimbursement of Expenses received</b>			-
	<b>Total</b>		-
			(6.53)
<b>Net Amount Payable</b>			-
	<b>Total</b>		-
			(5.53)
<b>Net Amount Receivable</b>	Kokuyo S&T Co. Ltd	1.63	
	Kokuyo Co. Ltd	4.44	
	<b>Total</b>	<b>6.07</b>	
			(0)

Figures in brackets are for the previous year.

## 27 SEGMENT REPORTING:

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

**28** Previous year's figures, shown separately as such or in brackets are recast / regrouped wherever necessary.

### As per our report of even date annexed

For B.K. Khare & Co.	Ayyadurai Srikanth	Dilip Dandekar	Chairman & Executive Director
Chartered Accountants	Chief Executive Officer	Shriram Dandekar	Vice Chairman & Executive Director
Firm Registration No. 105102W		Nobuchika Doi	Executive Director
	Chetan Badal	Takeo Iguchi	Executive Director
Himanshu Chapsey	Chief Financial Officer	Shishir B. Desai	Director
Partner			
Membership No. 105731	Ravindra Damle		
Mumbai	V.P. (Corporate) & Company Secretary		
Dated: May 12, 2016	Mumbai		
	Dated: May 12, 2016		



KOKUYO CAMLIN LIMITED



# 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 ₹ in lacs)

Sl. No.		
1.	Name of the subsidiary	Camlin International Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
4.	Share capital	5.00
5.	Reserve & surplus	1.36
6.	Total assets	10.62
7.	Total Liabilities	10.62
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	0.10
11.	Provision for taxation	0.02
12.	Profit after taxation	0.08
13.	Proposed Dividend	-
14.	% of shareholding	100%



# Form AOC – I

## Part “B” : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

<b>Name of Associate</b>	<b>Colart Camlin Canvas Pvt. Ltd</b>
<b>Balance Sheet Date</b>	<b>March 31, 2016</b>
<b>Shares of Associate held by the Company on the year end</b>	
No.	5,22000
Amount of Investment in Associates	52.20
Extend of Holding %	40%
<b>Description of how there is significant influence</b>	Equity Ownership
<b>Reason why the associate is not consolidated</b>	-
<b>Networth attributable to shareholding as per latest audited Balance Sheet</b>	Nil
<b>Profit /Loss for the year</b>	(25.85)
Considered in Consolidation	Yes
Not Considered in Consolidation	-

Note: The information pertaining to Excella Pencils Limited is not provided above as the same is not an associate company as defined under section 2(6) of the Companies Act, 2013.

Ayyadurai Srikanth  
Chief Executive Officer

Chetan Badal  
Chief Financial Officer

Ravindra Damle  
V.P. (Corporate) & Company Secretary  
Mumbai  
Dated: May 12, 2016

Dilip Dandekar  
Shriram Dandekar  
Nobuchika Doi  
Takeo Iguchi  
Shishir B. Desai

Chairman & Executive Director  
Vice Chairman & Executive Director  
Executive Director  
Executive Director  
Director

# Independent Auditor's Report

To the Members of Kokuyo Camlin Limited

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of Kokuyo Camlin Limited (hereinafter referred to as "the Holding Company") its subsidiary (the Holding Company and its subsidiary are hereinafter referred to as "the Group") and its investment in its associate companies, comprising the consolidated balance sheet as at March 31, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

(as amended). The respective Board of Directors of the companies included in the Group and of its associate companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the 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 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 financial statements by the directors of the Holding Company, as aforesaid.

## AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. 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.



5. 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 financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. 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 Other Matters paragraph below, is sufficient

and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 of its associate companies as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## OTHER MATTER

9. (a) We did not audit the financial statements of the Company's subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 10.61 lakhs as at March 31, 2016, total revenues (before consolidation adjustments) of ₹ 0.20 lakhs and net cash flows amounting to ₹ 0.19 lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial statements of the subsidiary have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include the Group's share of net loss of ₹ 2.42 lakhs for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of 2 associates, 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, 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 on the consolidated 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 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 over financial reporting of the Holding Company and its subsidiary and associate companies and the operating effectiveness of such controls, refer our separate report in Annexure I.



- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 15 and 16 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company's subsidiary company incorporated in India.

For **B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration Number 105102W

**Himanshu Chapsey**  
Partner  
Membership Number 105731  
Mumbai, May 12, 2016



KOKUYO CAMLIN LIMITED

## ANNEXURE I TO OUR REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KOKUYO CAMLIN LIMITED

### 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 financial statements of the Kokuyo Camlin Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Kokuyo Camlin Limited (hereinafter referred to as "the Holding Company"), its 1 subsidiary company incorporated in India and its 2 associate companies incorporated in India, as of that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company and its subsidiary company and associate companies are 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 operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 ("the Act").

### AUDITORS' 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 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 Institute of Chartered Accountants of India. 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 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 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 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 Holding Company and its subsidiary company which is incorporated in India have, 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 March 31, 2016, 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.

### OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary company incorporated in India, is based on the corresponding reports of the auditors of such companies.

Our report under Section 143(3)(i) of the Act does not cover the financial statements of the Company's investments in its associate companies as their respective financial statements as at March 31, 2016 are unaudited. 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.

For **B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration Number 105102W

**Himanshu Chapsey**  
Partner  
Membership Number 105731  
Mumbai, May 12, 2016



KOKUYO CAMLIN LIMITED



# Consolidated Balance Sheet

as at March 31, 2016

	Notes	As at 31.03.2016 (₹ in Lacs)		As at 31.03.2015 (₹ In Lacs)
<b>EQUITY AND LIABILITIES</b>				
Share Capital	2.a		1,003.04	1,003.04
Reserves and Surplus	2.b		20,872.75	20,349.18
Shareholders' Funds	2		<b>21,875.79</b>	<b>21,352.22</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings	3.a		2,581.82	883.96
Other long-term liabilities	3.b		1,152.77	1,097.25
Long-term provisions	3.c		317.41	316.94
<b>Non-Current liabilities</b>	3		<b>4,052.00</b>	<b>2,298.15</b>
<b>CURRENT LIABILITIES</b>				
Short-term borrowings	4.a		6,858.48	5,968.09
Trade payables	4.b		9,926.30	9,994.43
Other current liabilities	4.c		1,862.55	2,028.93
Short-term provisions	4.d		215.04	194.60
<b>Current Liabilities</b>	4		<b>18,862.37</b>	<b>18,186.05</b>
<b>TOTAL</b>			<b>44,790.16</b>	<b>41,836.42</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed Assets	5.a			
Tangible Assets	5.a.i	10,269.93		10,389.44
Intangible Assets	5.a.ii	241.40		315.40
Capital Work-in-progress	5.a.iii	2,497.93	13,009.26	130.34
Non-Current investments	5.b		52.62	55.04
Deferred tax assets (Net)	22		484.66	694.23
Long-term loans and advances	5.c		1,631.92	1,353.43
Other Non-current assets	5.d		21.18	22.69
<b>Non-Current assets</b>	5		<b>15,199.64</b>	<b>12,960.57</b>
<b>CURRENT ASSETS</b>				
Inventories	6.a		12,437.19	12,328.14
Trade receivables	6.b		9,099.55	7,695.83
Cash and cash equivalents	6.c		6,732.20	7,437.95
Short-term loans and advances	6.d		1,190.16	1,144.60
Other current assets	6.e		131.42	269.33
<b>Current Assets</b>	6		<b>29,590.52</b>	<b>28,875.85</b>
<b>TOTAL</b>			<b>44,790.16</b>	<b>41,836.42</b>
Significant Accounting Policies	1			
The accompanying notes are an integral part of these financial statements.				

