



Kokuyo Camlin Limited

CIN: L24223MH1946PLC005434

Regd. Office: 48/2, Hilton House, Central Road, M.I.D.C. Andheri (East), Mumbai - 400 093.
E-mail: investorrelations@kokuyocamlin.com • Website: www.kokuyocamlin.com
Tel: 022-6655 7000 • Fax: 022-2836 6579

Notice

NOTICE is hereby given that the 68th Annual General Meeting of the Members of KOKUYO CAMLIN LIMITED, will be held on Thursday, the 30th July, 2015 at 3.30 p.m. at Textile Committee Building, Auditorium, 1st Floor, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the Financial Year ended 31st March, 2015 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Nobuchika Doi** (DIN 03599835), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of **Mr. Takuya Morikawa** (DIN 03599830), who retires by rotation and being eligible offers himself for re-appointment.
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 Section 139 of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee, M/s. B. K. Khare & Co., Chartered Accountants (Firm Registration No. 105102W), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. 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 149, 150, 152, and such other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Aparna Piramal Raje (DIN 01667835), who was appointed as an Additional Director of the Company with effect from 1st October, 2014 pursuant to

Section 161 of the Act, and who holds office up to date of this Annual General Meeting has submitted declaration that she is eligible for appointment and that she meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement entered into with the Stock Exchanges and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act, proposing her candidature for the office of Directors of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a term upto 30th September, 2019."

6. 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 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) for borrowing from time to time, any sum or sums of monies from Bank(s)/Financial Institution(s), which together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Share Capital of the Company and its Free Reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of ₹ 300.00 Crores.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution."

By Order of the Board

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

Place : Mumbai
Dated : 14th May, 2015.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than 10% of total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for another person or shareholder.
3. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
4. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of the business referred to under Item Nos. 5 and 6 (both numbers inclusive) is annexed hereto.
5. The Register of Members and Share Transfer books will remain closed from 24th July, 2015 to 30th July, 2015 (both days inclusive).
6. Members holding Shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for the payment of dividend. The Company or its Registrars cannot act on any request received directly from the members holding Shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be communicated only to the Depository Participant of the members.

Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company's Registrars and Share Transfer (R&T) Agents, M/s. Sharepro Services (India) Private Limited.
7. Members holding Shares in physical form are requested to communicate any change in address, immediately to the Company's Registrars and Share Transfer (R&T) Agents, M/s. Sharepro Services (India) Private Limited.
8. In compliance with Section 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 31st March, 2007, 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.
9. Members who have not encashed their dividend warrants for the financial year ended 31st March 2008 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.
10. Details under Clause 49 of the Listing Agreement with the Stock Exchange 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.
11. The Company in compliance with Clause 5 A II of the Listing Agreement has sent first/second reminder to the members in respect of shares which are lying unclaimed with the Company. The same shall be transferred to unclaimed suspense Account in case no response is received after sending third reminder at the address given and shall be dematerialized.
12. 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.
13. Members who hold Shares in dematerialized form, are requested to bring their Client ID and DP. ID. Nos. for easy identification of attendance at the meeting.
14. 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.
15. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the clause 35B of the listing

agreement, the Members are provided with the facility to cast their vote 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 at the back side of said forms. Resolution(s) passed by Members through Ballot Forms or e-voting is/are deemed to have been passed as if they have been passed at the AGM.

16. 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 forms shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting or ballot form prior to the AGM may also attend the AGM but shall not be entitled to cast their vote.
17. The Annual Report 2014-15 and Notice of the 68th 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 and also on the website of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com. The physical copies of the aforesaid documents will also be made available at the Company's Registered Office for Inspection during normal business hours on any working days upto the date of Annual General Meeting. Those members who have received Annual Report 2014-15 in electronic mode will be entitled to receive such communication in Physical form, upon making request for the same, by post free of cost. For any communication the members may also send request to the company's investor relations email Id: Investorrelations@kokuyocamlin.com.

18. The Notice of 68th Annual General Meeting and the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

ANNEXURE FORMING PART OF THE NOTICE

(Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013)

SPECIAL BUSINESS:

ITEM NO. 5:

The Board of Directors at its meeting held on 20th August, 2014 on the recommendation of Remuneration and Nomination Committee, appointed Ms. Aparna Piramal Raje as an Additional Director (Non-Executive & Independent) under section 161(1) and section 149 of the Companies Act, 2013 ("Act"), for a period of five consecutive years w.e.f. 1st October 2014. Her appointment is subject to the approval of members. The Company has received a notice in writing under the provisions of Section 160 of the Act, from a member alongwith a deposit of ₹ 100,000/- proposing the candidature of Ms. Aparna Piramal Raje for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act as Director not liable to retire by rotation.

The details regarding the proposed appointment of Ms. Aparna Piramal Raje and her brief resume has been given in the Corporate Governance Report for the information of members.

Ms. Aparna Piramal Raje has given the declaration that she meets the criteria of Independence as provided in Section 149(6) of the Act. In the opinion of the Board, Ms. Aparna Piramal Raje fulfills the conditions specified in the Act, and rules made thereunder for her appointment as an Independent Director of the Company and is Independent of the Management. A copy of letter for appointment of Ms. Aparna Piramal Raje as an Independent Director setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day of the Company upto the date of Annual General Meeting and also posted on Company's website: www.kokuyocamlin.com.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Aparna Piramal Raje as an Independent Director.

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

The Directors recommend the Ordinary Resolution for your approval.

ITEM NO. 6:

Section 180(1)(c) of the Companies Act, 2013, provides that the Board of Directors shall not borrow the monies in excess of the Company's paid-up share capital and free reserves, except with the consent of members in General Meeting.

For meeting growing needs for working capital and capital expenditure, the Company may be required to borrow from Banks/Financial Institution in excess of Company's paid-up share capital and free reserves. The approval of members is required for limit of ₹ 300.00 Crores proposed under the special resolution which is considered adequate for the time being for meeting future requirements.

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

The Directors recommend the Special Resolution for your approval.

By Order of the Board

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

Place : Mumbai
Dated : 14th May, 2015.



Kokuyo Camlin Limited

ATTENDANCE SLIP

CIN: L24223MH1946PLC005434

Regd. Office: 48/2, Hilton House, Central Road, M.I.D.C., Andheri (East), Mumbai - 400 093.
E-mail: investorrelations@kokuyocamlin.com • Website: www.kokuyocamlin.com
Tel: 022-6655 7000 • Fax: 022-2836 6579

Please fill Attendance Slip and hand it over at the entrance of the meeting hall

DP Id
Client Id

Folio No.
No. of shares

Name of the Member/Proxy:

Member/Proxy's Signature

I hereby record my presence at the 68th Annual General meeting of the Company to be held on Thursday, 30th July, 2015 at 3:30 p.m. at Textile Committee Building, Auditorium, 1st Floor, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025



Kokuyo Camlin Limited

PROXY FORM

CIN: L24223MH1946PLC005434

Regd. Office: 48/2, Hilton House, Central Road, M.I.D.C., Andheri (East), Mumbai - 400 093.
E-mail: investorrelations@kokuyocamlin.com
Tel: 022-6655 7000 • Fax: 022-2836 6579

68th ANNUAL GENERAL MEETING – 30th JULY, 2015

[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)	
Registered Address	
E-mail ID	

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 68th Annual General Meeting of the Company, to be held on Thursday the 30th July, 2015 at 3.30 p.m. at Textile Committee Building Auditorium, 1st Floor, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025, and at any adjournment thereof in respect of such resolutions as are indicated at the back:

Sr. No.	Resolutions
ORDINARY BUSINESS	
1	Adoption of financial statements (including audited consolidated financial statements) for the financial year ended 31 st March, 2015 and Reports of Board of Directors and Auditors thereon.
2	Re-appointment of Mr. Nobuchika Doi (DIN: 03599835), as Director who retires by rotation.
3	Re-appointment of Mr. Takuya Morikawa (DIN: 03599830), 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.
SPECIAL BUSINESS	
5	Appointment of Ms. Aparna Piramal Raje (DIN 01667835) as an Independent Director.
6	Approval for borrowing limits from Bank(s)/Financial Institution(s) to the extent of ₹ 300.00 Crores.

Signed this _____ day of _____ 2015.

Signature of the member

Signature of the proxy holder(s)

Notes:

1. This form, in order to be effective should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. A person can act as Proxy on behalf of Members upto and not exceeding 50 and holding in the aggregate not more than 10% of share capital of the Company. Further, a Member holding more than 10% of the total share capital of the Company carrying voting rights, may appoint single person as Proxy and such person shall not act as Proxy for any other person or Member.
3. Appointing a Proxy does not prevent a member from attending the meeting in person if he/she so wishes.



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BALLOT FORM

(in lieu of e-voting)

Sr. No.

Name of sole/
first named member :

Address :

Name(s) of Joint Holder(s),
if and :

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 14th May, 2015 of the 68th Annual General Meeting of the Company to be held on 30th July, 2015, 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
Ordinary Business				
1.	Adoption of financial statements (including audited consolidated financial statements) for the financial year ended 31 st March, 2015 and Reports of Board of Directors and Auditors thereon.			
2.	Re-appointment of Mr. Nobuchika Doi (DIN: 03599835), as Director who retires by rotation.			
3.	Re-appointment of Mr. Takuya Morikawa (DIN: 03599830), 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.			
Special Business				
5.	Appointment of Ms. Aparna Piramal Raje (DIN: 01667835) as an Independent Director.			
6.	Approval for borrowing limits from Bank(s)/Financial Institution(s) to the extent of ₹ 300.00 Crores.			

Place :

Date :

Signature of member

Note: Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the scrutinizer by 5:00 p.m. on Wednesday, 29th July, 2015 shall only be considered.

INSTRUCTIONS




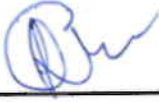
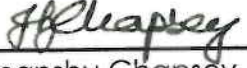

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
2. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.

Process and manner for Members opting to vote by using the Ballot Form.

1. Mr. J. H. Ranade, Practising Company Secretary (Membership No. 4317), 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 Company/Depositories. 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, with the specimen signature(s) of the authorised 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 23rd July, 2015 and as per the Registrar of Members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than 29th July, 2015 (5.00 p.m.). Ballot Form received after 29th July, 2015 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 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 30th July, 2015 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

FORM A

(Pursuant to Clause 31(a) of Listing Agreement)

Sr. No.	Particulars	Details
1.	Name of the Company	Kokuyo Camlin Limited
2.	Annual Financial Statement for the year ended	31 st March, 2015
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not applicable
5.	To be signed by	
	<ul style="list-style-type: none"> CEO / Managing Director 	 <hr/> <p>Ayyadurai Srikanth Chief Executive Officer</p>
	<ul style="list-style-type: none"> CFO 	 <hr/> <p>Chetan R. Badal Chief Financial Officer</p>
	<ul style="list-style-type: none"> Auditor of the Company 	<p>For B. K. Khare & Co. Chartered Accountants (ICAI Registration No.:105102W)</p>  <hr/> <p>Himanshu Chapsey Partner Membership No. 105731</p>
	<ul style="list-style-type: none"> Audit Committee Chairman 	 <hr/> <p>Shishir B. Desai Non-Executive Independent Director</p>



TM

let's have fun!





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2014-15 HAS BEEN A YEAR OF **RECOVERY** AT KOKUYO CAMLIN LTD.

In an expanding market that saw competition increasing with new players and more collaborations, Kokuyo Camlin continued on its strategic growth plans, launching new products, revamping branding and packaging and widening its reach using both electronic and digital platform.

The continued efforts and focus of the Company are reflected in the substantial improvements in both revenue and profits during the year.

Today, Kokuyo Camlin stands poised to leverage its unmatched consumer connect, its strong brand equity, extensive product portfolio and deep distribution network reaching every corner in the country to accelerate its growth further by continuing to...

**EXECUTE.
ENGAGE.
EXPAND.**





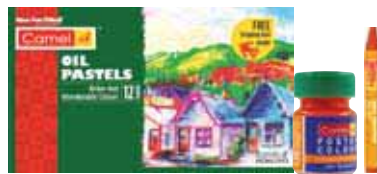
OVER THE LAST FEW YEARS, THE FOCUS OF **KOKUYO CAMLIN** HAS BEEN TO **EXECUTE PLANS.** **EXECUTE PROJECTS. EXECUTE** **PROGRESS.**

Manufacturing is the critical key for any business, and at Kokuyo Camlin, manufacturing is at the core of the Company's strategic growth plans. The Company has undertaken the decision to enhance its manufacturing capacities and is coming up with an integrated manufacturing plant at adtl Patalganga. This decision was aimed at boosting the Company's overall manufacturing strength that create tremendous advantages emanating from the economies of size, scale and scope.

**TODAY, THE COMPANY'S
PRODUCT PORTFOLIO
HAS OVER 2500 SKUS
THAT ADDRESS THE
WIDE AND VARIED
NEEDS OF THE THREE
BROAD SEGMENTS:**



School and Education Products



Fine Art and Hobby Materials



Office Stationery Products

The extensive product range comprises of inks, colours, writing instruments, technical and drawing instruments, office stationery products, markers, fine art, scholastic and hobby art materials.

Work has begun in full swing at the state of the art manufacturing plant at the Patalganga Industrial area in MIDC. The construction was started in January 2015. Spread over an area of 14 acres, this manufacturing plant will put the Company into a different league altogether by creating one of the advanced manufacturing capacity, equipped with latest technology and machines, with modern processes and techniques.



**DURING THE YEAR 2014-15,
WORK AT THE NEW SITE
AT ADDL PATALGANGA
COMMENCED.**

**THE PROJECT IS EXPECTED TO
BECOME OPERATIONAL IN THE
SECOND HALF OF 2016.**

Bhoomi Pujan Ceremony by
Industries Minister Mr. Subhash Desai



Layout of Integrated Manufacturing
plant at MIDC, Additional Patalganaga

ENGAGE

KOKUYO CAMLIN HAS BEEN INCREASING ITS CONNECT WITH THE KEY STAKEHOLDERS WITH A CONTINUOUS AND COMMITTED EFFORT TO ENGAGE CONSUMERS. ENGAGE PARTNERS. ENGAGE EMPLOYEES.

IN ANY BUSINESS, CONNECTING WITH THE KEY STAKEHOLDERS IS CRITICAL TO THE SUSTAINING GROWTH AND PERFORMANCE. AT KOKUYO CAMLIN, IT HAS BEEN OUR CONSTANT ENDEAVOUR TO ENGAGE WITH THE MAIN STAKEHOLDERS – CONSUMERS, PARTNERS AND EMPLOYEES.

CONSUMERS

Kokuyo Camlin has taken marketing initiatives to ensure that Camel & Camlin are not only the oldest stationery brands in the country, but are the favourite brands for today's consumers, by engaging with them in the most effective way.

Camlin clearly defined its brand promise and philosophy – making learning fun for children. "Let's have fun" is the ethos of our brand. The entire brand world including product, packaging, communication and activities to engage with consumers were designed with this brand ethos.

The Camel Art Contest was made even bigger with participation of more than 7.5 million children. For the first time, the contest went international with the effective use of digital media. We got enthusiastic

participation of children from countries like USA, Nepal, Sri Lanka, Singapore and Bangladesh, besides India.

The Kokuyo Camlin website was revamped and the Facebook page was created, which, within a short time overtook all brands in the category of stationery products to have the largest fan base on Facebook.

Today's children are growing up in the technology world of computers, tablets and cellphones. Instead of considering technology as a competitor, we used it to promote colouring amongst children

by creating a mobile application called Camlin Experiential App, which provides an almost real life experience of various colour products to the tech savvy young consumers. We find that post usage of Camlin Experiential App, the children develop interest in actual colour products. This application has won several awards including the most prestigious marketing award of India – The ABBY award.