**As per our report of even date annexed**

For B.K. Khare & Co.  
Chartered Accountants  
Firm Registration No. 105102W

Ayyadurai Srikanth  
Chief Executive Officer  
  
Chetan Badal  
Chief Financial Officer

Dilip Dandekar  
Shriram Dandekar  
Nobuchika Doi  
Takeo Iguchi  
Shishir B. Desai

Chairman & Executive Director  
Vice Chairman & Executive Director  
Executive Director  
Executive Director  
Director

Himanshu Chapsey  
Partner  
Membership No. 105731  
Mumbai  
Dated: May 12, 2016

Ravindra Damle  
V.P. (Corporate) & Company Secretary  
Mumbai  
Dated: May 12, 2016



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

	Notes	Year ended 31.03.2016 (₹ in Lacs)	Year ended 31.03.2015 (₹ In Lacs)
<b>INCOME</b>			
Revenue from Operations	7	64,314.09	56,824.78
Less: Excise duty		2,895.37	2,436.85
		<b>61,418.72</b>	<b>54,387.93</b>
Other Income	8	536.78	767.07
<b>TOTAL INCOME</b>		<b>61,955.50</b>	<b>55,155.00</b>
<b>EXPENDITURE</b>			
Cost of materials	9	23,697.34	22,690.38
Purchases of Stock-in-Trade	10	14,407.48	13,147.28
Changes in the Inventories of Finished Goods, Work-in-Process and Stock-in Trade	11	62.08	(1,476.53)
Employee Benefit Expenses	12	6,659.52	6,035.93
Finance Costs	13	1,072.91	977.29
Depreciation	5.a	1,186.22	1,096.84
Other Expenses	14	14,138.79	12,255.51
<b>TOTAL EXPENDITURE</b>		<b>61,224.35</b>	<b>54,726.70</b>
<b>Net Profit before tax</b>		<b>731.15</b>	<b>428.29</b>
Less : Tax expenses			
: Current Tax		0.02	0.03
: Minimum Alternate Tax		-	-
: Prior Years (Net)		(4.42)	-
: Deferred Tax	22	209.57	(64.27)
<b>Profit after Tax for the period</b>		<b>525.98</b>	<b>492.53</b>
Share of profits/(losses) of Associate		(2.42)	10.03
<b>Profit after Tax and Share of profits of Associates for the period</b>		<b>523.56</b>	<b>502.56</b>
Earning Per Share - Basic and Diluted of equity shares of face value of Re.1/ each (in ₹)	23	0.52	0.50
Significant Accounting Policies	1		
The accompanying notes are an integral part of these financial statements.			

#### As per our report of even date annexed

For B.K. Khare & Co.	Ayyadurai Srikanth	Dilip Dandekar	Chairman & Executive Director
Chartered Accountants	Chief Executive Officer	Shriram Dandekar	Vice Chairman & Executive Director
Firm Registration No. 105102W		Nobuchika Doi	Executive Director
	Chetan Badal	Takeo Iguchi	Executive Director
Himanshu Chapsey	Chief Financial Officer	Shishir B. Desai	Director
Partner			
Membership No. 105731	Ravindra Damle		
Mumbai	V.P. (Corporate) & Company Secretary		
Dated: May 12, 2016	Mumbai		
	Dated: May 12, 2016		



# Consolidated Cash Flow Statement

for the year ended March 31, 2016

	Year ended 31.03.2016 (₹ In Lacs)	Year ended 31.03.2015 (₹ In Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit	728.73	438.32
<b>Adjustments for:</b>		
Depreciation	1,186.22	1,096.84
Foreign Exchange (Unrealised)	25.26	3.72
(Profit)/Loss on disposal of Fixed Assets	(2.38)	8.96
Profit on sale of Investment in Alphakids Activity & Learning Centre Ltd.	-	25.93
Provisions / Reversals thereof	-	41.63
Finance Costs	1,072.91	977.29
Interest/Dividend Accrued	(527.96)	(766.51)
<b>Operating Profit before Working Capital changes</b>	<b>2,482.78</b>	<b>1,826.19</b>
<b>Adjustments for:</b>		
Inventories	(109.05)	(1,609.30)
Trade Receivables	(1,403.72)	(611.86)
Loans and Advances	(68.48)	(78.93)
Trade Payables	(68.13)	1,260.41
Other Current Liabilities	359.44	136.48
Share of Income of Associates	2.42	(10.03)
Changes in Working Capital	<b>(1,287.52)</b>	<b>(913.24)</b>
<b>Cash generated from Operations</b>	<b>1,195.26</b>	<b>912.95</b>
Direct taxes paid	40.75	(75.16)
<b>Net cash from operating activities</b>	<b>1,236.01</b>	<b>837.79</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including advances)	(4,106.74)	(1,881.91)
Sale of Fixed Assets	11.30	44.39
(Increase) / Decrease in bank deposits (having maturity of more than three months)	4,434.72	(4,378.68)
Interest received	662.27	798.14
Dividend received	3.60	2.80
<b>Net cash used in Investing Activities</b>	<b>1,005.15</b>	<b>(5,415.27)</b>



# Consolidated Cash Flow Statement

for the year ended March 31, 2016

	Year ended 31.03.2016 (₹ In Lacs)	Year ended 31.03.2015 (₹ In Lacs)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowing	3,026.97	608.89
Repayment of borrowing	(438.43)	(436.74)
Finance Costs paid	(1,074.25)	(993.69)
Dividend Paid	(2.73)	(2.12)
<b>Net cash used in Financing Activities</b>	<b>1,511.56</b>	<b>(823.66)</b>
<b>D. UNREALISED FOREIGN EXCHANGE FLUCTUATION</b>	<b>(25.26)</b>	<b>(3.72)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,727.46</b>	<b>(5,404.86)</b>
Cash and Cash Equivalents (Opening Balance)	286.59	5,691.45
Cash and Cash Equivalents (Closing Balance)	4,014.05	286.59
The accompanying notes are an integral part of these financial statements.		

#### As per our report of even date annexed

For B.K. Khare & Co.	Ayyadurai Srikanth	Dilip Dandekar	Chairman & Executive Director
Chartered Accountants	Chief Executive Officer	Shriram Dandekar	Vice Chairman & Executive Director
Firm Registration No. 105102W		Nobuchika Doi	Executive Director
	Chetan Badal	Takeo Iguchi	Executive Director
Himanshu Chapsey	Chief Financial Officer	Shishir B. Desai	Director
Partner			
Membership No. 105731	Ravindra Damle		
Mumbai	V.P. (Corporate) & Company Secretary		
Dated: May 12, 2016	Mumbai		
	Dated: May 12, 2016		

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## 1. SIGNIFICANT ACCOUNTING POLICIES

### A. Principles of Consolidation

The consolidated financial statements comprise the financial statements of Kokuyo Camlin Limited (the company), and its subsidiary (collectively referred to as "the Group") and associate companies. The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS -21) "Consolidated Financial Statement" and Accounting standard (AS -23) "Accounting for Investment in Associate in Consolidated Financial Statement" specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The consolidated financial statements have been prepared on the following basis.

- i. The financial statements of the Company and its subsidiary have been consolidated on a line by line basis by adding the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and unrealised profits/ losses on intra-group transactions and are presented to the extent possible, in the same manner as the Company's separate financial statements. The financial statements of all entities used for consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2016.
- ii. The excess/ lower of costs to the Company of its investments in the subsidiary is recognised in the financial statements as goodwill/capital reserve.
- iii. Investments in associate Companies are accounted under the equity method as per the Accounting Standard – 23 (AS -23) "Accounting for Investments in Associates in Consolidated Financial Statements" specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

Under the equity method, the investment in associates is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. The statement of profit and loss includes the Group's share of the results of operations of the associates.

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

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting, in accordance with the generally accepted accounting principles in India to comply with the accounting standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Act.

The accounting policies adopted in the preparation of the Financial Statements are consistent with those of the previous year.



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## The subsidiary company considered in the consolidated financial statements is:

Name of the Company	Country of Incorporation	% of voting power held on March 31, 2016
Camlin International Ltd.	India	100%

### C. Fixed Assets:

- i. Fixed Assets are recorded at cost of acquisition or construction and they are stated at historical cost (net of Cenvat and Vat). Interest on project loans and all direct expenses attributable to acquisition of Fixed Assets are capitalised, upto the date of installation. Capitalised hardware/software costs of Enterprise Resource Planning (ERP) System include cost of designing software, which provides significant future economic benefits over an extended period. The cost comprises of license fee, cost of system integration and initial customization. The costs are capitalised in the year in which the relevant system is ready for intended use. The upgradation/enhancements are also capitalised and assimilated with the initial capitalisation cost.
- ii. In compliance with Accounting Standard (AS- 28) – “Impairment of Assets” issued by the Institute of Chartered Accountants of India (ICAI), the Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. Impairment loss is recognised wherever carrying amount exceeds the recoverable amount.
- iii. The depreciation on all assets of the company excluding freehold land & leasehold land has been charged to write off the cost less residual value using the straight-line basis over the expected/estimated useful life in the manner as specified in Schedule II of the Companies Act 2013. Residual values have been reviewed and considered by the management. The normal expected/estimated useful lives of major categories of Fixed Assets are as follows:

Freehold Land	NIL
Leasehold Land	Lease term
Site developments	30 years
Buildings & sheds	30 years and 60 years
Plant & Machinery & Electrical Installation	7.5 years to 25 years
Office equipment	3 to 6 years
ERP Hardware & Software	5 years
Furniture & Fittings	10 years
Vehicles	8 to 10 years



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## D. Investments

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

## E. Valuation of Inventories

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

## F. Excise Duty

Excise duty on finished goods manufactured is accounted on clearance of goods from the factory premises and also in respect of year end stocks in bonded warehouse. CENVAT credit is accounted by adjustment against cost immediately upon receipt of the relevant inputs. Input credit not recoverable is charged to the Statement of Profit and Loss.

## G. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

- i. In respect of forward exchange contracts the difference between the forward rate and the exchange rate at the inception of contract is recognised as income or expense over the period of the contract.
- ii. Gains or losses on cancellation/settlement of forward exchange contracts are recognised as income or expense.

## H. Research & Development

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



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## **I. Employee Benefits**

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

## **J. Revenue /Expense Recognition**

- i. Revenue from sale of goods is accounted for on the basis of dispatch of goods. Sales are inclusive of excise duty and net of sales return/trade discount.
- ii. Revenue in respect of overdue interest, insurance claim, etc. is recognised to the extent the company is reasonably certain of its ultimate realisation.
- iii. Remission from Excise Duty paid in respect of clearance from Jammu Plant is recognised as revenue based on legal advice obtained by the Company.
- iv. Expenses are accounted for on accrual basis.
- v. Provisions are recognised when a present legal or constructive obligation exists and the payment is probable and can be reliably estimated.
- vi. Lease Rentals in respect of assets taken on "operating lease" are charged to the Statement of Profit & Loss on straight line basis over the lease term.

## **K. Government Grants**

- i. Where the grants are of the nature of promoters' contribution with reference to total investment in the undertaking or total capital outlay, they are treated as capital reserve.
- ii. Grants related to specific fixed assets are deducted from the book value of the related asset.
- iii. Grants related to revenue are credited to the Statement of Profit and Loss and presented as income from operations.

## **L. Borrowing Cost**

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



KOKUYO CAMLIN LIMITED

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## **M. Share Issue expenses**

Expenses incurred in connection with fresh issue of share capital are adjusted against securities premium reserve in the year in which they are incurred.

## **N. Contingent Liabilities**

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

## **O. Accounting for Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

## **P. Earnings per Share**

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



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>2.a SHARE CAPITAL</b>		
<b>Authorised</b>		
20,00,00,000 (20,00,00,000) Equity Shares of Re. 1/- each	2,000.00	2,000.00
<b>Issued, Subscribed &amp; Paid-up</b>		
10,03,03,806 (10,03,03,806) Equity Shares of Re. 1/- each fully paid	1,003.04	1,003.04

Reconciliation of the shares outstanding at the beginning and at the end of the year

	31.03.2016		31.03.2015	
	No of shares	(₹ In Lacs)	No of shares	(₹ In Lacs)
Balance at the beginning and at the end of the year	100,303,806	1,003.04	100,303,806	1,003.04

## Terms/rights attached to equity shares

The Company has only one class of equity shares with a par value of Re. 1/- per share. Each holder of equity share is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by The Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

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.

## 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

Name of the Holding Company	31.03.2016		31.03.2015	
	No. of shares	% of holding	No. of shares	% of holding
KOKUYO S&T CO. Ltd. Japan (a company incorporated in Japan)	-	-	70,871,120	70.66%
KOKUYO CO., Ltd. Japan (a company incorporated in Japan)	73,971,750	73.75%	-	-

(Shares previously held by Kokuyo S&T Co. Ltd, which was a Wholly Owned Subsidiary of Kokuyo Co. Ltd which merged with Kokuyo Co. Ltd. since October 1, 2015)

## 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.



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>2 b RESERVES AND SURPLUS</b>		
<b>i) Capital Reserve</b>		
Balance, beginning and end of the year	52.70	52.70
<b>ii) Share Premium Account</b>		
Balance, beginning and end of the year	17,901.56	17,901.56
<b>iii) General Reserve</b>		
Balance, beginning of the year	2,018.14	2,064.34
Less : Depreciation adjustment (Refer note no. 5 )	-	69.02
Deferred tax effect of the above	-	(22.82)
<b>Balance, at end of the year</b>	<b>2,018.14</b>	<b>2,018.14</b>
<b>iv) Surplus /(deficit ) in the Statement of Profit and Loss</b>		
Balance, beginning of the year	376.79	(151.71)
Add : Profit for the year	523.56	502.57
Add : Profit on disposal of Alphakids Learning & Activity Centre Ltd.	-	25.93
<b>Balance at the end of the year</b>	<b>900.35</b>	<b>376.79</b>
	<b>20,872.75</b>	<b>20,349.18</b>
<b>3 NON - CURRENT LIABILITIES</b>		
<b>a Long-term borrowings from banks</b>		
i) Unsecured	2,572.36	871.57
ii) Secured	9.46	12.39
	<b>2,581.82</b>	<b>883.96</b>
<b>b Other long term liabilities</b>		
Security Deposits	<b>1,152.77</b>	<b>1,097.25</b>
<b>c Long-term provisions</b>		
Provisions for Employee Benefits -(Refer Note no. 24)		
Gratuity	106.23	190.73
Leave Encashment	211.18	126.21
	<b>317.41</b>	<b>316.94</b>



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

a Long term borrowing comprise

i) External Commercial borrowing (ECB) from Bank of Tokyo-Mitsubishi UFJ, Ltd. Singapore

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 April 22, 2014 with last installment payable on October 18, 2017

External Commercial borrowing (ECB) from Sumitomo Mitsui Banking Corporation

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 September 2, 2017 with last installment payable on March 2, 2021.

ii) The secured loan from bank is a vehicle loan.

The terms of the loan are as follows:

1. Rate of Interest is 10.25 %
  2. Repayable in monthly installments starting from December 2014 with last installment payable on November 7, 2019.
  3. Secured against hypothecation of vehicle.
-



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>4 CURRENT LIABILITIES</b>		
<b>a Short term borrowings</b>		
Bank Overdrafts/Working Capital Demand Loan (Unsecured)	<b>6,858.48</b>	<b>5,968.09</b>
Unsecured Bank Overdrafts and working capital demand loan carry negative lien on all assets of the Company.		
<b>b Trade payables</b>		
Trade payables (including acceptances)	<b>9,926.30</b>	<b>9,994.43</b>
<b>c Others</b>		
i) Current Maturities of Long Term Borrowings - Banks (Unsecured) (Refer note no. 3.a.i)	435.78	435.78
Current Maturities of Long Term Borrowings - Banks (Secured) (Refer note no. 3.a.ii)	2.93	2.65
ii) Advances from customers	177.58	180.38
iii) Employee Dues	698.95	405.94
iv) Security Deposits	28.73	9.38
v) Capital Creditors	0.75	446.35
vi) Statutory Liabilities	440.16	467.65
vii) Interest Accrued but not due on loans	49.08	50.42
viii) Investor Education and Protection fund will be credited by following amounts (as and when due)		
Unclaimed Dividends	10.22	12.95
Unclaimed Fixed Deposits	-	-
Unclaimed Interest on Fixed Deposits	-	-
ix) Others	18.37	17.43
	<b>1,862.55</b>	<b>2,028.93</b>
<b>d Short-term provisions</b>		
Provisions for Employee Benefits -(Refer Note no. 24)		
Gratuity	179.54	159.80
Leave Encashment	35.50	34.80
	<b>215.04</b>	<b>194.60</b>