THE COMPANY WON THE PRESTIGIOUS ABBY AWARD FOR CAMLIN EXPERIENTIAL APP

CAMLIN - LET'S HAVE FUN
THE BRAND POSITIONING WAS CHANGED DURING THE YEAR TO COMMUNICATE THAT SCHOOL AND WORKPLACES CAN BE MORE FUN WITH CAMLIN.



AWARDS

KOKUYO CAMLIN has won several industry awards during the last year:

- ABBY award for Camlin Experiential App
- ASIA'S MOST PROMISING BRAND in stationery category by WCRC (World Consulting and Research Corporation)
- DMAI Award – for Camlin Experiential Application
- DMAI award – for Kokuyo Camlin website
- DAINIK BHASKER INK AWARDS for interactive Press advertising – Camlin Children's day award

DEALER NETWORK/ DISTRIBUTION

With an intricate network of distributors, the Company ensures its products are available in every part of the country. During the year, the Company continued its engagement with its distributors through regular dealer meets to keep this key distribution channel engaged. Diversification of vendor base was also an important initiative started during the year.

EMPLOYEE ENGAGEMENT

At the heart of Kokuyo Camlin are its employees, who are the real driving force behind the Company's growth and progress. The year 2014-15 saw employee engagement at new heights. The Company introduced modern performance management systems covering all employees across India. A very structured and training calendar was also put in place which is driving focused investments for upscaling skills, learning and development.

EXPAND

KOKUYO CAMLIN CONTINUES MOVING AHEAD ON ITS GROWTH TRAJECTORY, EXPANDING ITS RANGE OF PRODUCTS, EXPANDING ITS GEOGRAPHICAL REACH AND EXPANDING ITS **MARKETS.**



www.kokuyocamlin.com
You Tube f /KokuyoCamlin

Camlin of KOKUYO

Making learning fun for generations.



WATER COLOURS



GLASS COLOURS



MECHANICAL PENCILS



GLUE



COLOUR PENCILS



GEOMETRY BOXES



MARKERS RANGE



OFFICE PRODUCTS



CRAYONS RANGE



FOUNTAIN PENS

Camlin 

let's have fun!

AS THE OVERALL STATIONERY MARKET EXPANDS AT AN EXCITING PACE, AT KOKUYO CAMLIN, WE WILL CONTINUE TO EXPAND IN THE COMING YEARS WITH NEW PRODUCTS, WIDER REACH AND DEEPER PRESENCE TO MORE MARKETS, BOTH WITHIN INDIA AND ABROAD.

Kokuyo Camlin effectively worked towards expanding the brand awareness amongst the consumers through the use of mass media – TV.

The mechanical pencil campaign targeted at upgrading children of wooden pencils as mechanical pencil provide them with a better and uninterrupted writing experience. The campaign witnessed a great response with an unprecedented 56% growth for mechanical pencils.

The digital media helped in expanding the reach of Camel Art Contest from earlier level of 5.0 million to 7.5 million last year.

Kokuyo Camlin also launched new products to expand its new consumers base – premium segment Geo Boxes like Camlin Galaxy & Camlin Ikon, economy segment Geo Box like Camlin Champ, fast writing mechanical pencil – Camlin Speedy and world class Kokuyo products such as files, folders and scissors.



SOCIAL INITIATIVES



CAMLIN KIDS POWER

is a social awareness initiative of Kokuyo Camlin that uses art, music and progressive learning techniques to gain an understanding into important social issues. Every month the team approaches a new issue and Conducts an activity, and makes it reach across the country with the help of social media. Some of activities already conducted are Swachh Bharat, Anti Bullying Initiative, Recycling and use etc.

SWACHH BHARAT

The Swachh Bharat campaign was conducted at Dharavi in Mumbai. The aim of the campaign was to influence the young children in Dharavi and make them aware of public health and how they can contribute to make India cleaner and safer. The activity was promoted on the social media in an engaging contest to spread awareness across the country.

ANTI-BULLYING INITIATIVE

Bullying is a major social problem in many schools across India. As part of its antibullying initiatives, the Camlin Kids Power team conducted workshops in the schools at Delhi, where young kids were made aware of the preventive measures and cures of bullying through fun and interactive workshops.



CHILDREN'S DAY

"Let's make learning fun" was the theme with which Kokuyo Camlin carried out various activities across India on Children's Day. Essay competitions, puppet shows and television campaign were undertaken on this day. The senior management spent the day with the underprivileged children.



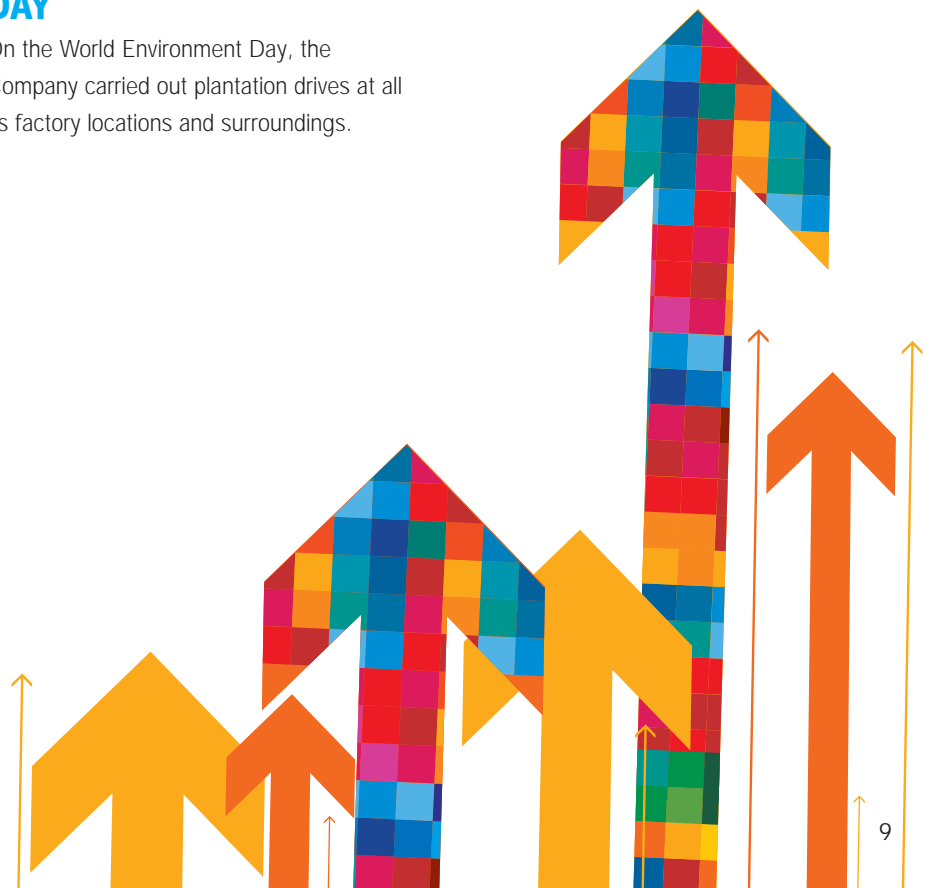
WORLD ENVIRONMENT DAY

On the World Environment Day, the Company carried out plantation drives at all its factory locations and surroundings.



RECYCLE AND REUSE

Under Camlin Kids Power Initiative Kokuyo Camlin did a workshop to educate children of Angel Foundation on "How to Recycle and Reuse" with fun engaging activities and by using Camlin Products. It was an amazing experience to watch these kids participate with great enthusiasm. The activity was also promoted on the social media.



New Product Launches





Corporate Information

CHAIRMAN EMERITUS

Mr. Subhash Dandekar

BOARD OF DIRECTORS

Mr. Dilip Dandekar (Chairman & Executive Director)
Mr. Takuya Morikawa (Sr. Vice Chairman & Non Executive Director)
Mr. Shriram Dandekar (Vice Chairman & Executive Director)
Mr. 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 Rajee

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.

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.

REGISTRAR & TRANSFER AGENTS

M/s. Sharepro Services (India) Pvt. Ltd.
Unit : Kokuyo Camlin Limited
13 AB, Samhita Warehousing Complex, 2nd Floor
Near Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka,
Andheri (E), Mumbai – 400 072.
Ph. Nos. (022) 67720300, 67720400

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 Arora – Member
Mr. Shriram Dandekar – Member

REMUNERATION & NOMINATION COMMITTEE

Mr. Shishir Desai - Chairman
Ms. Aparna Piramal Rajee – 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



Directors' Report to the Members

Your Directors take pleasure in presenting herewith the 68th Annual Report together with the Audited Financial statements for the Financial Year ended 31st March, 2015.

FINANCIAL RESULTS (Standalone):

(` in Lacs)

	2014-15	2013-14
Revenue from operations (net)	54,387.93	46,814.51
Profit/(Loss) Before Tax	428.12	(1323.49)
Less: Provision for Tax		
- Current	—	—
- Deferred	(64.27)	(166.29)
- Prior Years (Net)	—	1.10
Profit/(Loss) After Tax	492.39	(1158.30)
Balance bought forward from last year	(183.53)	974.77
Balance Carried forward	308.86	(183.53)

OPERATING PERFORMANCE:

During the year the Company reported net sale of ` 54387.93 Lacs as compared to ` 46814.51 Lacs for the last year representing a robust value growth of 16.18% over the corresponding period of the previous year. The focused approach of growing profitable business alongwith 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. As a result of this your Company could achieve a Profit after tax of ` 492.39 Lacs as against the Loss of ` 1158.30 Lacs in the corresponding period of the previous year.

Given the growth requirements of the business and the absence of sufficient profits, your Director's do not recommend any dividend for the financial year 2014-15.

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 31st March, 2015 was ` 1003.04 Lacs.

MEETINGS:

During the year five Board Meetings and four Audit Committee 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.

MANAGEMENT DISCUSSION AND ANALYSIS:

In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

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:

- That in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2015 and of the profit of the company for the year ended on that date.
- 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.

PERFORMANCE EVALUATION OF THE DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Remuneration and Nomination Committee has laid down the criteria for performance evaluation of Board of Directors (Including Independent Directors), Key Managerial Personnel (KMPs) 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 details of Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 are given in the notes to financial statements.

RELATED PARTY TRANSACTIONS:

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, KMPs which may have a potential conflict with the interest of the Company at large.

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 on a quarterly basis 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 approval on a quarterly basis.

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.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

DIRECTORS:

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

Mr. Noriyuki Watanabe resigned as an Independent Director of the Company w.e.f. 17th October, 2014. The Board has placed on record its appreciation for the contribution made by Mr. Noriyuki Watanabe during his tenure of office.

Pursuant to Sections 149 and 161 of the Companies Act, 2013 and in terms of Clause 49 of the Listing Agreement, the Board of Directors had at its meeting held on 20th August, 2014, appointed Ms. Aparna Piramal Rajje as an Additional Director (Independent) of the Company w.e.f. 1st October, 2014. The requisite resolution for approval of her appointment as an Independent Director is being proposed in the notice of the ensuing AGM for the approval of the members.

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 sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

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 appointment/re-appointment forms part of the Corporate Governance 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 for the financial year 2015-16.

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 in relation to the financial year 2015-2016 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.

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 Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Practising Company Secretary, M/s. J. H. Ranade & Associates confirming compliance forms an integral part of this Report.

COST AUDIT REPORT:

The Company had appointed M/s. Vinay Mulay & Co. as Cost Auditor for the financial year ended

31st March, 2015. But subsequently in terms of the Notification issued by the Central Government our products do not fall under the category requiring Cost Audit for the financial year under review. The Cost Audit report for the year ended 31st March, 2014 was due on 30th September, 2014 and the same was filed with Registrar of the Companies on 13th August, 2014.

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 Practising Company Secretary.

SUBSIDIARY COMPANIES:

No new subsidiary was incorporated or acquired by the Company during the period under review.

As informed to you in our last report, the Company had divested its entire stake in its subsidiary viz. Alphakids Learning and Activity Centre Limited (Alphakids) (previously known as Camlin Alphakids Limited) by sale of its entire Equity and Preference Shareholding to the Related Party. The Company had sought members approval in the last Annual General Meeting held on 17th July, 2014. As a result of the said sale of shares, Alphakids ceased to be our subsidiary w.e.f. 1st April, 2014.

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 our website www.kokuyocamlin.com.

CONSOLIDATED FINANCIAL STATEMENTS:

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards

prescribed by the Institute of Chartered Accountants of India, in this regard and forms part of the Annual Report.

INVESTOR EDUCATION AND PROTECTION FUND:

The Company had transferred a sum of ₹ 2.41 Lacs during the financial year to the Investor Education and Protection Fund established by the Central Government. The said amount represents principal amount of fixed deposit, interest on fixed deposit which remain unclaimed and Unclaimed Dividend for the year 2006-07 with the Company for a period of 7 years from their respective due dates of payment.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has its own process driven framework for Internal Financial Controls ("IFC"). For the year ended 31st March, 2015, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operation.

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.

Kokuyo Camlin's Tarapur location has taken an initiative in the name of "IDEAL SCHOOL PROJECT" in association with Quality Circle Forum of India and Lions Club with an objective of promoting cleanliness and hygiene at the Schools in Tarapur Area.

"Camlin kids Power" is a social awareness initiative by Kokuyo Camlin that uses Art, Music and progressive learning techniques to gain an understanding of important social issue which had organized a "Swachh Bharat Campaign" in Dharavi slums.

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.

CODE OF ETHICS AND VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

The Company has taken steps to establish Vigil Mechanism for Directors and Employees of the Company. The details of the Policy is posted on the website of the Company.

INSURANCE:

The Company's plant, property, equipments 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.

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 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 2014-2015. The Secretarial Audit Report is annexed herewith. The report does not contain any qualifications.

AWARDS/RECOGNITION/RANKINGS:

The Company was awarded as "Asia's Most Promising Brand" under the stationery category in the event titled Asia's most promising Brands 2014.

Our team members from "Tarapur" and "Vasai" Factory locations also won Gold Trophies at the "Kaizen Competition" organized by Quality Circle Forum of India (QCFI).

The Company also received recognition in the Indian Digital Media Awards (IDMA) 2014 with a Silver award for our website and Camlin Experience App.

The Gangyal plant in Jammu & Kashmir got the ISO 9001:2008 certification during the year.

The Company completed 50 years of colour manufacturing this year. On this occasion a special exhibition titled "50 years of Camel colours" was held showcasing pages from the 50 years history of colour making in India by Camel.

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

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

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

EXTRACT OF ANNUAL RETURN:

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

PARTICULARS OF EMPLOYEES:

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

ACKNOWLEDGEMENT:

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

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

For and on behalf of the Board

DILIP DANDEKAR
Chairman &
Executive Director

Place: Mumbai

Dated: 14th May, 2015.

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.

(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)

4.	Expenditure on R&D	2014-2015	2013-2014
	(a) Capital	—	—
	(b) Recurring	294.33	209.57
	(c) Total	294.33	209.57
	(d) Total R&D Expenditure as a Percentage of total turnover	0.52	0.43

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

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

(b) Total Foreign Exchange used and earned:

	(` in Lacs)	
	2014-2015	2013-2014
Foreign exchange used	4,470.06	3,787.74
Foreign exchange earned	1,309.03	961.44

For and on behalf of the Board

DILIP DANDEKAR
Chairman &
Executive Director

Place: Mumbai

Dated: 14th May, 2015.