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## 5. a) FIXED ASSETS

### i) Tangible assets

(₹ in Lacs)

PARTICULARS	COST				DEPRECIATION				BALANCE	
	Gross Block 31.03.2015	Additions during the year	Disposals/ Adjustments	As at 31.03.2016	Upto 31.03.2015	For the year	Disposals/ Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Freehold Land	2.73	-	-	2.73	-	-	-	-	2.73	2.73
Leasehold Land	2,251.42	-	-	2,251.42	52.02	32.46	-	84.48	2,166.94	2,199.40
Site Development	42.69	-	-	42.69	4.52	1.89	-	6.41	36.28	38.17
Building & Shed	1,945.65	17.80	-	1,963.45	415.69	67.13	-	482.82	1,480.63	1,529.96
Plant, Machinery & Equipment	11,396.42	899.75	168.07	12,128.10	5,490.86	833.78	159.74	6,164.90	5,963.20	5,905.56
Office Machinery	721.59	82.16	1.23	802.52	380.15	92.69	1.17	471.67	330.85	341.44
ERP Hardware Cost	298.57	-	-	298.57	193.60	22.39	-	215.99	82.58	104.97
Furniture & Fittings	339.58	1.95	0.49	341.04	177.18	36.31	0.23	213.26	127.78	162.40
Vehicles	210.64	-	5.43	205.21	105.86	25.57	5.16	126.27	78.94	104.78
<b>Total</b>	<b>17,209.29</b>	<b>1,001.66</b>	<b>175.22</b>	<b>18,035.73</b>	<b>6,819.88</b>	<b>1,112.22</b>	<b>166.30</b>	<b>7,765.80</b>	<b>10,269.93</b>	<b>10,389.41</b>
Previous Year	13,666.03	3,706.44	163.15	17,209.29	5,795.73	1,133.95	109.80	6,819.88	10,389.44	7,831.51

### ii) Intangible assets

(₹ in Lacs)

PARTICULARS	COST				DEPRECIATION				BALANCE	
	Gross Block 31.03.2015	Additions during the year	Disposals/ Adjustments	As at 31.03.2016	Upto 31.03.2015	For the year	Disposals/ Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
ERP Software Cost	510.76	-	-	510.76	195.36	74.00	-	269.36	241.40	315.40
<b>Total</b>	<b>510.76</b>	<b>-</b>	<b>-</b>	<b>510.76</b>	<b>195.36</b>	<b>74.00</b>	<b>-</b>	<b>269.36</b>	<b>241.40</b>	<b>315.40</b>
Previous Year	219.44	291.32	-	510.76	163.45	31.91	-	195.36	315.40	55.99

### iii) Capital work in progress

(₹ in Lacs)

	2,497.93	130.34
<b>Total</b>	<b>13009.26</b>	<b>10835.15</b>



KOKUYO CAMLIN LIMITED

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## PREVIOUS YEAR

### i) Tangible assets

(₹ in Lacs)

PARTICULARS	COST				DEPRECIATION				BALANCE
	Gross Block 31.03.2014	Additions during the year	Disposals/ Adjustments	As at 31.03.2015	Upto 31.03.2014	For the year	Disposals/ Adjustments	As at 31.03.2015	As at 31.03.2015
Freehold Land	2.73	-	-	2.73	-	-	-	-	2.73
Leasehold Land	320.51	1,930.90	-	2,251.41	24.69	27.33	-	52.02	2,199.39
Site Development	22.47	20.22	-	42.69	3.53	0.99	-	4.52	38.17
Building & Shed	1,811.07	189.28	54.69	1,945.66	399.02	58.05	41.38	415.69	1,529.97
Plant, Machinery & Equipment	10,099.09	1,318.14	7.91	11,409.32	4,643.99	850.97	0.39	5,494.57	5,914.75
Office Machinery	653.84	78.27	23.41	708.70	264.85	121.44	9.85	376.44	332.26
ERP Hardware Cost	186.61	111.97	-	298.58	186.61	6.99	-	193.60	104.98
Furniture & Fittings	355.88	36.65	52.95	339.58	177.89	38.19	38.90	177.18	162.40
Vehicles	213.82	21.01	24.19	210.64	95.15	29.99	19.28	105.86	104.78
<b>Total</b>	<b>13,666.02</b>	<b>3,706.44</b>	<b>163.15</b>	<b>17,209.32</b>	<b>5,795.73</b>	<b>1,133.95</b>	<b>109.80</b>	<b>6,819.88</b>	<b>10,389.44</b>

### ii) Intangible assets

PARTICULARS	COST				DEPRECIATION				BALANCE
	Gross Block 31.03.2014	Additions during the year	Disposals/ Adjustments	As at 31.03.2015	Upto 31.03.2014	For the year	Disposals/ Adjustments	As at 31.03.2015	As at 31.03.2015
ERP Software Cost	219.44	291.32	-	510.76	163.45	31.91	-	195.36	315.40
<b>Total</b>	<b>219.44</b>	<b>291.32</b>	<b>-</b>	<b>510.76</b>	<b>163.45</b>	<b>31.91</b>	<b>-</b>	<b>195.36</b>	<b>315.40</b>

Consequent to the enactment of the Companies Act, 2013, the Company has charged depreciation on its fixed assets as per the useful life mentioned in Schedule II to the Act. Useful life is assessed by the management (Refer accounting policies note 1.C.iii). Consequently, depreciation charged for the year is increased by ₹ 101.52 lacs. Further, total depreciation and amortisation of ₹ 1165.86 lacs (aggregating ₹ 1133.95 lacs and ₹ 31.91 lacs) includes additional depreciation of ₹ 69.02 lacs on the fixed assets in respect of which useful life is fully exhausted as at April 1, 2014, which along with related deferred tax (See Note no 2.b. iii) is adjusted against the opening balance of General Reserve. The balance depreciation and amortisation of ₹ 1096.84 lacs has been charged to the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2015



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>5 b NON-CURRENT INVESTMENTS</b>		
<b>Investments in Equity Instruments</b>		
<b>I Quoted</b>		
8,00,000 Shares of Re. 1/- each (8,00,000 Shares of Re. 1/- each)	9.73	9.73
Camlin Fine Sciences Ltd		
[Market Value ₹ 709.20 Lacs ( 706.40 Lacs)]		
<b>II Unquoted</b>		
a) 2,150 (2,150) Equity Shares of ₹ 100/- each in Excella Pencils Ltd	2.15	2.15
Add : Share of post acquisition profit	40.74	43.16
b) 5,22,000 (5,22,000) Equity Shares of ₹ 10/- each in ColArt Camlin Canvas Pvt. Ltd. <sup>₹</sup>	-	-
₹ Nil as accumulated losses as on March 31, 2016 exceed the net worth of the Company		
	<b>52.62</b>	<b>55.04</b>
Aggregate amount of unquoted investments	2.15	2.15
<b>c Long-term Loans and Advances</b>		
i) Capital Advances	1,067.65	775.74
ii) Income Tax (net of provisions)	213.08	249.43
iii) Security Deposits	351.19	328.26
	<b>1,631.92</b>	<b>1,353.43</b>
<b>d Other Non-current assets</b>		
Fixed Deposits with banks with maturity of more than twelve months	<b>21.18</b>	<b>22.69</b>