Annexure 'B' to the Board's Report

Form No. MGT-9

Extract of Annual Return

as on the financial year ended 31st March, 2015

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

I. REGISTRATION AND OTHER DETAILS:

(i) CIN	L24223MH1946PLC005434
(ii) Registration Date	24 th 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	Sharepro Services (India) Private Limited 13 A-B, Samhita Warehousing Complex, 2 nd Floor, off Andheri Kurla Road, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai - 400072 Tel: 022-67720300/67720400, 022-62270300, 62270400

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	287
2.	Colart Camlin Canvas Pvt. Ltd.	U17290MH2005PTC155976	Associate	40	26

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	
A. Promoters									
(1) Indian									
Individuals/HUF	3764374	—	3764374	3.75	3288970	—	3288970	3.28	(0.47)
Central Govt	—	—	—	—	—	—	—	—	—
State Govt(s)	—	—	—	—	—	—	—	—	—
Bodies Corporate	3902460	—	3902460	3.89	874860	—	874860	0.87	(3.02)
Banks/FI	—	—	—	—	—	—	—	—	—
Any Other	—	—	—	—	—	—	—	—	—
SubTotal(A)(1)	7666834	—	7666834	7.64	4163830	—	4163830	4.15	(3.49)
(2) Foreign									
NRIs-Individuals	1579050	—	1579050	1.57	181000	—	181000	0.18	(1.39)
Other-Individuals	—	—	—	—	—	—	—	—	—
Bodies Corporate	65971120	—	65971120	65.77	70871120	—	70871120	70.66	4.89
Banks/FI	—	—	—	—	—	—	—	—	—
Any Other	—	—	—	—	—	—	—	—	—
SubTotal(A)(2)	67550170	—	67550170	67.35	71052120	—	71052120	70.84	3.49
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	75217004	—	75217004	74.99	75215950	—	75215950	74.99	—
B. Public Shareholding									
(1) Institutions									
Mutual Funds	—	—	—	—	—	—	—	—	—
Banks/FI	1300	3000	4300	—	23250	3000	26250	0.03	0.03
Central Govt.	—	—	—	—	—	—	—	—	—
State Govt(s)	—	—	—	—	—	—	—	—	—
Venture Capital Funds	—	—	—	—	—	—	—	—	—
Insurance Companies	—	—	—	—	—	—	—	—	—
FIs	3252539	—	3252539	3.24	1475864	—	1475864	1.47	(1.77)
Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
Others (specify)	—	—	—	—	—	—	—	—	—
SubTotal(B)(1)	3253839	3000	3256839	3.25	1499114	3000	1502114	1.50	(1.75)
(2) Non-Institutions									
(a) Bodies Corporate.	2828182	21000	2849182	2.84	3540400	21000	3561400	3.55	0.71
(b) Individuals	—	—	—	—	—	—	—	—	—
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	12515564	2318699	14834263	14.79	13012637	2263693	15276330	15.23	0.44
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3622333	258000	3880333	3.87	4179259	258000	4437259	4.42	0.55

(i) Category-wise Share Holding (contd.)

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)	56668	—	56668	0.06	53796	—	53796	0.05	(0.01)
(ii) NRI (Rep)	182017	2000	184017	0.18	252957	2000	254957	0.25	0.07
(iii) Trust	25500	—	25500	0.03	2000	—	2000	0.00	(0.03)
SubTotal (B)(2)	19230264	2599699	21829963	21.76	21041049	2544693	23585742	23.51	1.75
Total Public Shareholding (B)=(B)(1)+(B)(2)	22484103	2602699	25086802	25.01	22540163	2547693	25087856	25.01	—
Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	97701107	2602699	100303806	100.00	97756113	2547693	100303806	100.00	

(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 S&T Co., Ltd.	65971120	65.77	—	70871120	70.66	—	4.89
2.	Shriram Sharad Dandekar	1343870	1.34	—	1343870	1.34	—	—
3.	Dilip Digambar Dandekar	768200	0.77	—	768200	0.77	—	—
4.	Dandekar Developers Private Limited	614860	0.61	—	614860	0.61	—	—
5.	Rahul Dilip Dandekar	524250	0.52	—	364900	0.36	—	(0.16)
6.	Kanchan Dipen Gokhale	311000	0.31	—	181000	0.18	—	(0.13)
7.	Dandekar Investments & Consultants Pvt Ltd	260000	0.26	—	260000	0.26	—	—
8.	Aparna Upendra Kanitkar	235000	0.23	—	160000	0.16	—	(0.07)
9.	D D Dandekar HUF	126000	0.13	—	126000	0.13	—	—
10.	Subhash Digambar Dandekar	200000	0.20	—	200000	0.20	—	—
11.	Aditi Dilip Dandekar	206000	0.21	—	81000	0.08	—	(0.13)
12.	Neelima Vilas Divekar	295000	0.29	—	180000	0.18	—	(0.11)
13.	Nikhil Shriram Dandekar	65000	0.06	—	65000	0.06	—	—
14.	Ashwini Ravindra Datar	1054	0.00	—	—	—	—	(0.00)
15.	Anagha Subhash Dandekar	733000	0.73	—	—	—	—	(0.73)
16.	Ketki Amit Sawant	535050	0.53	—	—	—	—	(0.53)
17.	Camart Finance Ltd. (Formerly known as Camart Industries Ltd.)	2091600	2.09	—	—	—	—	(2.09)
18.	Cafco Consultants Limited	936000	0.93	—	—	—	—	(0.93)
TOTAL		75217004	74.99		75215950	74.99	—	

(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.	Ashwini Ravindra Datar				
	At the beginning of the year	1054	0.00	1054	0.00
	Market sale as on 5 th September, 2014.	(1054)	(0.00)	—	—
	At the end of the year	—	—	—	—
2.	Anagha Subhash Dandekar				
	At the beginning of the year	733000	0.73	733000	0.73
	Inter-se transfer as on 18 th February, 2015	(733000)	(0.73)	—	—
	At the end of the year	—	—	—	—
3.	Ketki Amit Sawant				
	At the beginning of the year	535050	0.53	535050	0.53
	Inter-se transfer as on 18 th February, 2015	(535050)	(0.53)	—	—
	At the end of the year	—	—	—	—
4.	Kanchan Dipen Gokhale				
	At the beginning of the year	311000	0.31	311000	0.31
	Inter-se transfer as on 18 th February, 2015	(130000)	(0.13)	181000	0.18
	At the end of the year	—	—	181000	0.18
5.	Rahul Dilip Dandekar				
	At the beginning of the year	524250	0.52	524250	0.52
	Inter-se transfer as on 22 nd December, 2014	(159350)	(0.16)	364900	0.36
	At the end of the year	—	—	364900	0.36
6.	Aparna Upendra Kanitkar				
	At the beginning of the year	235000	0.23	235000	0.23
	Inter-se transfer as on 22 nd December, 2014	(75000)	(0.07)	160000	0.16
	At the end of the year	—	—	160000	0.16
7.	Aditi Dilip Dandekar				
	At the beginning of the year	206000	0.21	206000	0.21
	Inter-se transfer as on 22 nd December, 2014	(125000)	(0.12)	81000	0.08
	At the end of the year	—	—	81000	0.08
8.	Neelima Vilas Divekar				
	At the beginning of the year	295000	0.29	295000	0.29
	Inter-se transfer as on 22 nd December, 2014	(115000)	(0.11)	180000	0.18
	At the end of the year	—	—	180000	0.18
9.	Camart Finance Ltd. (Formerly known as Camart Industries Ltd.)				
	At the beginning of the year	2091600	2.09	2091600	2.09
	Inter-se transfer as on 22 nd December, 2014	(2091600)	(2.09)	—	—
	At the end of the year	—	—	—	—
10.	Cafco Consultants Limited				
	At the beginning of the year	936000	0.93	936000	0.93
	Inter-se transfer as on 22 nd December, 2014	(936000)	(0.93)	—	—
	At the end of the year	—	—	—	—
11.	Kokuyo S&T Co., Ltd.				
	At the beginning of the year	65971120	65.77	65971120	65.77
	Inter-se transfer as on 22 nd December, 2014	3501950	3.50	69473070	69.27
	Inter-se transfer as on 18 th February, 2015	1398050	1.39	70871120	70.66
	At the end of the year	—	—	70871120	70.66

(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.	New Vernon India Limited At the beginning of the year Increase/Decrease upto 31 st March, 2015 At the end of the year	3252539 (1776675)	3.24 (1.77)	3252539 1475864 1475864	3.24 1.47 1.47
2.	Girish S. Apte At the beginning of the year Increase/Decrease upto 31 st March, 2015 At the end of the year	678123 —	0.68 —	678123 678123 678123	0.68 0.68 0.68
3.	Sanjay Shared Kumar Sathey At the beginning of the year Increase/Decrease upto 31 st March, 2015 At the end of the year	504663 (183888)	0.50 (0.18)	504663 320775 320775	0.50 0.32 0.32
4.	Ramesh Damani At the beginning of the year Increase/Decrease upto 31 st March, 2015 At the end of the year	423464 (48464)	0.42 (0.05)	423464 375000 375000	0.42 0.37 0.37
5.	Pulkit N. Sekhsaria At the beginning of the year Increase/Decrease upto 31 st March, 2015 At the end of the year	352887 —	0.35 —	352887 352887 352887	0.35 0.35 0.35
6.	Vijay V. Wadhwa At the beginning of the year Increase/Decrease upto 31 st March, 2015 At the end of the year	350000 —	0.35 —	350000 350000 350000	0.35 0.35 0.35
7.	Ragini Finance Ltd. At the beginning of the year Increase/Decrease upto 31 st March, 2015 At the end of the year	345430 —	0.34 —	345430 345430 345430	0.34 0.34 0.34
8.	OHM Stock Broker Pvt. Ltd. At the beginning of the year Increase/Decrease upto 31 st March, 2015 At the end of the year	291615 (291615)	0.29 (0.29)	291615 — —	0.29 — —
9.	Indus Securities Ltd. At the beginning of the year Increase/Decrease upto 31 st March, 2015 At the end of the year	264014 (264014)	0.26 (0.26)	264014 — —	0.26 — —
10.	Barry Raphel D'cunha At the beginning of the year Increase/Decrease upto 31 st March, 2015 At the end of the year	223961 (223961)	0.22 (0.22)	223961 — —	0.22 — —
11.	Sudhir At the beginning of the year Increase/Decrease upto 31 st March, 2015 At the end of the year	— 313000	— 0.31	— 313000 313000	— 0.31 0.31
12.	Benu Gopal Bangur At the beginning of the year Increase/Decrease upto 31 st March, 2015 At the end of the year	— 312600	— 0.31	— 312600 312600	— 0.31 0.31
13.	Param Capital Research Pvt. Ltd. At the beginning of the year Increase/Decrease upto 31 st March, 2015 At the end of the year	— 257649	— 0.26	— 257649 257649	— 0.26 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.	Mr. Dilip D. Dandekar				
	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.	Mr. Shriram S. Dandekar				
	At the beginning of the year	1343870	1.34	1343870	1.34
	increase/decrease in shareholding during the year	—	—	1343870	1.34
	At the end of the year			1343870	1.34
3.	Mr. Takuya Morikawa				
	At the beginning of the year	—	—	—	—
	increase/decrease in shareholding during the year	—	—	—	—
	At the end of the year			—	—
4.	Mr. Nobuchika Doi				
	At the beginning of the year	—	—	—	—
	increase/decrease in shareholding during the year	—	—	—	—
	At the end of the year			—	—
5.	Mr. Takeo Iguchi				
	At the beginning of the year	—	—	—	—
	increase/decrease in shareholding during the year	—	—	—	—
	At the end of the year			—	—
6.	Mr. Shishir B. Desai				
	At the beginning of the year	—	—	—	—
	increase/decrease in shareholding during the year	—	—	—	—
	At the end of the year			—	—
7.	Mr. Ramanathan Sriram				
	At the beginning of the year	—	—	—	—
	increase/decrease in shareholding during the year	—	—	—	—
	At the end of the year			—	—
8.	Mr. Hisamaro Garugu				
	At the beginning of the year	—	—	—	—
	increase/decrease in shareholding during the year	—	—	—	—
	At the end of the year			—	—
9.	Mr. Devendra Kumar Arora				
	At the beginning of the year	—	—	—	—
	increase/decrease in shareholding during the year	—	—	—	—
	At the end of the year			—	—
10.	Mr. Venkataraman Sriram				
	At the beginning of the year	—	—	—	—
	increase/decrease in shareholding during the year	—	—	—	—
	At the end of the year			—	—
11.	Mr. Yasushi Inoue				
	At the beginning of the year	—	—	—	—
	increase/decrease in shareholding during the year	—	—	—	—
	At the end of the year			—	—

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.	Ms. Aparna D. Piramal				
	At the beginning of the year	—	—	—	—
	increase/decrease in shareholding during the year	—	—	—	—
	At the end of the year				
13.	Mr. Ayyadurai Srikanth				
	At the beginning of the year	—	—	—	—
	increase/decrease in shareholding during the year	—	—	—	—
	At the end of the year				
14.	Mr. Chetan Badal				
	At the beginning of the year	23030	0.02	23030	0.02
	increase/decrease in shareholding during the year	—	—	23030	0.02
	At the end of the year			23030	0.02
15.	Mr. Ravindra V. Damle				
	At the beginning of the year	28677	0.03	28677	0.03
	increase/decrease in shareholding during the year	—	—	28677	0.03
	At the end of the year			28677	0.03

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
(i) Principal Amount	—	7118.34	0.65	7118.99
(ii) Interest due but not paid	—	66.82	—	66.82
(iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	—	7185.16	0.65	7185.81
Change in Indebtedness during the financial year				
Addition	16.00	14.07	—	30.07
Reduction	0.96	—	0.65	1.61
Net Change	15.04	14.07	(0.65)	28.46
Indebtedness at the end of the financial year				
(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
Total (i+ii+iii)	15.04	7325.86	—	7340.90

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		Dilip Digamber Dandekar	Shriram Sharad Dandekar	Takeo Iguchi	Nobuchika Doi	Ayyadurai Srikanth	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	71.94	60.72	42.24	42.24	41.71	258.85
	(b) Value of perquisites u/s. 17(2) Income-tax Act, 1961	49.81	41.49	44.30	44.42	13.79	193.81
	(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 – Performance linked remuneration	—	—	—	—	19.14	19.14
	Total (A)	121.75	102.21	86.54	86.66	74.64	471.80

B. Remuneration to other directors:

1. Independent Directors/Non-Executive Directors:

Particulars of Remuneration	Name of Directors				Total Amount
	Ramanathan Sriram	Hisamaro Garugu	Shishir Babubhai Desai	Aparna Dilip Piramal	
Fee for attending board/committee meetings	2.30	0.85	2.45	0.50	6.1
Commission	—	—	—	—	—
Others	—	—	—	—	—
Total (1)	2.30	0.85	2.45	0.50	6.1

Particulars of Remuneration	Name of Directors				Total Amount
	Takuya Morikawa	Devendra Kumar Keshoram Arora	Sriram Venkataraman	Yasushi Inoue	
Fee for attending board/committee meetings	—	0.85	—	—	0.85
Commission	—	—	—	—	—
Others	—	—	—	—	—
Total (2)	—	0.85	—	—	0.85
TOTAL B = (1+2)	2.30	1.70	2.45	0.50	6.95

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per Provisions contained in Section 17(1) of the Income-tax Act, 1961	20.51	36.81	57.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10.24	14.95	25.19
	(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 – Incentives	2.65	4.70	7.35
	Total (A)	33.40	56.46	89.86

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

DILIP DANDEKAR
Chairman &
Executive Director

Place: Mumbai

Dated: 14th May, 2015.

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015**[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 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 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 remittance of dividend, 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/Securities and Exchange Board of India (Share Based Employee Benefits) regulations, 2014; (Not applicable to the Company during the audit period).
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during audit period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during audit period);
and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during audit period).
- vi. As per information provided to us 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. (not applicable as not notified during the period under review).
- (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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and listing agreements.