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>6 CURRENT ASSETS</b>		
<b>a Inventories</b>		
i) Raw Materials [includes in transit ₹ 83.45 Lacs (₹ 80.86 Lacs)]	1,774.47	1,658.19
ii) Packing Materials [includes in transit ₹ 122.63 Lacs (₹ 80.97 Lacs)]	1,814.94	1,760.09
iii) Work-in-Process	971.34	819.12
iv) Finished Goods	3,790.08	3,837.97
v) Stock-in-Trade [includes in transit ₹ 34.00 Lacs (₹ 26.35 lacs)]	4,086.36	4,252.77
	<b>12,437.19</b>	<b>12,328.14</b>
<b>b Trade receivables</b>		
<b>Unsecured</b>		
i) Outstanding for a period exceeding six months from the due date		
Considered Good	46.32	34.01
Considered Doubtful	182.07	171.60
ii) Other Debts - Considered Good	9,053.23	7,661.82
	<b>9,281.62</b>	<b>7,867.43</b>
Less: Allowance for doubtful receivables	182.07	171.60
	<b>9,099.55</b>	<b>7,695.83</b>
<b>c Cash and cash equivalents</b>		
i) Balances with Banks		
In Current Accounts	511.54	124.67
In EEFC Accounts	129.60	30.17
Deposits with maturity of less than three months	3,360.53	122.18
Cash on Hand	12.38	9.57
	<b>4,014.05</b>	<b>286.59</b>
ii) Other Bank Balances		
Deposits with original maturity of more than three months but less than twelve months	2,706.10	7131.56
Staff Security Deposits	1.83	6.85
Earmarked for payment of Dividends / Interest on Fixed Deposits	10.22	12.95
	<b>2,718.15</b>	<b>7,151.36</b>
	<b>6,732.20</b>	<b>7,437.95</b>



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>d Short term Loans and Advances</b>		
<b>Unsecured (Considered Good)</b>		
i) Advances to Related Parties [Ref Note No. 25(d)]	0.51	3.81
ii) Advances to suppliers	422.68	294.65
iii) Prepaid Expenses	145.72	205.81
iv) Deposits, balances and input credits for other taxes and duties	510.92	534.62
v) Other advances	110.33	105.71
	<b>1,190.16</b>	<b>1,144.60</b>
<b>e Other current assets</b>		
Interest accrued on Deposits	<b>131.42</b>	<b>269.33</b>
<b>7 REVENUE FROM OPERATIONS ( GROSS)</b>		
Sale of Products	64,197.49	56,738.22
Add : Other Operating Revenues	116.60	86.56
Revenue from Operations (Gross)	<b>64,314.09</b>	<b>56,824.78</b>
Less : Excise Duty-[Net of Rebate] [Refer Note No.16]	2,895.37	2,436.85
Revenue from Operations (Net)	<b>61,418.72</b>	<b>54,387.93</b>
<b>8 OTHER INCOME</b>		
i) Interest	524.36	763.71
ii) Dividend-On Trade Investments	3.60	2.80
iii) Profit on Sale of Assets	8.79	0.49
iv) Miscellaneous Receipts	0.03	0.07
	<b>536.78</b>	<b>767.07</b>
<b>9 COST OF MATERIALS</b>		
Colours / Pigments	2,573.52	2,315.28
Chemicals	2,890.85	2,822.75
Components	5,498.48	5,525.01
Containers	3,260.93	3,221.71
Others	9,473.56	8,805.63
	<b>23,697.34</b>	<b>22,690.38</b>



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>10 PURCHASE OF STOCK-IN TRADE</b>		
i) Stationery Items	13,405.54	12,337.90
ii) Chemical and Chemical Products	1,001.94	809.38
	<b>14,407.48</b>	<b>13,147.28</b>
<b>11 CHANGES IN THE INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN TRADE</b>		
Stocks as per last Balance Sheet		
Work in Process	819.12	1,002.00
Stock-in-Trade	4,252.77	3,646.45
Finished Goods	3,837.97	2,784.88
	<b>8,909.86</b>	<b>7,433.33</b>
Less :		
Closing Stock as at year end		
Work in Process	971.34	819.12
Stock-in-Trade	4,086.36	4,252.77
Finished Goods	3,790.08	3,837.97
	<b>8,847.78</b>	<b>8,909.86</b>
	<b>62.08</b>	<b>(1,476.53)</b>
<b>12 EMPLOYEE COST</b>		
Salaries, Wages and Bonus	5,961.55	5,199.43
Contribution to Provident & other funds [Refer Note no. 24]	513.36	660.40
Staff and Labour Welfare	184.61	176.10
	<b>6,659.52</b>	<b>6,035.93</b>
<b>13 FINANCE COSTS</b>		
Interest Expense on Debts and Borrowings	792.88	766.73
Interest Expense relating to Taxes and Duties	4.57	2.48
Other Borrowing Costs	275.46	208.08
	<b>1,072.91</b>	<b>977.29</b>



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

	31.03.2016 (₹ In Lacs)	31.03.2015 (₹ In Lacs)
<b>14 OTHER EXPENSES</b>		
Power and Fuel	563.72	490.91
Job work charges	2,435.70	2,265.83
Repairs		
- Building	21.71	23.22
- Machinery	111.88	120.02
Rent	927.81	857.69
Rates and Taxes	27.13	25.07
Net losses/(gains) in respect of translations of foreign currencies	147.55	(55.97)
Insurance	78.90	49.29
Advertisement and Sale Promotion	2,967.10	2,123.33
Transport & Forwarding Charges	2,198.84	2,127.70
Commission/Discount/Service Charges on Sales	1,734.03	1,520.19
Travelling & Conveyance	1,055.74	1,034.96
Payment to auditors	37.67	33.74
Miscellaneous Expenses	1,831.01	1,639.53
	<b>14,138.79</b>	<b>12,255.51</b>
Payment to Auditors		
For Audit	23.04	16.29
Taxation matters	8.00	8.00
Others	6.63	9.45
	<b>37.67</b>	<b>33.74</b>



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## 15 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

### i. Contingent Liabilities

1. Claims against the Company not acknowledged as debts ₹ 293.06 lacs (₹ 332.88 lacs)
2. Other money for which the Company is contingently liable Nil (₹ 14.39 lacs)
3. Bank Guarantees as at March 31, 2016 ₹ 93.93 lacs (₹ 76.03 lacs)

### ii. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 4,474.35 lacs (₹ 3,240.33 lacs).

## 16 EXCISE REMISSION AT JAMMU

- i. The Jammu and Kashmir High Court delivered a judgement dated December 23, 2010 quashing the Excise Notification, applicable to the undertakings set up in Jammu, which restricted the quantum of excise duty remission and upheld the entitlement to total exemption from excise duty. In view of the legal advice confirming the Company's right to such total exemption on the grounds laid down in the judgement of the High Court, rebate of excise duty, being the duty on assessable value of goods, net of Cenvat Credit on inputs, of ₹ 293.09 lacs (₹ 306.20 lacs), is recognised as revenue and accrued as income from the operations. The cumulative amount of remission as on March 31, 2016, so recognised is ₹ 2078.41 lacs (₹ 1,785.31 lacs)
- ii. 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 notification.

## 17 DERIVATIVES INSTRUMENTS AND FOREIGN CURRENCY EXPOSURE

- i. The hedged exposure of foreign currency transaction is as follows:

On Account of	Currency	(Amount lacs)	
		2015-16	2014-15
Loan from Bank –Unsecured	(USD)	47.45	24.37



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

ii. The unhedged exposure of foreign currency transactions is as follows:

On Account of	Currency	2015-16	2014-15
i) Trade Receivables	(USD)	8.81	4.99
ii) Trade Payables	(YEN)	657.04	351.26
	(USD)	1.05	-

## 18 UTILISATION OF PROCEEDS OF RIGHTS ISSUE

On September 2, 2013, the Company pursuant to its rights issue of equity shares allotted 312,83,831 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. August 2, 2013 at a price of ₹ 33/- per share (inclusive of Share Premium of ₹ 32/- per share). The aggregate amount collected pursuant to the rights issue was ₹ 10,323.66 lacs.