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 Consent of the members were accorded to the Board under section:

- a. 188 of the Act for Sale of 13 Lacs Equity shares of ` 10/- each and 10 Lacs Redeemable non-cumulative preference shares of ` 10/- each representing 100% of paid up share capital of AlphaKids Learning and Activity Centre Limited to the related parties for total cash consideration of ` 50 Lacs.
- b. 180(1)(a) of the Act for Mortgaging/Charging Movable and Immovable properties of the Company as a security in favour of the Banks/ Lenders upto ` 150 Crores.

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

J. H. Ranade
(Proprietor)

Place: Thane
Date: 14th May, 2015.

FCS: 4317, CP: 2520

To,

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

Our Secretarial Audit Report of even date 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

Place: Thane
Date: 14th May, 2015.

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

Management Discussion And Analysis

ECONOMIC OVERVIEW

The global economy fared moderately better in 2014 compared to 2013. According to the International Monetary Fund's (IMF) World Economic Outlook published in the month of April 2015, the world output grew by 3.4 per cent in 2014, at the same rate as that in 2013. As per the Global Economic Prospects published by the World Bank in January 2015, the real GDP of the world grew by 2.6 per cent in 2014 compared to 2.5 per cent in 2013.

While growth in the advanced economies picked up during the year, particularly in the USA and the UK, there was a marked slowdown in the emerging markets and developing economies. In China, growth fell to a 24 year old low at 7.4 per cent, missing the government's target of 7.5 per cent. In the Euro-area, the region remained under the looming shadow of uncertainty due to Greek debt-repayment issue, and whether Greece would opt out of the EU dominated headlines.

Indian economy was one bright spot in the world economy with a strong economic growth. In 2014, India had a change of regime at the Center with an overwhelming majority supporting the change. This is expected to lead to structural and economic reforms. In core sectors of the economy such as banking, insurance, defence and infrastructure sectors. The Central Statistics Organization (CSO) revised the base year for calculation for GDP from 2004-05 to 2010-11. According to the revised method, India's GDP growth for the FY 2014 was 7.4 per cent compared to 6.9 per cent for the FY 2013. India's total GDP also crossed the threshold US\$ 2 trillion for the first time.

One of the big surprises of the year was the drastic fall in prices of oil. The Brent Crude oil prices fell to sub US\$ 50 per barrel in January 2015, before stabilizing to US\$ 60 per barrel in the month of April 2015.

Inflation during 2014-15 moderated in the second half of the year owing to fall in oil prices. The average Consumer Price Index hovered around the 5% mark, prompting the Reserve Bank of India to ease the monetary policy and lower repo rates in January 2015.

INDUSTRY OVERVIEW

Over the last couple of years, the stationery market in India has evinced strong interest from a number of international players as well as Indian Companies. The rapidly burgeoning economy is underpinning growth for the office stationery market. A growing middle-class coupled with higher government spends on education is driving growth in the school and education segments. These promising prospects are attracting new players to the industry.

The largest two categories in this market are notebooks and pens, contributing to 68% of the total market. Pencils, including the colored ones, account for 12% of the market, followed by markers, geometry boxes and crayons in terms of annual sales.

Categories such as crayons and geometry boxes have seen double digit growth. Increasing school enrolment, particularly pre-nursery and nursery enrolments, is driving growth in categories such as crayons. Consumer are upgrading and new products such as mechanical pencils and aesthetically and functionally improved notebooks are also witnessing growing demand.

In most product categories of the stationery market, the top three brands account for more than half the market, while the unorganized sector continues to dominate notebooks, files and scissors. Since consumers are moving more towards quality and brand there is a sizeable market opportunity that can be tapped by reputed brands.

BUSINESS OVERVIEW

Kokuyo Camlin Limited (the Company) is a renowned and respected name in the Indian stationery space. The Company has an unmatched legacy, tradition and history of over 80 years, tracing its origin in the 1930s. Over the years, the Company has become synonymous with quality products for schools, offices and niche art markets. The Company has two of the most recognized and endearing brands in the country - CAMEL and CAMLIN. In 2011, Kokuyo S&T CO., a prominent Japanese leader stationery corporation, acquired a majority stake in the Company.

The Company's business is broadly classified based on products manufactured into three broad segments:

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

The vast range of products manufactured and marketed by the Company include inks, colours, writing instruments, technical and drawing instruments, office stationery, markers, fine art, notebooks and scholastic and hobby art materials. Kokuyo is one of the leading players in the world in the notebooks category, and in the last two years, the Company has introduced Kokuyo notebooks in the Indian markets with remarkable success.

Among the Company's key strengths over the last eight decades is the extremely strong brand connect of CAMLIN and CAMEL with consumers. The pan-India reach and presence created by the Company ensures that its products are made available in remote corners of the country through a network of 1500 dealers/distributors and 300000 retailers. In addition, the Company has been organizing the ALL INDIA CAMEL COLOUR CONTEST (AICCC) now CAMEL ART CONTEST (CAC) which has been recognized by the Guinness Book of World Records as the largest Art Competition in the World in the year 2011-12, with participation of over 6601 schools and over 48.50 Lacs entries. The synergistic alliance with Kokuyo S&T CO. has augmented the Company's stable of products. In addition, the Company will also have access to the huge R&D capabilities of Kokuyo S&T CO., as well as its range of new and innovative products.

RECENT DEVELOPMENTS

As mentioned in our last report your Company has embarked upon an ambitious mission to build up its capacities, capabilities and competencies. This is in line with the increasing competitive environment in the Indian stationery space, as well as in line with the Company's future strategic growth plans. The Company through its rights issue had raised funds for construction of state of the art manufacturing plant at Patalganga Industrial Areas of MIDC. Though the work is slightly behind schedule the management hopes to make it operational in 2016 as per schedule.

REVIEW OF PERFORMANCE DURING THE YEAR

During the year, the Company continued to augment its sales and marketing capabilities by further strengthening its sales force, particularly in the notebook sub-segment expanded reach to more outlets enhancing trade logistics and investing significantly in sales force training.

The year also saw the Company continue its focus on revamping the branding and packaging of its products to bring in continuity and consistency of the graphics and design between all the products, so that they look part of the same stable. In line with this, the Company also shifted to superior quality packaging materials that lend premium to the brand and products. This revamping will continue in the next year. The brand positioning was also changed during the year to CAMLIN - LETS HAVE FUN, to emphasize that school and workplaces can be more fun with CAMLIN.

In January 2015, KOKUYO CAMLIN was awarded ASIA'S MOST PROMISING BRAND in the Stationery category by World Consulting and Research Corporation (WCRC).

The Company is among the few organisations in the stationery space to leverage the digital media and reach customers. Today, we have built a strong online digital presence and have revamped our website. The Company is actively pursuing Social media to connect with new age users.

Various marketing and branding initiatives undertaken like the CAMEL ART CONTEST (CAC) and Handwriting Olympiad, and CSR campaigns like Write to Trees, Teachers' Day Celebrations, Childrens' Day Celebrations had a digital presence. The electronic media was also innovatively used during the Teachers' Day Celebration when we associated with top channels in the country. In 2014, CAC went online for the first time, and included international participants. The Company has also been aggressively leveraging mass media and making its presence stronger on the digital media and social platforms. The Company introduced the concept of "Principals Day" in February, 2015 to recognise the role of principal as a important stakeholder in the Indian Educational System.

A range of Kokuyo products in different categories were launched by the Company in 2014.

The Company continues with its strong commitment to QUALITY. The Company launched Immigration Quality Gate (IQG) in Bhiwandi & Delhi during the year. Both these IQG laboratories ensure that every product going out of our plant conforms to the highest standards of quality.

REVIEW OF FINANCIAL PERFORMANCE

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

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

Revenue from operations:

(` in Lacs)

	FY 2014	FY 2015	Change %
Revenue from operations	46814.51	54387.93	16.17%

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

Other Income:

(` in Lacs)

	FY 2014	FY 2015	Change %
Other Income	582.09	766.73	31.72%

The increase is on account of interest income earned on funds raised through rights issue of equity shares, amounting to ` 101.56 crores (net of issue expenses) which has been maintained in Fixed Deposits with banks until utilization. The funds were raised in September, 2013 and the interest from the fixed Deposit was for only a part of the last fiscal year.

Cost of Materials:

(` in Lacs)

	FY 2014	FY 2015	Change %
Cost of Materials	30152.01	34361.13	13.95%

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 2014	FY 2015	Change %
Employee benefit expenses	5,466.16	6035.93	10.42%

The increase is due to regular annual increments given to employees.

Finance cost:

(` in Lacs)

	FY 2014	FY 2015	Change %
Finance cost	876.97	977.29	11.43%

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

Depreciation:

(` in Lacs)

	FY 2014	FY 2015	Change %
Depreciation	857.25	1096.84	27.94%

Increase in depreciation is mainly due to two reasons:

Firstly, depreciation is based on new Companies Act, 2013, resulting in additional depreciation charged to the statement of profit and loss during the year for assets whose useful life is not more than one year as on April 1, 2014, the entire carrying value as of that date has been charged to statement of profit and loss as specified in Schedule II of the Companies Act, 2013.

Secondly increase in depreciation is also due to addition in fixed assets worth ` 39.98 crores in FY 14-15 as compared to ` 17.72 crores in FY 13-14.

Other expenses:

(` in Lacs)

	FY 2014	FY 2015	Change %
Other expenses	10882.38	12255.35	12.61%

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

India's stationery market is fuelled by industrial growth and expansion in the education sector. State initiatives to improve education through dedicated schemes are contributing to growth in this sector. Other factors positively influencing the market include rising literacy rates, greater organized retailing and increasing income levels. Growth in the

country's industrial sector will drive demand for office stationery products. With the government's focus on education sector which remains the need of the hour in a rapidly developing country like India, the scope for growing stationery business is immense. In addition, the industry is well positioned to be benefited from the country's favourable demographics with one of the youngest populations, fast-growing and quality conscious middle class. Increasing per capita income in India is seeing its first effect in education sector.

RISKS & CONCERNS

Competition

The Indian stationery market is expanding fast. The main segments of office stationery and school and education have been rapidly growing on the back on overall economic upsurge and the continuing education boom. This has attracted a lot of new players into the market place, making it extremely competitive. Moreover, there have been significant collaborations in the space. However, the Company believes that with its strong customer connect through its enduring CAMEL and CAMLIN brands, as well as its wide reach pan-India, and its vast product range of more than 2000 skus, the Company will be able to ride over competition. Additionally, the synergy with Kokuyo will augment the Company's presence in the office stationery space further, particularly with its notebooks.

Foreign Exchange

The raw materials used by the Company for the manufacture of many of its products are petrochemicals, and are imported. Thus, any drastic fall in the value of the Indian rupee will have an upward effect on the cost of raw materials, and will in turn, increase the pressure on margins.

Cyclical Nature of Markets

School stationery business is a key segment of the Company's total portfolio. There is a marked rise in revenues during the start of the school term, but a tapering of demand as the School term gets over. While this is part and nature of the school stationery business, the risk is largely mitigated by revenues in other segments like Arts and Hobby business and Office Stationery business, both of which are relatively more evenly spread out across the calendar. This

ensures a continuity in revenues as well as steady cash flows for the Company.

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 supervision of its Audit Committee. Any concerns raised are immediately address and corrected. The Company has well-defined MIS systems that ensures 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. This year the major focus was on development of Sales Teams. Sales Training was one of the most extensive and in-depth intervention to enhance selling skills of our teams. The workshops were conducted Pan-India with a robust post-training implementation support in terms of regular reviews and one to one field training for our Managers. The overall results have been positive.

Other development initiatives included a 3 day outbound training for our Middle Management Team; workshops for our First Line Managers, Finance for Non-Finance and Advanced Excel Skills amongst others.

The Company's efforts towards creating a culture of quality, by investing in training of employees on 5S and Kaizen has been paying off. This year our Tarapur & Vasai factories were felicitated at the Annual Quality Convention Programme organized by QCFI. We are proud to share that both factories bagged gold trophies and our Tarapur Team also won the 1st prize amongst all Kaizen ideas presented at the convention.

The Kokuyo Camlin Code of Conduct was introduced in the year 2013. Roadshows were conducted at all locations to re-sensitize employees on the Code. All employees have once again pledged their compliance to the Code.

With an objective to increase fairness, transparency and objectivity in employee evaluations, a KPI based performance evaluation system has been introduced. This will also result in alignment of individual efforts to the organizational strategy. In addition, a 360 degree survey was conducted for our key employees.

Along with developmental efforts, succession planning exercise was conducted to ensure that there is leadership continuity in key positions, Successors for key positions in the organization were identified and their development plans have been finalized.

HR also organized various engagement activities to boost employee morale and increase interdepartmental bonding. The organization believes that employees shall be the key to the success of Kokuyo Camlin and would undertake all efforts for their development.

As on 31st March 2015, the total numbers of employees were 1172.

Agreements effecting revision in wage and service condition in respect of Tarapur & Taloja establishments were executed. Relations with employees at all levels remained cordial during the year. The Board of Director would like to express their sincere appreciation to all the employees for the passion and dedication they bring to the Company

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 Clause 49 of the Listing Agreement for the year ended 31st March, 2015.

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 Clause 49 of the Listing Agreement as applicable from time to time.

2. BOARD OF DIRECTORS:

Composition:

The Company has an optimum combination of Executive and Non-Executive/Independent Directors. The composition of your Company's Board which comprises of 12 Directors is in conformity with the Companies Act, 2013 and also Clause 49 of the Listing Agreement with the Stock Exchanges.

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

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 31st March, 2015 are given below:

Name, Designation and 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 (00846901) Chairman & Executive Director	ED	5	11	Yes	Nil	2
Mr. Takuya Morikawa (03599830) Sr. Vice Chairman	NED	5	—	Yes	Nil	Nil
Mr. Shriram S. Dandekar (01056318) Vice Chairman & Executive Director	ED	5	2	Yes	Nil	Nil
Mr. Nobuchika Doi (03599835) Executive Director	ED	5	1	Yes	Nil	Nil
Mr. Takeo Iguchi (03599826) Executive Director	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	1	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. Noriyuki Watanabe (06391818)*	NED(I)	3	1	Yes	Nil	Nil
Mr. Venkataraman Sriram (06790179)	NED(I)	3	NIL	No	NIL	NIL
Ms. Aparna Piramal Rajee (01667835)**	NED(I)	2	2	—	Nil	Nil

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

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

* Ceased to be a Director w.e.f. 17th October, 2014.

** As required under Section 149(1) of the Companies Act, 2013, Ms. Aparna Piramal Rajee, Women Director has been appointed as an Additional Director(Independent) on the Board.

As on 31st March, 2015, 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 Clause 49, across all the Companies in which he is a Director.

Number of Board Meetings:

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

Sr. No.	Date	Board Strength	No. of Directors Present
1	9 th May, 2014	12	12
2	17 th July, 2014	12	11
3	20 th August, 2014	12	10
4	17 th October, 2014	13	12
5	29 th January, 2015	12	11

Code of Conduct:

The Board has laid down a Code of Conduct for all Board members and Senior Managerial personnel of the Company. The Code of Conduct is available on the web site of the Company at www.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. Takuya Morikawa**

Mr. Takuya Morikawa, is the Senior Vice Chairman and Non-Executive Director of the Company. He has a degree in Bachelor in Economics, has 32 years experience in projects, research and development and corporate strategy. Presently he is Senior Corporate Officer of KOKUYO Co., Ltd. and President & CEO of KOKUYO S&T Co., Ltd.

Other Directorships – Nil

ii. Mr. Nobuchika Doi

Mr. Nobuchika Doi, is an Executive Director of the Company. He has a degree in Bachelor of Economics. He has 25 years experience in the field of business strategy and marketing, planning, research and development, production technology and distribution management of stationery products. Presently, he looks after all the business aspects of strategy, planning and execution of the Company.

Other Directorships – 1

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

iii. Ms. Aparna Piramal Rajee

Ms. Aparna Piramal Rajee is an Additional Director (Independent) of the Company. Ms. Aparna Piramal Rajee is MBA from Harvard Business School and read Economics, Politics and Philosophy at Oxford University. She was previously CEO of BP Ergo. She also worked with an advertising agency Lowe London, the John Lewis Partnership and VIP Luggage, (one of India's best-known consumer brand). Ms. Aparna Piramal Rajee frequently contributes to the UK's 'Financial Times' weekend edition and she writes monthly column 'Head Office' in 'Mint'. She has co-authored a comprehensive report on the Indian Design Industry for the Confederation of Indian Industry (CII).

Other Directorships – 2

Name of the Company	Position
Trimode Properties Private Limited	Director
Piramal Properties Private Limited	Director

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 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 2014-15, Four (4) meetings of the Audit Committee were held on 9th May, 2014, 17th July, 2014, 17th October, 2014 and 29th January, 2015.

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. Noriyuki Watanabe*	Member	NED (I)	3
Mr. Venkataraman Sriram**	Member	NED (I)	1

* Ceased to be a member w.e.f. 17th October, 2014.

** Appointed as a member w.e.f. 17th October, 2014.

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 17th July, 2014.

Terms of reference:

The terms of reference to this committee, inter alia covers all the matters specified under Clause 49 of the Listing Agreement with the stock exchanges as well as in Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors, from time to time. The Audit Committee has also powers inter alia to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

II. REMUNERATION AND NOMINATION COMMITTEE:

Composition, meetings and the attendance during the year

During the financial year 2014-15, Two (2) meeting of the Remuneration and Nomination Committee were held on 6th May, 2014 and 16th August, 2014.

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

Name	Designation	Category	No. of Meetings attended
Mr. Shishir B. Desai	Chairman	NED (I)	2
Mr. Dilip D. Dandekar	Member	ED	2
Mr. Hisamaro Garugu	Member	NED (I)	-
Mr. Noriyuki Watanabe*	Member	NED (I)	2
Ms. Aparna Piramal Raje**	Member	NED (I)	-

* Ceased to be member w.e.f. 17th October, 2014.

** Appointed as a member w.e.f. 17th October, 2014.

Terms of reference:

The main term of reference of the Committee is:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity.
- To develop a succession plan for the Board and to regularly review the plan.

Policy for Remuneration to Directors / Key Managerial Personnels

1. Remuneration to Managing Director/Whole-time Directors:

- a) The Remuneration/Commission etc. to be paid to Managing Director/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 Managing Director/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 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 Executive Directors, Manager and Non-Executive Directors is given below:

A. Executive Directors:

Following is the Remuneration paid to the Executive Directors for the financial year ended 31st March, 2015:

(` in Lacs)

Name	Salary Including HRA	Perquisites#	Total
Mr. Dilip D. Dandekar	71.94	49.81	121.17
Mr. Shriram S. Dandekar	60.72	41.49	102.21
Mr. Nobuchika Doi	42.24	44.42	86.66
Mr. Takeo Iguchi	42.24	44.30	86.54

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

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

Agreement for the period of three (3) years have been executed with Wholtime Directors namely Mr. Nobuchika Doi and Mr. Takeo Iguchi w.e.f. 1st November 2014 on the recommendation of Remuneration and Nomination Committee and approved by the Board of Directors. The approval of the members were also sought on the appointments of the aforesaid Wholtime Directors by way of passing special Resolutions at 67th Annual General Meeting of the Company held on 17th July, 2014.

B. Manager:

Mr. Ayyadurai Srikanth, Manager and designated as 'Chief Executive Officer' is being paid a remuneration of ₹ 86.14 Lacs for the period ended 31st March, 2015.

C. Non-Executive Directors:

The details of Sitting Fees paid to Non-Executive Directors for the year ended 31st March, 2015 are given below:

(₹ in Lacs)

Name	Sitting Fees
Mr. Shishir B. Desai	2.45
Mr. Ramanathan Sriram	2.30
Mr. Hisamaro Garugu	0.85
Mr. Devendra Kumar Arora	0.85
Ms. Aparna Piramal Raje	0.50
Grand Total	6.95

The Company has paid legal fees of ₹ 6.08 Lacs for the financial year 2014-15 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.

The Non-Executive/Independent Directors are not holding any shares in the Company as on 31st March, 2015.

III. STAKE HOLDER RELATIONSHIP COMMITTEE:

Composition, meetings and the attendance during the year.

During the financial year 2014-15, four (4) meetings were held on 9th May, 2014, 17th July, 2014, 17th October, 2014 and 29th January, 2015.

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. Shishir B. Desai**	Member	NED (I)	3
Mr. Shriram S. Dandekar	Member	ED	4
Mr. Devendra Kumar Arora*	Member	NED (I)	-

* Appointed as a member w.e.f. 17th October, 2014.

** Ceased to be a member w.e.f. 17th October, 2014.

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

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

During the year, three (3) Complaints about non-receipt of Dividend and Share Certificates were received from shareholders, which were attended promptly and resolved to the satisfaction of the concerned Shareholders.

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

During the financial year 2014-15, no meeting of the committee was held, since the occasion for it did not arise.

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

Name	Designation	Category
Mr. Ramanathan Sriram	Chairman	NED (I)
Mr. Nobuchika Doi	Member	ED
Mr. Shriram S. Dandekar	Member	ED

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 Agreement, the meeting of Independent Directors was held on 17th October, 2014.

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 Ended	Venue	Date & Time	Details of Special Resolutions Passed
2013-14	Textile Committee Building Auditorium, 1 st Floor, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025	17 th July, 2014 at 11:30 a.m	<ol style="list-style-type: none"> 1. Alteration in Articles of Association of the Company in respect of clause on Directors retiring by rotation. 2. Approval of appointment of Executive Directors and fixing their remuneration. 3. Approval of related party transaction. 4. Consent for mortgaging and/ or charging all immovable and movable properties of the Company upto limit of ₹ 150 crores.
2012-13	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai - 400 020	23 rd July, 2013 at 3.30 p.m.	No Special Resolution was passed.
2011-12	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai-400 020	26 th July, 2012 at 3.00 p.m.	Alteration in Articles of Association of the Company in respect of increase in Authorised Share Capital.

B. Postal Ballot:

No resolution was passed through Postal Ballot during the Financial Year 2014-15. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of resolution through Postal Ballot.

5. DISCLOSURES:**i. Strictures and Penalties:**

The Company has complied with all the requirements of the Listing Agreement with 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 under Clause 49 (V) of the Listing Agreement.

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 with the interest of the Company at large. The register of contracts containing the transactions in which

Directors are interested is placed before the Board regularly for its approval.

Transactions with the related parties are disclosed under Schedule 24 (vii) to the financial statements in the Annual Report.

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 lays 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 requirement of Clause 49 of the Listing Agreement entered into with BSE Ltd. and National Stock Exchange of India Ltd.

The status of adoption of the non-mandatory requirements of Clause 49 of the Listing Agreement 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. Audit Qualifications:

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

iv. Reporting of Internal Auditor:

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

6. 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.

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 and also published in Financial Express (English) and Loksatta (Marathi) within 48 hours of approval thereof.

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.

7. GENERAL SHAREHOLDER INFORMATION:

Annual General meeting (Day, Date, Time and Venue)	30 th July, 2015, Thursday at 3:30 p.m. Textile Committee Building Auditorium, 1 st Floor, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025
Financial Year	1 st April, 2014 – 31 st March, 2015
Date of Book Closure	24 th July, 2015 – 30 th July, 2015
Financial Results Calendar	First quarter results: By 14 th August, 2015 Second quarter results: by 14 th November, 2015 Third quarter results: by 14 th February, 2016 Fourth quarter results: by 29 th May, 2016
Listing on Stock Exchanges	<ul style="list-style-type: none"> BSE Ltd. (Scrip Code: 523207) National Stock Exchange of India Ltd. (Trading Symbol: KOKUYOCLN)
International Securities Identification Number (ISIN)	INE760A01029
Corporate Identification Number (CIN)	L24223MH1946PLC005434

Note: Annual Listing fees for the year 2015-16 has been paid to BSE and NSE

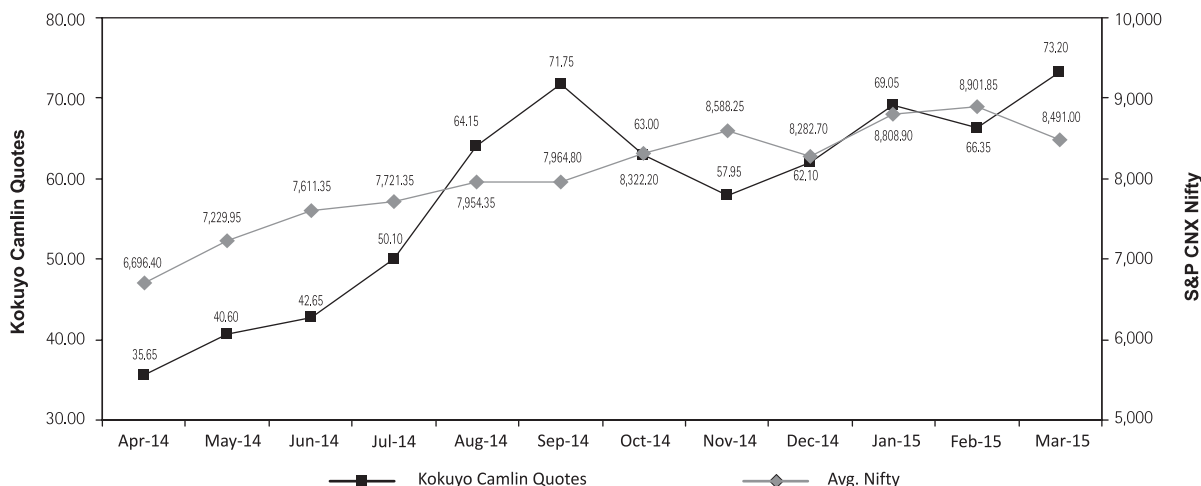
8. STOCK MARKET DATA:

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

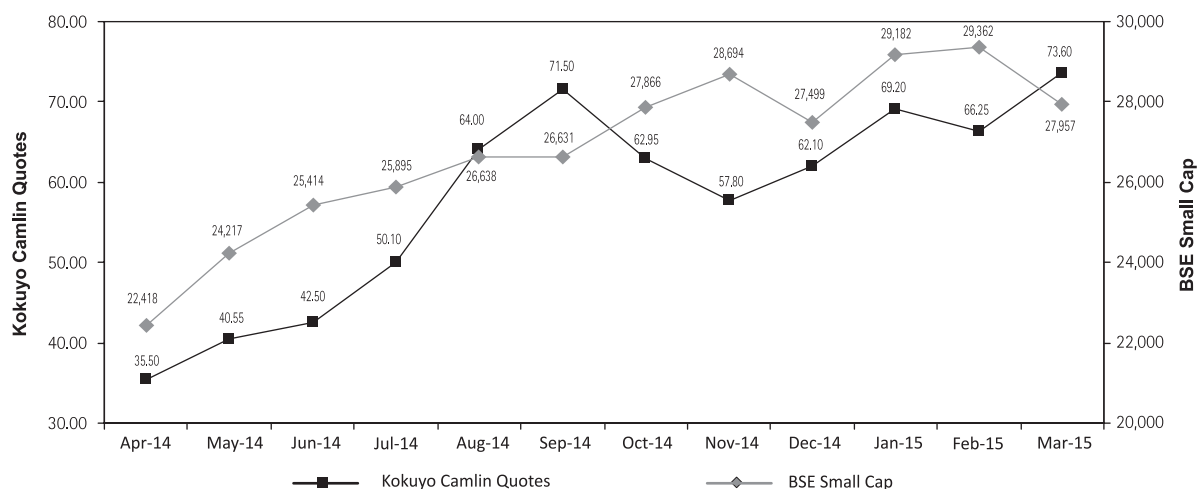
Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2014	39.00	34.10	39.00	34.20
May, 2014	43.20	32.75	43.10	30.60
June, 2014	45.25	37.55	45.60	38.00
July, 2014	51.45	38.45	51.40	38.05
August, 2014	67.40	49.10	67.40	48.30
September, 2014	82.65	63.45	82.45	63.60
October, 2014	73.55	60.20	74.00	60.00
November, 2014	64.15	57.40	64.80	56.35
December, 2014	63.00	50.55	63.40	51.10
January, 2015	76.50	59.40	74.40	59.10
February, 2015	71.00	64.10	71.00	63.75
March, 2015	78.50	65.05	78.55	64.25

9. STOCK PERFORMANCE:

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



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



10. Registrars and Share Transfer Agents for Shares:

M/s. Sharepro Services India Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072, Tel: (022) 67720300/ 67720400 and Fax: (022) 28591568 are acting as Registrar & Share Transfer Agents (R&T) for handling the shares related matters both in Physical & Dematerialized mode. Shareholders are advised to send all correspondence to the RTA. However for the convenience of the shareholders documents relating to shares received by the Company are forwarded to the RTA for necessary action thereon.

11. 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 period of 20 to 25 days from the date of lodgement, subject to the transfer instrument being valid and complete in all respects.

12. 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).

13. Distribution of Shareholding as on 31st March, 2015:

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
Up to 5000	15614	96.60	9704104	9.68
5001-10000	274	1.69	2071323	2.06
10001-20000	126	0.78	1880793	1.87
20001-30000	51	0.32	1279420	1.28
30001-40000	20	0.12	685917	0.68
40001-50000	15	0.09	697870	0.70
50001-100000	29	0.18	2124326	2.12
100001 and above	35	0.22	81860053	81.61
Total	16164	100.00	100303806	100.00

14. Category of Shareholding as on 31st March, 2015

Category of Shareholder	Total No. of Shares	Percentage to Total No. of Shares
Promoter and Promoter Group (A)	75215950	74.99
Public Shareholding (B)		
Financial Institutions / Banks	26250	0.03
Foreign Institutional Investors	1475864	1.47
Bodies Corporate	3561400	3.55
Individuals	19713589	19.65
Non-Resident (Non-Rep.)	53796	0.05
Non-Resident (Rep.)	254957	0.25
Trust	2000	0.00
Total Public Shareholding (B)	25087856	25.01
Total Shareholding = (A) + (B)	100303806	100.00

15. Dematerialisation of Shares:

The Company's Equity Shares are held in dematerialised form by National Securities Depository Ltd. (NSDL) and Central Depository Services India Ltd. (CDSL) under ISIN No. INE 760A01029. As on 31st March, 2015, 97.46% of the total shares of the Company have been dematerialised.

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

16. Subsidiary Company:

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

17. 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.

18. Address for correspondence:

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

Tel. No. 022-66557000

Fax No. : 022- 2836 6579

E.mail : investorrelations@kokuyocamlin.com.

19. 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.

For & on behalf of the Board

DILIP DANDEKAR
Chairman & Executive Director

Place : Mumbai

Dated : 14th May, 2015.