The utilisation of funds received by way of Rights issue:

Particulars	2015-16	2014-15
Right issue expenditure	167.23	167.23
Actual utilised till date for objects of the issue	6,163.69	2,927.13
Amount kept with Banks in Fixed Deposits & Current Account	3,992.74	7,229.30
Total funds raised from Rights issue of equity Shares	10,323.66	10,323.66

(₹ In Lacs)

## 19 EXPENDITURE ON RESEARCH AND DEVELOPMENT

Sr. No.	Particulars	2015-16	2014-15
1.	Employee Cost	336.55	269.20
2.	Cost of Materials	2.33	0.64
3.	Other Expenses	29.63	24.49
	<b>Total</b>	<b>368.51</b>	<b>294.33</b>

(₹ In Lacs)

## 20 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at March 31, 2016 are as under:



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

Sr. No.	Description	(₹ In Lacs)	
		2015-16	2014-15
1.	Principal amount remaining unpaid beyond due date, to suppliers as at the end of accounting year.	186.47	27.32
2.	Interest due thereon remaining unpaid to suppliers as at the end of accounting year.	2.10	0.11
3.	Amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year 2015-16.	Nil	Nil
4.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	10.51	3.10
5.	Amount of interest accrued and remaining unpaid at the end of accounting year.	12.61	18.47
6.	The amount of further interest due and payable even in the succeeding year until such date when the interest due as above are actually paid to the suppliers for the purpose of disallowance as a deductible expenditure under Section 23.	Nil	Nil

## 21 LEASES:

The Company has taken various office premises/godowns/residential flats (including furniture & fixtures) under lease and license agreements ranging under 12 months to 3 years on lease and license. These arrangements are renewable by mutual consent on mutually agreed terms. These lease payments are recognized in the statement of profit and loss under rent.

## 22 DEFERRED TAXES:

Major items of Deferred Tax Liabilities and Deferred Tax Assets

Particulars	Opening balance as on 31.03.2015	Increase / (Decrease) during the year	(₹ In Lacs)
			Closing balance as on 31.03.2016
<b>Liability :</b>			
Difference between book and tax depreciation	666.24	72.46	738.70
<b>Sub-total</b>	<b>666.24</b>	<b>72.46</b>	<b>738.70</b>



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

Particulars	Opening balance as on 31.03.2015	Increase / (Decrease) during the year	(₹ In Lacs)
			Closing balance as on 31.03.2016
<b>Assets :</b>			
Provision for doubtful debts/ Leave Encashment	109.97	(31.79)	141.76
Gratuity	115.90	21.42	94.48
Expenses deductible in tax on actual payment	450.47	115.41	335.06
Unabsorbed Depreciation	684.13	32.07	652.06
<b>Sub-total</b>	<b>1,360.47</b>	<b>137.11</b>	<b>1,223.36</b>
<b>Net Deferred Tax Liability / (Asset)</b>	<b>(694.23)</b>	<b>209.57</b>	<b>(484.66)</b>

## 23 EARNINGS PER SHARE (BASIC & DILUTED)

	2015-16	2014-15
Net Profit /(Loss) available for equity shareholders – ₹ lacs	523.56	502.56
Issued and Paid-up Equity Shares of face value of Re 1/- each (Nos.)	10,03,03,806	10,03,03,806
Weighted average of Number of Equity Shares used in computing basic earnings per share. (Nos.)	10,03,03,806	10,03,03,806
Weighted average of Number of Equity Shares used in computing diluted earnings per share. (Nos.)	10,03,03,806	10,03,03,806
Earnings/(loss) per Share – Basic and diluted ₹	0.52	0.50

## 24 RETIREMENT BENEFITS

### Defined contribution Plans:

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

### 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. Past services are recognised on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## Retirement Benefits

### Gratuity

#### Description of the Plan

All Employees at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Plan assets of the gratuity fund comprise entirely of amounts invested in a Group Gratuity Policy issued by LIC of India. The information on the allocation of gratuity fund into major asset classes and the expected return on each major class is not readily available. The management understands the assets in the fund are well diversified.

Principal actuarial assumptions:

	2015-16	2014-15
Discount rate	7.81%	7.95%
Rate of Return on Plan Assets	7.81%	7.95%

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

Reconciliation of Benefit Obligation:

	2015-16	2014-15
		(₹ In Lacs)
Liability at the beginning of the year	929.42	682.22
Interest Cost	73.89	63.65
Current Service Cost	44.05	44.39
Past Service Cost	0.00	0.00
Benefit Paid	(131.45)	(125.28)
Actuarial (Gain) / Loss on Obligations	201.55	263.10
Liability at the end of the year	1,117.46	929.42
Value of Plan Assets at the end of the year	831.69	578.89



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

Reconciliation of value of Plan Assets:

	(₹ In Lacs)	
	2015-16	2014-15
Value of Plan Assets at the beginning of the year	578.89	623.26
Expected Return on Plan Assets	46.02	50.74
Contributions	224.94	28.82
Benefit Paid	(131.45)	(125.28)
Actuarial (Gain) / Loss on Obligations	113.30	1.35
Value of Plan Assets at the end of the year	831.69	578.89

The Company expects to contribute to gratuity fund ₹ 100 lacs in the next year. (₹ 224.94 lacs)

Expenses recognised in the Statement of Profit and Loss under the head Employee Cost

	(₹ In Lacs)	
	2015-16	2014-15
Current Service Cost	44.05	44.39
Past Service Cost	0.00	0.00
Interest Cost	73.89	63.65
Return on Plan Assets	(46.02)	(50.74)
Net Actuarial (Gain) / Loss recognised	88.26	263.10
Expenses recognised in the Statement of Profit and Loss	160.18	320.40

The amount of defined benefit obligations, plan assets and experience adjustments on plan assets and plan liabilities for the current year and previous four years are as follows:

	(₹ In Lacs)				
	2015-16	2014-15	2013-14	2012-13	2011-12
Experience adjustment					
On plan liability(gains)/losses	194.99	278.08	105.28	162.08	(186.03)
On plan assets(losses)/gains	113.30	1.34	(5.67)	2.23	12.20

## Leave Encashment

The accumulated balance of leave encashment (unfunded) provided in the books as at year end is ₹ 246.08 lacs (₹ 161.01 lacs) determined on actuarial basis using projected unit credit method.



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## 25 RELATED PARTIES DISCLOSURES : (AS CERTIFIED BY THE MANAGEMENT)

### a) Name of related parties and nature of relationship

1	Kokuyo Co. Ltd.*	Holding Company
2	Kokuyo S&T Co. Ltd*	Holding Company upto September 30, 2015

### b) Name of other related parties and nature of relationship where there are transactions with related parties

3	Kokuyo Commerce (Shanghai) Co., Ltd.	Fellow Subsidiary
4	Kokuyo Riddhi Paper Products Pvt. Ltd.	
5	Excella Pencils Ltd.	
6	Camlin Fine Sciences Ltd.	
7	Nilmac Packaging Industries Ltd.	Entities over which KMPs /directors and/or their relatives are able to exercise significant influence
8	Triveni Pencils Ltd.	
9	Mayur Colours Ltd.	
10	Dandekar Inks & Adhesives Ltd.	