CERTIFICATE

The Members of **KOKUYO CAMLIN LIMITED**

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

We have examined the compliance of conditions of Corporate Governance by Kokuyo Camlin Limited for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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 : 14th May, 2015

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

Independent Auditors' 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, 2015, 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, 2015, 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, 2015, 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 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f. 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 16 and 17 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's Registration Number 105102W

Himanshu Chapsey
Partner
Membership Number - 105731

Mumbai
May 14, 2015

Annexure to the Auditor's Report referred to in our report of even date:

- | | |
|--|---|
| <p>1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.</p> <p>(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.</p> <p>2 (a) 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.</p> <p>(b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) In our opinion, the Company is maintaining proper records of inventory. 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.</p> <p>3 The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the Register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii)(a) and (iii)(b) of the said Order are not applicable to the Company.</p> <p>4 In our opinion and according to the information and explanations given to us, the Company is having an adequate internal control system commensurate with the size and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. On the basis of our examination of the books and records of the Company and according to</p> | <p>the information and explanations given to us, we have neither come across, nor have we been informed of, any continuing failure to correct any major weaknesses in the aforesaid internal control system.</p> <p>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 clause 3(v) of the Order are not applicable to the Company.</p> <p>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 Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.</p> <p>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, Investor Education and Protection Fund, Employees' state insurance, Income tax, Sales tax, Wealth tax and service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues with the appropriate authorities.</p> <p>(b) No undisputed amounts payable in respect of Income Tax, VAT, Wealth Tax, Service Tax, Customs duty, Excise duty and Cess are in arrears, as on March 31, 2015 for a period of more than six months from the date they became payable.</p> <p>(c) 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,</p> |
|--|---|

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
Income Tax Act, 1961	Income tax	19.92	2005-06	Dy. Comm of Income Tax CIT (Appeals)
	Income tax	20.09	2005-06	
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 Appellate Tribunal
	Excise duty	18.14	1992-93	The Customs, Excise and Service Tax Appellate Tribunal
	Excise duty	2.32		Comm of Central Excise (Appeal)
Central Sales Tax Act, 1956	Central sales tax	38.07	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	142.31	1995-2011	Sales Tax Authorities

(d) 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.

- 8 The Company has no accumulated losses as at the end of the financial year. The Company has not incurred any cash losses in the current and the immediately preceding financial year.
- 9 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 dues to any financial institution or bank during the year. The Company has not issued any debentures.

- 10 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the Company.
- 11 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.
- 12 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 on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Himanshu Chapsey
Partner
Membership Number - 105731

Mumbai
May 14, 2015

Balance Sheet

as at March 31, 2015

	Notes	As at 31.03.2015 (` in Lacs)	As at 31.03.2014 (` in Lacs)
EQUITY AND LIABILITIES			
Shareholder's Fund	2.a	1,003.04	1,003.04
Reserves and Surplus	2.b	20,304.74	19,858.55
Shareholders' Funds	2	21,307.78	20,861.59
NON-CURRENT LIABILITIES			
Long-term borrowings	3.a	883.96	1,307.35
Other long-term liabilities	3.b	1,097.25	981.75
Long-term provisions	3.c	316.94	102.11
Non-Current Liabilities	3	2,298.15	2,391.21
CURRENT LIABILITIES			
Short-term borrowings	4.a	5,968.09	5,375.20
Trade payables	4.b	9,994.32	8,695.77
Other current liabilities	4.c	2,028.86	1,835.18
Short-term provisions	4.d	194.60	97.75
Current Liabilities	4	18,185.87	16,003.90
TOTAL		41,791.80	39,256.70
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	5.a		
Tangible Assets	5.a.i	10,389.41	7,831.51
Intangible Assets	5.a.ii	315.40	55.99
Capital Work-in-progress	5.a.iii	130.34	594.88
Non-Current investments	5.b	16.88	66.88
Deferred tax assets (Net)	24	694.23	607.14
Long-term loans and advances	5.c	1,351.65	2,518.30
Other non-current assets	5.d	22.69	24.65
Non-Current Assets	5	12,920.60	11,699.35
CURRENT ASSETS			
Inventories	6.a	12,328.14	10,718.84
Trade receivables	6.b	7,695.83	7,083.97
Cash and Bank Balances	6.c	7,433.44	8,448.41
Short-term loans and advances	6.d	1,144.60	1,002.37
Other current assets	6.e	269.19	303.76
Current Assets	6	28,871.20	27,557.35
TOTAL		41,791.80	39,256.70
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 OfficerDilip Dandekar
Shriram DandekarChairman & Executive Director
Vice Chairman & Executive DirectorHimanshu Chapsey
PartnerChetan Badal
Chief Financial OfficerNobuchika Doi
Takeo Iguchi
Shishir B. DesaiExecutive Director
Executive Director
Director

Membership No. 105731

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

Place : Mumbai

Dated : May 14, 2015

Place : Mumbai

Dated : May 14, 2015

Statement of Profit and Loss

for the year ended March 31, 2015

	Notes	Year ended 31.03.2015 (` in Lacs)	Year ended 31.03.2014 (` in Lacs)
INCOME			
Revenue from Operations	7	56,824.78	48,847.28
Less: Excise duty		2,436.85	2,032.77
		54,387.93	46,814.51
Other Income	8	766.73	582.09
TOTAL INCOME		55,154.66	47,396.60
EXPENDITURE			
Cost of materials	9	22,690.38	18,283.67
Purchases of Stock-in-Trade	10	13,147.28	12,193.84
Changes in the Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	11	(1,476.53)	(325.50)
Employee Benefit Expenses	12	6,035.93	5,466.16
Finance Costs	13	977.29	876.97
Depreciation	5.a	1,096.84	857.25
Other Expenses	14	12,255.35	10,882.38
TOTAL EXPENDITURE		54,726.54	48,234.77
Net Profit/(Loss) before Exceptional Items		428.12	(838.17)
Exceptional Items	15	—	485.32
Net Profit/(Loss) before Tax		428.12	(1,323.49)
Less : Tax Expenses			
: Current Tax		—	—
: Prior Years (Net)		—	1.10
: Deferred Tax	24	(64.27)	(166.29)
Profit/(Loss) after Tax for the period		492.39	(1,158.30)
Earning/(Loss) Per Share - Basic and Diluted of equity share of face value of ` 1/- each (in `)	25	0.49	(1.33)
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

Chairman & Executive Director
Vice Chairman & Executive Director

Himanshu Chapsey
Partner

Membership No. 105731

Chetan Badal
Chief Financial Officer

Nobuchika Doi
Takeo Iguchi
Shishir B. Desai

Executive Director
Executive Director
Director

Place : Mumbai
Dated : May 14, 2015

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

Place : Mumbai
Dated : May 14, 2015

Cash Flow Statement

for the year ended March 31, 2015

	Year ended 31.03.2015 (` in Lacs)	Year ended 31.03.2014 (` in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss)	428.12	(1,323.49)
Adjustments for:		
Depreciation	1,096.84	857.25
Foreign Exchange (Unrealised)	3.72	1.47
Exceptional Items	—	485.32
(Profit)/Loss on disposal of Fixed Assets	8.96	30.81
Provision for diminution in value of investment	—	180.00
Provisions/Reversals thereof	—	(485.32)
Finance Costs	977.29	876.97
Interest/Dividend Accrued	(766.17)	(581.11)
Operating Profit before Working Capital changes	1,748.76	41.90
Adjustments for:		
Inventories	(1,609.30)	(1,108.39)
Trade Receivables	(611.85)	(431.57)
Loans and Advances	(121.06)	170.49
Trade Payables	1,298.56	1,861.57
Other Current Liabilities	206.01	337.49
Changes in Working Capital	(837.64)	829.59
Cash generated from Operations	911.12	871.49
Direct taxes paid	(75.13)	(48.46)
Net cash from Operating Activities	835.99	823.03
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including advances)	(1,881.88)	(3,918.69)
Sale of Fixed Assets	5.60	3.16
(Purchase)/Sale of Investments	50.00	(30.00)
(Increase)/Decrease in bank deposits (having maturity of more than three months)	(4,374.27)	(1,922.45)
Interest received	797.94	308.85
Dividend received	2.80	2.40
Net cash used in Investing Activities	(5,399.81)	(5,556.73)

Cash Flow Statement

for the year ended March 31, 2015

	Year ended 31.03.2015 (` in Lacs)	Year ended 31.03.2014 (` in Lacs)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	608.89	593.89
Repayment of borrowing	(436.74)	—
Rights issue of equity shares	—	10,156.49
Issue of Shares under 'Camlin Employees Stock Option Scheme 2008' (ESOP 2008)	—	15.57
Finance Costs paid	(993.69)	(878.73)
Dividend Paid	(2.12)	(0.05)
Net cash used in Financing Activities	(823.66)	9,887.17
D. UNREALISED FOREIGN EXCHANGE FLUCTUATION:	(3.72)	(1.47)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(5,391.20)	5,152.00
Cash and Cash Equivalents (Opening Balance)	5,677.69	525.69
Cash and Cash Equivalents (Closing Balance)	286.49	5,677.69
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

Himanshu Chapsey
Partner

Membership No. 105731

Place : Mumbai
Dated : May 14, 2015

Dilip Dandekar
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Nobuchika Doi
Takeo Iguchi
Shishir B. Desai

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

Place : Mumbai
Dated : May 14, 2015

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

Notes to the Financial Statements for the year ended March 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

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 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.

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.
- 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
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.

Notes to the Financial Statements for the year ended March 31, 2015

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. 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 employees 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.17].
- 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 Statements for the year ended March 31, 2015

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 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 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 Statements for the year ended March 31, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
2a. SHARE CAPITAL		
Authorised		
20,00,00,000 (20,00,00,000) Equity Shares of ` 1/- each	2,000.00	2,000.00
Issued, Subscribed & Paid-up		
10,03,03,806 (10,03,03,806) Equity Shares of ` 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:

	31.03.2015		31.03.2014	
	No. of shares	in Lacs	No. of shares	in Lacs
Outstanding at the beginning of the year	100,303,806	1,003.04	68,922,350	689.22
Issued during the year-employee stock option plan	—	—	97,625	0.98
Issued during the year-Rights Issue of Equity Shares	—	—	31,283,831	312.84
Outstanding 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 ` 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:

	31.03.2015		31.03.2014	
	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%	65,971,120	65.77%

(iii) Details of shareholders holding more than 5% shares in the Company

Other than Kokuyo S&T Co., Ltd, there are no shareholders holding more than 5% shares in the Company.

Notes to the Financial Statements for the year ended March 31, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
2. (b) RESERVES AND SURPLUS		
(i) Capital Reserve		
Balance, beginning and end of the year	52.70	52.70
(ii) Share Premium Reserve		
Balance, beginning of the year	17,901.56	8,043.32
Received during the year		
On exercise of employee stock option	—	14.64
Rights issue	—	10,010.83
Less : Issue expenses	—	167.23
Balance, end of the year	17,901.56	17,901.56
(iii) General Reserve		
Balance, beginning of the year	2,087.82	2,087.82
Less : Depreciation adjustment (Refer Note No. 5.a)	69.02	—
Deferred tax effect of the above (Refer Note No. 5.a)	(22.82)	—
Balance, end of the year	2,041.62	2,087.82
(iv) Surplus/(deficit) in the Statement of Profit and Loss		
Balance beginning of the year	(183.53)	974.77
Add : Profit/(Loss) for the year	492.39	(1,158.30)
Surplus/(deficit) at the end of the year	308.86	(183.53)
	20,304.74	19,858.55
3. NON-CURRENT LIABILITIES		
(a) Long-term borrowings from banks		
(i) Unsecured	871.57	1,307.35
(ii) Secured	12.39	—
	883.96	1,307.35
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 on 8 equal half yearly installments starting from 22 nd April, 2014 with last installment payable on 18 th October, 2017.		
ii) The secured loan from bank is a vehicle loan, the key terms of which are as follows:		
1. Rate of Interest is 10.25% p.a.		
2. Repayable in monthly installments starting from December 2014 with last installment payable on 7 th November, 2019.		
3. Secured against hypothecation of vehicle.		

Notes to the Financial Statements for the year ended March 31, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
3. NON-CURRENT LIABILITIES (Contd.)		
(b) Other long-term liabilities		
Security Deposits	1,097.25	981.75
	1,097.25	981.75
(c) Long-term provisions		
Provisions for Employee Benefits - (Refer Note No. 26)		
(i) Gratuity	190.73	—
(ii) Leave Encashment	126.21	102.11
	316.94	102.11
	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
4. CURRENT LIABILITIES		
(a) Short-term borrowings		
Cash Credit/Working Capital Demand Loan from banks (Unsecured)(Repayable on demand)	5,968.09	5,375.20
	5,968.09	5,375.20
(b) Trade payables		
Trade payables (including acceptances)	9,994.32	8,695.77
The disclosure relating to Micro and Small Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act 2006" is given under Note No. 21		
(c) Others		
(i) 1. Current Maturities of Long Term Borrowings - Banks (Unsecured) (Refer Note No. 3.a.i)	435.78	435.79
2. Current Maturities of Long Term Borrowings - Banks (Secured) (Refer Note No. 3.a.ii)	2.65	—
(ii) Advances from customers	180.38	143.14
(iii) Employee Dues	405.94	750.54
(iv) Security Deposits	9.38	67.66
(v) Capital Creditors	446.35	15.64
(vi) Statutory Liabilities	467.65	300.16
(vii) Interest Accrued but not due on loans	50.42	66.82
(viii) Investor Education and Protection Fund will be credited by following amounts (as and when due)		
1. Unclaimed Dividends	12.95	15.07
2. Unclaimed Fixed Deposits	—	0.65
3. Unclaimed Interest on Fixed Deposits	—	0.06
(ix) Others	17.36	39.65
	2,028.86	1,835.18
(d) Short-term provisions		
Provisions for Employee Benefits - (Refer Note No. 26)		
(i) Gratuity	159.80	58.95
(ii) Leave Encashment	34.80	38.80
	194.60	97.75

Notes to the Financial Statements for the year ended March 31, 2015

5. (a) FIXED ASSETS

(i) Tangible assets

(₹ in Lacs)

PARTICULARS	COST				DEPRECIATION				BALANCE	
	As at 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	As at 31.03.2014
Freehold Land	2.73	—	—	2.73	—	—	—	—	2.73	2.73
Leasehold Land	320.52	1,930.90	—	2,251.42	24.69	27.33	—	52.02	2,199.40	295.83
Site Development	22.47	20.22	—	42.69	3.53	0.99	—	4.52	38.17	18.94
Building & Shed	1,756.38	189.27	—	1,945.65	357.64	58.05	—	415.69	1,529.96	1,398.74
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	5,445.92
Office Machinery	646.66	78.27	3.34	721.59	259.92	121.44	1.21	380.15	341.44	386.74
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	163.94
Vehicles	213.82	21.01	24.19	210.64	95.15	29.99	19.28	105.86	104.78	118.67
Total	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
Previous Year	11,967.58	1,771.54	200.80	13,538.32	5,032.31	841.33	166.83	5,706.81	7,831.51	6,935.27

(ii) Intangible assets

(₹ in Lacs)

PARTICULARS	COST				DEPRECIATION				BALANCE	
	As at 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	As at 31.03.2014
ERP Software Cost	219.44	291.32	—	510.76	163.45	31.91	—	195.36	315.40	55.99
Total	219.44	291.32	—	510.76	163.45	31.91	—	195.36	315.40	55.99
Previous Year	219.44	—	—	219.44	147.53	15.92	—	163.45	55.99	71.91

(iii) Capital work in progress

	130.34	594.88
	10,835.15	8,482.38

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 No. 1.C. iii). Consequently, depreciation charged for the year is increased by ₹ 101.52 lacs. Further, total depreciation and amortisation of ₹ 1,165.86 lacs (aggregating ₹ 1,133.95 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 ₹ 1,096.84 lacs has been charged to the Statement of Profit & Loss for the year ended 31st March, 2015.

Notes to the Financial Statements for the year ended March 31, 2015

Previous Year

(i) Tangible assets

(` in Lacs)

PARTICULARS	COST				DEPRECIATION			
	As at 31.03.2013	Additions during the year	Disposals/ Adjustments	As at 31.03.2014	Upto 31.03.2013	For the year	Disposals/ Adjustments	As at 31.03.2014
Freehold Land	2.73	—	—	2.73	—	—	—	—
Leasehold Land	187.29	133.23	—	320.52	14.52	10.17	—	24.69
Site Development	22.47	—	—	22.47	3.16	0.37	—	3.53
Building & Shed	1,565.59	190.79	—	1,756.38	295.32	62.32	—	357.64
Plant, Machinery & Equipment	8,986.42	1,149.08	49.30	10,086.20	3,997.66	679.69	37.07	4,640.28
Office Machinery	411.09	286.79	51.22	646.66	248.98	51.07	40.13	259.92
ERP Hardware Cost	186.61	—	—	186.61	186.54	0.07	—	186.61
Furniture & Fittings	380.63	3.00	80.70	302.93	194.65	17.14	72.80	138.99
Vehicles	224.75	8.65	19.58	213.82	91.48	20.50	16.83	95.15
Total	11,967.58	1,771.54	200.80	13,538.32	5,032.31	841.33	166.83	5,706.81

(ii) Intangible assets

(` in Lacs)

PARTICULARS	COST				DEPRECIATION			
	As at 31.03.2013	Additions during the year	Disposals/ Adjustments	As at 31.03.2014	Upto 31.03.2013	For the year	Disposals/ Adjustments	As at 31.03.2014
ERP Software Cost	219.44	—	—	219.44	147.53	15.92	—	163.45
Total	219.44	—	—	219.44	147.53	15.92	—	163.45

Notes to the Financial Statements for the year ended March 31, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
5. (b) NON-CURRENT INVESTMENTS		
Investments in Equity Instruments		
I. Trade, Quoted		
8,00,000 Equity Shares of ` 1/- each in (4,00,000 Equity Shares of ` 2/- each) Camlin Fine Sciences Ltd.	9.73	9.73
[Market Value ` 706.40 Lacs (` 153.00 Lacs)]		
II. Non-Trade, Unquoted		
A. Subsidiary Companies		
(a) 5,000 (5,000) Equity Shares of ` 100/- each in Camlin International Ltd.	5.00	5.00
(b) Nil (13,00,000) Equity Shares of ` 10/- each in Alphakids Learning & Activity Centre Ltd. (Formerly Camlin Alphakids Ltd.)	—	130.00
Less: Provision for diminution in value	—	95.00
(c) Nil (10,00,000) 7% Redeemable Preference Shares of ` 10/- each in Alphakids Learning & Activity Centre Ltd. (Formerly Camlin Alphakids Ltd.)	—	100.00
Less: Provision for diminution in value	—	85.00
B. Associates		
(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	52.20	—
	16.88	66.88
Aggregate amount of unquoted investments	59.35	289.35
Aggregate provision for diminution in value of investments	52.20	232.20
(c) Long-term Loans and Advances		
(i) Capital Advances	775.74	2,018.63
(ii) Income Tax (net of provisions)	247.65	172.52
(iii) Security Deposits	328.26	349.44
	1,351.65	2,540.59
Less: Allowance for Doubtful Loans and Advances	—	22.29
	1,351.65	2,518.30
(d) Other Non-current Assets		
Fixed Deposits with banks with maturity of more than twelve months	22.69	24.65

Notes to the Financial Statements for the year ended March 31, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
6. CURRENT ASSETS		
(a) Inventories		
(i) Raw Materials [includes in transit ` 80.86 Lacs (` 3.54 Lacs)]	1,658.19	1,484.38
(ii) Packing Materials [includes in transit ` 80.97 Lacs (` 88.39 Lacs)]	1,760.09	1,801.13
(iii) Work-in-Process	819.12	1,002.00
(iv) Finished Goods	3,837.97	2,784.88
(v) Stock-in-Trade [includes in transit ` 26.35 Lacs (` 20.73 Lacs)]	4,252.77	3,646.45
	12,328.14	10,718.84
(b) Trade receivables		
Unsecured		
(i) Outstanding for a period exceeding six months from the due date		
1. Considered Good	34.01	108.26
2. Considered Doubtful	171.60	177.95
(ii) Other Debts - Considered Good	7,661.82	6,975.71
	7,867.43	7,261.92
Less: Allowance for doubtful receivables	171.60	177.95
	7,695.83	7,083.97
(c) Cash and Bank Balances		
(i) Cash and Cash Equivalent		
Balances with Banks		
1. In Current Accounts	124.57	306.78
2. In EEFC Accounts	30.17	61.50
3. Deposits with maturity of less than three months	122.18	5,301.96
Cash on Hand	9.57	7.45
	286.49	5,677.69
(ii) Other Bank Balances		
Deposits with maturity of more than three months but less than twelve months	7,127.15	2,747.08
Staff Security Deposits	6.85	8.51
Earmarked for payment of Dividends/Interest on Fixed Deposits	12.95	15.13
	7,146.95	2,770.72
	7,433.44	8,448.41
(d) Short-term Loans and Advances		
Unsecured (Considered Good)		
(i) Advances to Related Parties	3.81	3.44
(ii) Advances to suppliers	294.65	223.92
(iii) Prepaid Expenses	205.81	90.55
(iv) Deposits, balances and input credits for other taxes and duties	534.62	561.30
(v) Other advances	105.71	123.16
	1,144.60	1,002.37
(e) Other Current Assets		
Interest accrued on Deposits	269.19	303.76
	269.19	303.76

Notes to the Financial Statements for the year ended March 31, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
7. REVENUE FROM OPERATIONS (GROSS)		
Sale of Products [Ref. Note No. 22]	56,738.22	48,793.54
Add : Other Operating Revenues	86.56	53.74
Revenue from Operations (Gross)	56,824.78	48,847.28
Less : Excise Duty [Net of Rebate] [Refer Note No. 17]	2,436.85	2,032.77
Revenue from Operations (Net)	54,387.93	46,814.51
8. OTHER INCOME		
(i) Interest	763.37	578.71
(ii) Dividend on Trade Investments	2.80	2.40
(iii) Profit on Sale of Assets	0.49	0.98
(iv) Miscellaneous Receipts	0.07	—
	766.73	582.09
9. COST OF MATERIALS		
Colours/Pigments	2,315.28	1,981.10
Chemicals	2,822.75	2,156.93
Components	5,525.01	4,343.17
Containers	3,221.71	2,720.23
Others	8,805.63	7,082.24
	22,690.38	18,283.67
10. PURCHASE OF STOCK-IN-TRADE		
(i) Stationery Items	12,337.90	10,958.37
(ii) Chemical and Chemical Products	809.38	1,235.47
	13,147.28	12,193.84
11. CHANGES IN THE INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Stocks as per last Balance Sheet		
Work-in-Process	1,002.00	809.27
Stock-in-Trade	3,646.45	3,242.34
Finished Goods	2,784.88	3,056.22
	7,433.33	7,107.83
Less: Closing Stock as at year end		
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
	8,909.86	7,433.33
	(1,476.53)	(325.50)

Notes to the Financial Statements for the year ended March 31, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
12. EMPLOYEE COST		
Salaries, Wages and Bonus	5,199.43	4,850.68
Contribution to Provident & other funds [Refer Note No. 26]	660.40	428.33
Staff and Labour Welfare	176.10	187.15
	6,035.93	5,466.16
13. FINANCE COSTS		
Interest Expense on Debts and Borrowings	766.73	671.03
Interest Expense relating to Taxes and Duties	2.48	39.03
Other Borrowing Costs	208.08	166.91
	977.29	876.97
14. OTHER EXPENSES		
Power and Fuel	490.91	437.12
Job work charges	2,265.83	1,613.80
Repairs		
- Building	23.22	18.46
- Machinery	120.02	90.29
Rent	857.69	787.07
Rates and Taxes	25.07	27.36
Net losses/(gains) in respect of translations of foreign currencies	(55.97)	84.06
Insurance	49.29	62.04
Advertisement and Sale Promotion	2,123.33	1,800.64
Transport & Forwarding Charges	2,127.70	1,796.33
Commission/Discount/Service Charges on Sales	1,520.19	1,161.39
Travelling & Conveyance	1,034.96	970.18
Payment to auditors	33.70	29.23
Miscellaneous Expenses	1,639.41	2,004.41
	12,255.35	10,882.38
Payment to Auditors		
(a) For Audit	16.25	16.25
(b) Taxation matters	8.00	6.75
(c) Others	9.45	6.23
	33.70	29.23
15. EXCEPTIONAL ITEM :		
(a) Loan advanced to WOS Alphakids Learning & Activity Centre Ltd. Fully written off	—	305.32
(b) Diminution in value of Investment in WOS Alphakids Learning & Activity Centre Ltd. provided for	—	180.00
	—	485.32

The Investments made in Alphakids Learning & Activity Centre Ltd., the Company's wholly owned subsidiary i.e. Equity Capital of ` 130 lacs & Preference Capital of ` 100 lacs were sold to Mr. Dilip Dandekar & his associate company/relatives for a purchase consideration of ` 50 Lacs in and w.e.f. April, 2014. The shortfall of ` 180 lacs was fully provided for in previous year.

Notes to the Financial Statements for the year ended March 31, 2015

NOTES TO ACCOUNTS:**16. Contingent Liabilities and Commitments (to the extent not provided for)****i. Contingent Liabilities:**

1. Claims against the Company not acknowledged as debts ` 332.88 lacs (` 232.26 lacs).
2. Other money for which the Company is contingently liable ` 14.39 lacs (` 14.39 lacs).
3. Bank Guarantees as at 31st March, 2015 ` 76.03 lacs (Previous year ` 41.50 lacs).

ii. Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for ` 3,240.33 lacs (` 579.05 lacs).

17. Excise Remission at Jammu:

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 ` 306.20 lacs (` 288.86 lacs), is recognized as revenue and accrued as income from operations. The cumulative amount of remission as on March 31, 2015, so recognised is ` 1785.31 lacs (` 1,479.11 lacs).

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.

18. Derivatives Instruments and foreign currency exposure:

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

		(Amt. in Lacs)	
On Account of	Currency	2014-15	2013-14
Loan from - Banks (Unsecured)	(USD)	24.37	32.50

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

		(Amt. in Lacs)	
On Account of	Currency	2014-15	2013-14
(i) Trade Receivables	(USD)	4.99	4.81
(ii) Trade Payables	(USD)	0.00	5.29
	(GBP)	0.00	0.01
	(YEN)	351.26	660.84

19. Utilisation of proceeds of Rights issue:

On September 2, 2013, the Company pursuant to its rights issue of equity shares allotted 31,283,831 Equity Shares of face value of ` 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 is as follows:

		(` in Lacs)	
Particulars		2014-15	2013-14
Rights issue expenditure		167.23	167.23
Amount utilised till date for objects of the issue		2,927.13	2,077.33
Amount kept in Banks in Fixed Deposits & current Account		7,229.30	8,079.10
Total funds raised from rights issue of equity shares		10,323.66	10,323.66

Notes to the Financial Statements for the year ended March 31, 2015

20. Expenditure on Research and Development:

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

(` in Lacs)

Sr. No.	Particulars	2014-15	2013-14
1.	Employee Cost	269.20	179.85
2.	Cost of Materials	0.64	0.30
3.	Other Expenses	24.49	29.42
	Total	294.33	209.57

21. 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, 2015 are as under:

(` in Lacs)

Sr. No.	Description	2014-15	2013-14
1.	Principal amount remaining unpaid beyond due date, to suppliers as at the end of accounting year.	27.32	Nil
2.	Interest due thereon remaining unpaid to suppliers as at the end of accounting year	0.11	Nil
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 2014-15	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.	3.10	8.78
5.	Amount of interest accrued and remaining unpaid at the end of accounting year.	18.47	15.26
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 Statements for the year ended March 31, 2015

22. (i) Break up of Sales and Stocks:

(₹ in Lacs)

CLASS OF GOODS	Sales	Inventory	
		Work-in-Progress	Finished Goods
(A) MANUFACTURED ITEMS			
1. Chemical & Chemical Products Gum/Paste/Adhelin/Artist Colours	20,363.33 (17,154.50)	479.67 (381.79)	1,994.89 (1,423.62)
2. Stationery items (A) S.P. Ink/Writing Ink	2,531.91 (2,406.93)	125.99 (170.01)	257.34 (187.88)
Stationery items (B) Wooden Pencils/Markers/Hi-polymer Leads/Others	18,316.27 (12,216.03)	213.46 (450.20)	1,585.74 (1,173.38)
(B) TRADING ITEMS			
1. Chemical & Chemical Products Gum/Paste/Adhelin/Artist Colours	1,341.63 (2,333.90)		475.79 (637.27)
2. Stationery items (B) Mathematical instrument/Writing instruments/ Others	14,562.42 (14,824.33)		3,776.98 (3,009.18)
3. Others - Being sale of exhibition materials, Painting, etc.	— (0.00)		— (0.00)
Less : Trade Discount	377.34 (142.15)		
	56,738.22 (48,793.54)	819.12 (1,002.00)	8,090.74 (6,431.33)
			(₹ in Lacs)
		2014-15	2013-14
(ii) Earnings in Foreign Exchange			
Exports at F.O.B. Value (Excluding Nepal)		1,309.03	961.44
		1,309.03	961.44
(iii) Expenditure in Foreign Currency			
Travelling		49.74	51.48
Others		98.02	76.74
		147.76	128.22
(iv) Value of Imports on C.I.F. Basis			
(a) Raw Materials		944.88	689.32
(b) Components and Spare Parts		2,497.20	2,150.03
(c) Capital Goods		309.96	753.34
(d) Purchases of Traded Products		570.26	66.83
		4,322.30	3,659.52
(v) Value of Consumption of Raw Materials and Stores			
(a) Indigenous		18,461.85	14,999.44
(b) Imported (Landed Cost) - Raw Material, Components & Spare Parts		4,228.53	3,284.23
		22,690.38	18,283.67
(vi) Percentage of Consumption of Raw Materials and Stores			
(a) Indigenous		81.36	82.04
(b) Imported (Landed Cost) - Raw Material, Components & Spare Parts		18.64	17.96
		100.00	100.00

Notes to the Financial Statements for the year ended March 31, 2015

23. Leases:

The Company has taken various office premises/godowns/residential flats (including furniture & fixtures) under leave and license agreements ranging under 12 months to 3 years on leave 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.