\*Shares of the Company previously held by Kokuyo S&T Co. Ltd ,which was a Wholly Owned Subsidiary of Kokuyo Co. Ltd which merged with Kokuyo Co. Ltd since October 1, 2015

### c) Key Management Personnel and their Relatives

Name of the Person	Nature of Relationship
<b>Key Management Personnel</b>	
Mr. Dilip Dandekar	Chairman & Executive Director (C& ED)
Mr. Shriram Dandekar	Vice Chairman & Executive Director (VC & ED)
Mr. Nobuchika Doi	Executive Director
Mr. Takeo Iguchi	Executive Director
Mr. A. Srikanth	Chief Executive Officer
Mr. Chetan Badal	Chief Financial Officer
Mr. Ravindra Damle	V.P. (Corporate) & Company Secretary
<b>Relatives</b>	
Mr. Subhash. Dandekar	Chairman Emeritus and brother of C & ED
Mrs. Aditi Dighe	General Manager -Marketing (Colour Group 2) and daughter of C& ED



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## d) Transactions with Associate Companies

Particulars	Entities over which KMPs / directors and/or their relatives are able to exercise significant influence	(₹ In Lacs)
		2015-16
<b>Purchase of goods</b>	Camlin Fine Sciences Ltd	0.14
	<b>Total</b>	<b>0.14</b>
		(0)
<b>Sale of goods</b>	Excella Pencils Ltd.	0.01
	Camlin Fine Sciences Ltd.	0.07
	<b>Total</b>	<b>0.08</b>
		(0)
<b>Purchase of Fixed Assets</b>	Mayur Colours Limited	20.10
	<b>Total</b>	<b>20.10</b>
		(464.27)
<b>Receiving Services</b>	Mayur Colours Ltd.	134.18
	Nilmac Packaging Industries Ltd.	623.69
	Excella Pencils Ltd.	927.93
	Dandekar Inks & Adhesives Ltd.	13.08
	<b>Total</b>	<b>1,698.88</b>
		(1,781.82)
<b>Dividend Received</b>	Camlin Fine Sciences Ltd.	3.60
	<b>Total</b>	<b>3.60</b>
		(2.80)
<b>Net Amount Payable</b>	Excella Pencils Ltd.	2.59
	Nilmac Packaging Industries Ltd.	40.41
	Mayur Colours Ltd.	0.01
	Excella Pencils Ltd.	23.11
	<b>Total</b>	<b>66.12</b>
		(347.63)
<b>Net Amount Receivable</b>	Triveni Pencils Ltd.	0.51
	<b>Total</b>	<b>0.51</b>
		(3.81)
<b>Reimbursement of expenses</b>	Excella Pencils Ltd.	142.95
	Triveni Pencils Ltd.	19.87
	Nilmac Packaging Industries Ltd.	6.54
	<b>Total</b>	<b>169.36</b>
		(144.20)
<b>Sale of Investments</b>		-
	<b>Total</b>	-
		(50.00)



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## e) Payments to Key Management Personnel and their relatives

		(₹ In Lacs)
Remuneration *	Mr. Dilip Dandekar	136.44
	Mr. Shriram Dandekar	112.54
	Mr. Nobuchika Doi	91.75
	Mr. Takeo Iguchi	91.75
	Mr. A. Srikanth	81.17
	Mr. Chetan Badal	67.84
	Mr. Ravindra Damle	40.68
	Others	27.55
	<b>Total</b>	<b>649.72</b>
		(593.02)

\* Due to inadequacy of profits, the Company sought to file an application for approval of revised Managerial Remuneration effective from 1<sup>st</sup> February 2016 as approved by the Company's Shareholders vide special resolution dated 28<sup>th</sup> March 2016.

The filing is pending in view of technical issues with the MCA website. Pending approval of Central Government, the remuneration paid and expensed in the financial results of financial year 2015-16 is in excess of the applicable limits of Schedule V of the Companies Act 2013 by ₹ 2.36 lacs.

## f) Transaction with Fellow Subsidiary Companies

		(₹ In Lacs)
<b>Particulars</b>	<b>Fellow Subsidiary Company</b>	<b>15-16</b>
<b>Purchase of goods</b>	Kokuyo Riddhi Paper Products Pvt. Ltd.	37.57
	Kokuyo Commerce (Shanghai) Co., Ltd.	45.45
	<b>Total</b>	<b>83.02</b>
		(102.53)
<b>Sale of Goods</b>	Kokuyo Commerce (Shanghai) Co., Ltd.	5.13
	<b>Total</b>	<b>5.13</b>
		(0)
<b>Reimbursement of expenses paid</b>		-
	<b>Total</b>	-
		(1.17)
<b>Net Amount Receivable</b>	Kokuyo Commerce (Shanghai) Co., Ltd.	5.13
	<b>Total</b>	<b>5.13</b>
		(0)



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## g) Transaction with Holding Company

		(₹ In Lacs)
Particulars	Holding Company	15-16
	Kokuyo S&T Co. Ltd	29.20
<b>Purchase of goods</b>	Kokuyo Co. Ltd	33.44
	<b>Total</b>	<b>62.64</b>
		(105.25)
<b>Sale of Goods</b>	Kokuyo S&T Co. Ltd	0.16
	Kokuyo Co. Ltd	11.23
	<b>Total</b>	<b>11.39</b>
		(0)
<b>Reimbursement of Expenses paid</b>	Kokuyo S&T Co. Ltd	1.50
	<b>Total</b>	<b>1.50</b>
		(1.09)
<b>Reimbursement of Expenses received</b>		-
	<b>Total</b>	-
		(6.53)
<b>Net Amount Payable</b>		-
	<b>Total</b>	-
		(5.53)
<b>Net Amount Receivable</b>	Kokuyo S&T Co. Ltd	1.63
	Kokuyo Co. Ltd	4.44
	<b>Total</b>	<b>6.07</b>
		(0)

Figures in brackets are for the previous year.

## 26 THE FOLLOWING ARE THE DETAILS OF THE INVESTMENTS IN ASSOCIATES MADE BY THE COMPANY

Name of the Associates	Principal Activities	Ownership Interest and voting power	Original cost of Investment	Amount of Goodwill / (Capital Reserve) included in original cost	Accumulated profit/(loss) at the year end	Carrying amount of Investments at the year end
Excella Pencils Ltd.	Manufacturing of writing/drawing instruments	14.33%	2.15	NIL	40.74	42.89
Colart Camlin Canvas Pvt. Ltd.	Manufacturing and export of Canvas Products	40.00%	52.20	NIL	(52.20)	NIL



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2016

## 27 SHARE OF NET ASSETS AND PROFIT/LOSS OF SUBSIDIARY AND ASSOCIATES:

Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in profits or loss	
	As % of consolidated Net Assets	Amount (₹ In Lacs)	As % of consolidated profit or loss	Amount (₹ In Lacs)
<b>Subsidiary Company</b>				
Camlin International Ltd	0.03%	6.36	0.02%	0.08
<b>Associate Companies</b>				
1) Excella Pencils Ltd.	-	-	(0.46%)	(2.42)
2) Colart Camlin Canvas Pvt. Ltd.	-	-	-	-
<b>Total</b>	<b>0.03%</b>	<b>6.36</b>	<b>(0.44%)</b>	<b>(2.34)</b>

## 28 SEGMENT REPORTING :

The holding company, its subsidiary Camlin International Ltd. and all associates are engaged in the business of dealing in "Consumer Products". Hence, separate segment reporting has not been made under Accounting Standard (AS-17) – "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI). The Operations of the Group and its associates comprise a single geographical segment, India.

## 29 PRIOR YEAR COMPARATIVES:

Previous year's figures shown separately as such or in brackets are recast/regrouped wherever necessary.

### As per our report of even date annexed

For B.K. Khare & Co.	Ayyadurai Srikanth	Dilip Dandekar	Chairman & Executive Director
Chartered Accountants	Chief Executive Officer	Shriram Dandekar	Vice Chairman & Executive Director
Firm Registration No. 105102W		Nobuchika Doi	Executive Director
	Chetan Badal	Takeo Iguchi	Executive Director
Himanshu Chapsey	Chief Financial Officer	Shishir B. Desai	Director
Partner			
Membership No. 105731	Ravindra Damle		
Mumbai	V.P. (Corporate) & Company Secretary		
Dated: May 12, 2016	Mumbai		
	Dated: May 12, 2016		


**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

**[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 69<sup>th</sup> Annual General Meeting of the Company, to be held on Friday the 29<sup>th</sup> July, 2016 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
<b>ORDINARY BUSINESS</b>	
1.	Adoption of financial statements (including audited consolidated financial statements) for the financial year ended 31 <sup>st</sup> March, 2016 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. Yasushi Inoue (DIN: 06838399), as Director who retires by rotation.
4.	Appointment of M/s. B. K. Khare & Co., Chartered Accountants, (FRN. 105102W) as Statutory Auditors and fixing their remuneration.
<b>SPECIAL BUSINESS</b>	
<b>Special Resolution</b>	
5.	Keeping Registers and Returns at the place of M/s. Link Intime India Private limited (Registrar and Transfer Agent).

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

 \_\_\_\_\_  
Signature of the member

 \_\_\_\_\_  
Signature of the proxy holder(s)

 Affix  
Revenue  
stamp of  
₹ 1/-

**Notes:**

- 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.
- 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.
- Appointing a Proxy does not prevent a member from attending the meeting in person if he/she so wishes.







**KOKUYO CAMLIN LIMITED**

A SUBSIDIARY OF KOKUYO CO., LTD., JAPAN

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

Tel.: (022) 6655 7000 | [www.kokuyocamlin.com](http://www.kokuyocamlin.com)



**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

**ATTENDANCE SLIP**

**69TH ANNUAL GENERAL MEETING ON 29<sup>TH</sup> JULY, 2016**

Sr No. :

Registered Folio No./  
DP ID/Client ID  
Name and address of  
the Member(s)

Joint Holder 1  
Joint Holder 2  
No. of Shares

I / We hereby record my / our presence at the 69<sup>th</sup> Annual General Meeting of the Company held at Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020, on Friday, 29<sup>th</sup> July, 2016 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**

Electronic Voting Event Number (EVEN)	User ID	Password

- Notes:**
- 1) Please read the instructions for e-voting given along with Annual Report. The voting period starts from, 26<sup>th</sup> July, 2016 (9:00 am) and ends on 28<sup>th</sup> July, 2016 (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.

## PROCESS AND MANNER FOR AVAILING E-VOTING FACILITY

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rule, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, the business to be transacted at the 69<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 29<sup>th</sup> July, 2016 at 3.00 p.m. may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Company has engaged the Services of National Securities Depository Limited ("NSDL") to provide e-voting facilities. The e-voting facility is available at the link <http://www.evoting.nsdl.com>

During the e-voting period members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date i.e. 22<sup>nd</sup> July, 2016, may cast their votes by remote e-voting. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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 i.e. 22<sup>nd</sup> July, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot user details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

Please read the instructions given below before exercising the vote.

These details and instructions form integral part of the Notice for the 69<sup>th</sup> Annual General Meeting to be held on Friday, 29<sup>th</sup> July, 2016.

### INSTRUCTIONS FOR E-VOTING

- a) User Id and Password for e-voting is provided in the table given on the face of this instruction Slip to E-voting facility. Please note that the Password is an Initial Password.
- b) Launch the internet browser by typing the following <https://www.evoting.nsdl.com>
- c) Click on "Shareholder-Login".
- d) Put User ID and Password noted in step (a) above as the Initial Password. Click login: if you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
- e) If you are logging in for the first time, Password change Menu appears. Change the Password of your choice with minimum 8 digit/ characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- f) Home page of E "e-voting" opens. Click on "e-voting": Active Voting Cycles.
- g) Select "EVEN (E-voting Event Number)" of Kokuyo Camlin Limited. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
- h) Now you are ready for "e-voting" as "Cast Vote" page opens.
- i) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted.
- j) Upon confirmation, the message "Voting Cast Successfully" will be displayed.
- k) Kindly note that vote once casted cannot be modified.
- l) Institutional members (i.e. member other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution/authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at: [info@jhranade.associates](mailto:info@jhranade.associates) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- m) In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "downloads" section of <https://www.evoting.nsdl.com> or contact NSDL by e-mail at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- n) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- o) The voting rights of the Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date.
- p) Mr. J. H. Ranade, Practicing Company Secretary (FCS No. 4317, CP No. 2520) of M/s. J. H. Ranade & Associates has been appointed as the Scrutinizer to scrutinize e-voting process in a fair and transparent manner.
- q) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- r) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's report shall be placed on the Company's website [www.kokuyocamlin.com](http://www.kokuyocamlin.com) and on the website of NSDL within three (3) working days of passing of the resolutions at the AGM of the Company and the same will also be communicated to the Stock Exchanges.
- s) For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents at the following address:

#### **Link Intime India Pvt. Ltd.**

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup West,  
Mumbai – 400 078  
Tel.: 91-22-2594-6970 Fax: 91-22-2594 6969  
Email id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Registered Office and Communication details of the Company:

#### **M/s. Kokuyo Camlin Limited**

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

**KOKUYO CAMLIN LIMITED**

CIN : L24223MH1946PLC005434

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Tel: 022-6655 7000 Fax: 022-283665799

**BALLOT FORM  
(in lieu of e-voting)**

Sr No. :

Name of Sole/first named member

Address

Name(s) of Joint Holder(s),if any

Registered Folio No. /

DP ID No. / Client ID No.

Number of shares held

I/we hereby exercise my/our vote(s) in respect of the resolutions set out in the notice dated 12<sup>th</sup> May, 2016 of the 69<sup>th</sup> Annual General Meeting of the Company to be held on 29<sup>th</sup> July, 2016, 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	For	Against
			I/we assent to the resolution	I/we dissent to the resolution
<b>Ordinary Business</b>				
1.	Adoption of financial statements (including audited consolidated financial statements) for the financial year ended 31 <sup>st</sup> March, 2016 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. Yasushi Inoue (DIN: 06838399), as Director who retires by rotation.			
4.	Appointment of M/s. B. K. Khare & Co., Chartered Accountants, (FRN. 105102W) as Statutory Auditors and fixing their remuneration.			
<b>Special Business</b>				
<b>Special Resolution</b>				
5.	Keeping Register and Returns at the place of M/s. Link Intime India Pvt. Ltd. (Registrar and Transfer Agent).			

Place:

Date:

Signature of Members

Note: Kindly read the instructions printed overleaf before filing the form. Valid Forms received by the scrutinizer by 5:00 p.m on Thursday, 28<sup>th</sup> July, 2016 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, Practicing Company Secretary (Membership No. 4317 CP No. 2520) of M/s. J.H.Ranade & Associates, 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/Authorisation 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 22<sup>nd</sup> July, 2016 and as per the Register of Members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than 28<sup>th</sup> July, 2016 (5.00 p.m.). Ballot form received after 28<sup>th</sup> July, 2016 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 alongwith Scrutinizer's report, shall be placed on the Company's website [www.kokuyocamlin.com](http://www.kokuyocamlin.com) and on the website of the National Securities Depository Limited (NSDL) within three days of the passing of the Resolutions at the AGM of the Company on 29<sup>th</sup> July, 2016 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.



**KOKUYO CAMLIN LIMITED**

CIN : L24223MH1946PLC005434

Regd. Office: 48/2, Hilton House, Central Road, MIDC, Andheri (E), Mumbai – 400 093

E-mail: [investorrelations@kokuyocamlin.com](mailto:investorrelations@kokuyocamlin.com) website [www.kokuyocamlin.com](http://www.kokuyocamlin.com)

Tel: 022-6655 7000 Fax: 022-283665799

25<sup>th</sup> June, 2016

Dear Shareholder/s

**Sub: Change in Registrar and Share Transfer Agent**

We hereby inform you that the Company's Registrar and Transfer Agent has been changed from Sharepro Services (India) Private Limited to Link Intime India Pvt. Ltd with effect from 13<sup>th</sup> May, 2016.

The details of the new Registrar and Transfer Agent are as follows

Name : Link Intime India Pvt. Ltd  
Address : C-13 Pannalal Silk Mills Compound,  
L B S Marg, Bhandup West, Mumbai 400078  
Tel : 022 - 2594 6970  
Fax : 022 - 25946969  
E-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

All correspondence and requests including those relating to transfer of shares, change of address, updation of Bank mandates, issue of duplicate shares, dematerialization, etc. may henceforth be sent to Link Intime India Pvt. Ltd. at the above mentioned address.

Kindly note that any person dealing with Sharepro in any manner in respect of the securities of the company shall be doing so at his own risk & consequences and the Company will not be responsible for the same.

Yours faithfully,

**For KOKUYO CAMLIN LIMITED**

Sd/-

**RAVINDRA DAMLE**  
**VICE PRESIDENT (CORPORATE) &**  
**COMPANY SECRETARY**

Venue of the Annual General Meeting of  
Kokuyo Camlin Limited scheduled on  
29<sup>th</sup> July 2016 at 3.00 PM