24. Deferred Taxes:

(₹ in Lacs)			
Particulars	Opening Balance as on 01.04.2014	Increase/ (Decrease) during the year	Closing Balance as on 31.03.2015
Liability:			
Difference between book and tax depreciation	617.93	48.31	666.24
Sub-total	617.93	48.31	666.24
Assets:			
Provision for doubtful debts/Leave Encashment	103.45	6.52	109.97
Gratuity	31.80	84.10	115.90
Expenses deductible in tax on actual payment	424.99	25.48	450.47
Unabsorbed Depreciation	664.82	19.31	684.13
Sub-total	1,225.06	135.41	1,360.47
Net Deferred Tax Liability/(Asset)	(607.13)	(87.10)	(694.23)

Of the change of ₹ 87.10 lacs during the year, ₹ 22.82 lacs has been adjusted to General Reserve (See Note No. 5.a)

25. Earnings Per Share (Basic & Diluted):

	2014-15	2013-14
Net Profit/(Loss) available for equity shareholders - ₹ Lacs	492.39	(1,158.30)
Issued and Paid-up Equity Shares of face value of ₹ 1/- each (Nos.)	10,03,03,806	10,03,03,806
Weighted average Numbers of Equity Shares used in computing basic earnings per share (Nos.)	10,03,03,806	8,73,65,089
Weighted average of Numbers of Equity Shares used in computing diluted earnings per share (Nos.)	10,03,03,806	8,73,65,089
Earnings/(Loss) per Share - Basic and Diluted ₹	0.49	(1.33)

26. 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 Financial Statements for the year ended March 31, 2015

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:

	2014-15	2013-14
Discount rate	7.95%	9.33%
Expected return on plan assets	7.95%	8.70%

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

Reconciliation of Benefit Obligation:

	(` in Lacs)	
	2014-15	2013-14
Liability at the beginning of the year	682.22	699.56
Interest Cost	63.65	57.71
Current Service Cost	44.39	44.42
Past Service Cost	0.00	0.00
Benefit Paid	(125.28)	(190.34)
Actuarial (Gain)/Loss on Obligations	263.10	70.87
Liability at the end of the year	929.42	682.22
Value of Plan Assets at the end of the year	578.89	623.26

Reconciliation of value of Plan Assets:

	(` in Lacs)	
	2014-15	2013-14
Value of Plan Assets at the beginning of the year	623.26	689.39
Expected return on plan assets	50.74	59.98
Contributions by the employer	28.82	69.90
Benefit Paid	(125.28)	(190.34)
Actuarial (Gain)/Loss on Plan Assets	1.35	(5.67)
Actual return on Plan Assets	52.09	54.31
Value of Plan Assets at the end of the year	578.89	623.26

The Company expects to contribute ` 100 lacs to gratuity fund in the next year (previous year ` 28.82 lacs)

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

	(` in Lacs)	
	2014-15	2013-14
Current Service Cost	44.39	44.42
Past Service Cost	0.00	0.00
Interest Cost	63.65	57.71
Return on Plan Assets	(50.74)	(59.98)
Net Actuarial (Gain)/Loss recognized	263.10	76.54
Expenses recognised in the Statement of Profit and Loss	320.40	118.69

Notes to the Financial Statements for the year ended March 31, 2015

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

	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit Obligation	929.42	682.22	699.56	605.45	750.64
Plan Assets	578.89	623.26	689.39	658.16	730.83
Experience adjustment					
On plan liability (gains)/losses	278.08	105.28	162.08	(186.03)	54.80
On plan assets (losses)/gains	1.34	(5.67)	2.23	12.20	6.74

(` in Lacs)

Leave encashment:

The accumulated balance of leave encashment (unfunded) provided in the books as at year end is ` 161.01 lacs (Previous year - ` 140.91 lacs) determined on actuarial basis using projected unit credit method.

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

(a) Name of the Related Party	Nature of Relationship
1. Kokuyo S&T Co. Ltd.	Holding Company
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. DDI Finance Pvt. Ltd.	
6. Excella Pencils Ltd.	
7. Camlin Fine Sciences Ltd.	Entities over which KMPs/directors and/or their relatives are able to exercise significant influence
8. Nilmac Packaging Industries Ltd.	
9. Triveni Pencils Ltd.	
10. Mayur Colours Ltd.	
11. Dandekar Inks & Adhesives Ltd.	

(c) Key Management Personnel and their Relatives:

Name of the Person	Nature of Relationship
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

Notes to the Financial Statements for the year ended March 31, 2015

Relatives	
Mr. Subhash. Dandekar	Chairman Emeritus and brother of C & ED
Mrs. Aditi Dighe	General Manager - Marketing (Colour Group 2) and daughter of C & ED
Mr. Rahul Dandekar	Dy. General Manager - Sales and son of C & ED
Mr. Nikhil Dandekar	Assistant Manager- Strategy Planning & Projects and son of VC & ED
Mrs. Smita Dandekar	Wife of C & ED
Mrs. Akshada Joshi	Daughter-in-law of C & ED
Mr. Dhanraj Dighe	Son-in-law of C & ED

(d) Related Parties Disclosures:**Transactions with Associate Companies:-**

		(₹ in Lacs)
Particulars	Entities over which KMPs/directors and/or their relatives are able to exercise significant influence	2014-15
Purchase of Goods		—
	Total	(1,963.50)
Sale of Goods		—
	Total	(133.63)
Purchase of Fixed Assets	Mayur Colours Ltd.	464.27
	Total	464.27
		(497.08)
Receiving Services	Mayur Colours Ltd.	365.58
	Nilmac Packaging Industries Ltd.	513.36
	Excella Pencils Ltd.	889.80
	Dandekar Inks & Adhesives Ltd.	13.08
	Total	1,781.82
		(1,136.95)
Interest Received		—
	Total	(1.81)
Dividend Received	Camlin Fine Sciences Ltd.	2.80
	Total	2.80
		(2.40)
Net Amount Payable	Mayur Colours Ltd.	331.71
	Others	15.92
	Total	347.63
		(8.24)

Notes to the Financial Statements for the year ended March 31, 2015

(d) Related Parties Disclosures: (contd.)

Net Amount Receivable	Camlin Fine Sciences Ltd.	1.04
	Triveni Pencils Ltd.	0.51
	Excella Pencils Ltd.	0.36
	Total	1.91
		(123.67)
Reimbursement of Expenses Paid	Excella Pencils Ltd.	116.45
	Triveni Pencils Ltd.	22.23
	Nilmac Packaging Industries Ltd.	5.52
		144.20
		(96.96)
Sale of Investments	DDI Finance Pvt. Ltd.	2.50
	Dilip Dandekar	0.35
	Smita Dandekar	0.35
	Rahul Dandekar	7.85
	Akshada Joshi	0.35
	Aditi Dighe	38.26
	Dhanraj Dighe	0.35
	Total	50.00
		(0.00)
Payments to Key Management Personnel and their Relatives		(` in Lacs)
		2014-15
Remuneration	Mr. Dilip Dandekar	121.75
	Mr. Shriram Dandekar	102.21
	Mr. Nobuchika Doi	86.66
	Mr. Takeo Iguchi	86.54
	Mr. A. Srikanth	74.64
	Mr. Chetan Badal	56.46
	Mr. Ravindra Damle	33.40
	Others	31.36
	Total	593.02
		(420.05)
(e) Transaction with Subsidiary Companies:		(` in Lacs)
Particulars	Subsidiary Company	2014-15
Receiving Services		—
	Total	—
		(0.12)

Notes to the Financial Statements for the year ended March 31, 2015

(f) Transaction with Fellow Subsidiary Companies: (₹ in Lacs)

Particulars	Fellow Subsidiary Company	2014-15
Purchase of goods	Kokuyo Riddhi Paper Products Pvt. Ltd.	102.53
	Total	102.53
		(157.69)
Reimbursement of expenses paid	Kokuyo Commerce (Shanghai) Co., Ltd.	1.17
	Total	1.17
		(0.00)

(g) Transaction with Holding Company:

Particulars	Holding Company	2014-15
Purchase of Goods	Kokuyo S&T Co. Ltd., Japan	105.25
	Total	105.25
		(17.71)
Reimbursement of Expenses paid	Kokuyo S&T Co. Ltd., Japan	1.09
	Total	1.09
		(16.18)
Reimbursement of Expenses received	Kokuyo S&T Co. Ltd., Japan	6.53
	Total	6.53
		(5.08)
Net Amount Payable	Kokuyo S&T Co. Ltd., Japan	5.53
	Total	5.53
		(42.05)

Figures in brackets are for the previous year.

28. Segment Reporting:

The Company is 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 company 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.

Chartered Accountants

Firm Registration No. 105102W

Himanshu Chapsey
Partner

Membership No. 105731

Place : Mumbai

Dated : May 14, 2015

Ayyadurai Srikanth

Chief Executive Officer

Chetan Badal

Chief Financial Officer

Ravindra Damle

V.P. (Corporate) & Company Secretary

Place : Mumbai

Dated : May 14, 2015

Dilip Dandekar

Shriram Dandekar

Nobuchika Doi

Takeo Iguchi

Shishir B. Desai

Chairman & Executive Director

Vice Chairman & Executive Director

Executive Director

Executive Director

Director

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	1.28
6.	Total assets	10.52
7.	Total Liabilities	4.24
8.	Investments	—
9.	Turnover	—
10.	Profit before taxation	0.17
11.	Provision for taxation	0.03
12.	Profit after taxation	0.14
13.	Proposed Dividend	—
14.	% of shareholding	100%

1. Names of subsidiaries which have been sold during the year:- Alphakids Learning and Activity Centre Ltd (formerly Camlin Alphakids Limited)

The Investments made in Alphakids Learning and Activity Centre Ltd (formerly Camlin Alphakids Limited) the Company's wholly owned subsidiary were sold to Mr. Dilip Dandekar and his associate company/ relatives.

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

Name of Associates/Joint Ventures	Colart Camlin Canvas Pvt. Ltd
Balance Sheet Date	March 31, 2015
Shares of Associate/Joint Ventures held by the Company on the year end	
No.	5,22,000
Amount of Investment in Associates/Joint Venture	52.20
	40%
Extend of Holding %	40%
Description of how there is significant influence	Equity Ownership
Reason why the associate/Joint venture is not consolidated	—
Networth attributable to shareholding as per latest audited Balance Sheet	Nil
Profit/Loss for the year	(50.73)
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

Dilip Dandekar
Shriram Dandekar

Chairman & Executive Director
Vice Chairman & Executive Director

Chetan Badal
Chief Financial Officer

Nobuchika Doi
Takeo Iguchi
Shishir B. Desai

Executive Director
Executive Director
Director

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

Place: Mumbai
Dated: May 14, 2015

Independent Auditors' 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") and its subsidiary (the Holding Company and its subsidiary are hereinafter referred to as "the Group") and its associate companies, comprising the consolidated balance sheet as at March 31, 2015, 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, 2015, 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 of ₹ 10.52 lakhs as at March 31, 2015, total revenues of ₹ 0.34 lakhs and net cash flows amounting to ₹ 0.002 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 profit of ₹ 10.03 lakhs for the year ended March 31, 2015, 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 the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), based on the comments in the auditors' reports of the Holding Company and subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- 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.
 - 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.
 - 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.
 - 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).
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 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, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) 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 and its subsidiary company incorporated in India.

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

Himanshu Chapsey
Partner
Membership Number 105731
Mumbai, May 14, 2015

Annexure to the Auditor's Report referred to in our report of even date:

1. (a) Based on the comments in the auditors' report of the Holding Company and its subsidiary incorporated in India we report that the Holding Company and its subsidiary have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Based on the comments in the auditors' report of the Holding Company and its subsidiary incorporated in India, we report that the fixed assets have been physically verified by the management of the Holding Company and its subsidiary 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.
2. (a) Based on the comments in the auditors' report of the Holding Company and its subsidiary incorporated in India, we report that the inventory has been physically verified by the management of the Holding Company and its subsidiary during the year. Confirmations have been received in respect of inventories lying with third parties. In our opinion, the frequency of verification is reasonable.
- (b) Based on the comments in the auditors' reports of the Holding Company and its subsidiary incorporated in India, in our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Group and the nature of its business.
- (c) Based on the comments in the auditors' reports of the Holding Company and its subsidiary company incorporated in India, in our opinion, Holding Company and its subsidiary are maintaining proper records of inventory. 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. Based on the comments in the auditors' reports of the Holding Company and its subsidiary company incorporated in India, and according to the information and explanations given to us, the Holding Company and its subsidiary have not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the Register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii) (a), and (iii) (b) of the said Order are not applicable to the Group.
4. Based on the comments in the auditors' reports of the Holding Company and its subsidiary company incorporated in India, in our opinion and according to the information and explanations given to us, the Holding Company and its subsidiary have an adequate internal control system commensurate with the size and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. On the basis of our examination of the books and records of the Group and according to the information and explanations given to us, we have neither come across, nor have we been informed of, any continuing failure to correct any major weaknesses in the aforesaid internal control system.
5. Based on the comments in the auditors' reports of the Holding Company and its subsidiary company incorporated in India, the aforesaid companies have 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 clause 3(v) of the Order are not applicable to the Group.
6. Based on the comments in the auditors' reports of the Holding Company and its subsidiary company incorporated in India, we are of the opinion that prima facie the prescribed accounts and records relating to manufacture of stationery and stationery items have been made and maintained by the Holding Company and its subsidiary pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013.
7. (a) Based on the comments in the auditors' reports of the Holding Company and its subsidiary company incorporated in India, the Holding Company and its subsidiary are regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees' state insurance, Income tax, Sales tax, Wealth tax and service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues with the appropriate authorities.
- (b) Based on the comments in the auditors' reports of the Holding Company and its subsidiary company incorporated in India, no undisputed amounts payable in respect of Income Tax, VAT, Wealth Tax, Service Tax, Customs duty, Excise duty and Cess are in arrears, as on March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Based on the comments in the auditors' reports of the Holding Company and its subsidiary company incorporated in India and according to the information and explanations given to 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)
	Income Tax	20.09	2005-06	
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 Appellate Tribunal
	Excise duty	18.14	1992-93	The Customs, Excise and Service Tax Appellate Tribunal
	Excise duty	2.32		Comm of Central Excise (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	38.07	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	142.31	1995-2011	Sales Tax Authorities

- (d) Based on the comments in the auditors' reports of the Holding Company and its subsidiary company incorporated in India there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
8. The Group has no accumulated losses as at the end of the financial year. The Group has not incurred any cash losses in the current and the immediately preceding financial year.
9. Based on the comments in the auditors' reports of the Holding Company and its subsidiary company incorporated in India, the Holding Company and its subsidiary have not defaulted in repayment of dues to any financial institution or bank during the year. The Holding Company and its subsidiary have not issued any debentures.
10. Based on the comments in the auditors' reports of the Holding Company and its subsidiary company incorporated in India and according to the information and explanations given to us, the Holding Company and its subsidiary has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the Group.
11. Based on the comments in the auditors' reports of the Holding Company and its subsidiary incorporated in India, and according to the information and explanations given to us, in our opinion the term loans availed by the Holding Company and its subsidiary have been applied by the aforesaid companies for the purposes for which they were obtained.
12. Based on the comments in the auditors' reports of the Holding Company and its subsidiary incorporated in India, 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 on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Himanshu Chapsey
Partner
Membership Number 105731
Mumbai, May 14, 2015

Consolidated Balance Sheet

as at March 31, 2015

	Notes	As at 31.03.2015 (` in Lacs)	As at 31.03.2014 (` in Lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds	2.a	1,003.04	1,003.04
Reserves and Surplus	2.b	20,349.18	19,866.89
Shareholders' Funds	2	21,352.22	20,869.93
NON-CURRENT LIABILITIES			
Long-term borrowings	3.a	883.96	1,307.35
Other long-term liabilities	3.b	1,097.25	981.75
Long-term provisions	3.c	316.94	102.11
Non-Current Liabilities	3	2,298.15	2,391.21
CURRENT LIABILITIES			
Short-term borrowings	4.a	5,968.09	5,375.20
Trade payables	4.b	9,994.43	8,734.02
Other current liabilities	4.c	2,028.93	1,880.33
Short-term provisions	4.d	194.60	122.23
Current Liabilities	4	18,186.05	16,111.78
TOTAL		41,836.42	39,372.92
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	5.a		
	5.a.i	10,389.44	7,870.30
Intangible Assets	5.a.ii	315.40	55.99
Capital Work-in-Progress	5.a.iii	130.34	594.88
Non-Current Investments	5.b	55.04	45.01
Deferred tax assets (Net)	22	694.23	648.78
Long-term loans and advances	5.c	1,353.43	2,561.58
Other Non-current assets	5.d	22.69	24.65
Non-Current Assets	5	12,960.57	11,801.19
CURRENT ASSETS			
Inventories	6.a	12,328.14	10,718.84
Trade receivables	6.b	7,695.83	7,083.97
Cash and cash equivalents	6.c	7,437.95	8,462.17
Short-term loans and advances	6.d	1,144.60	1,002.99
Other current assets	6.e	269.33	303.76
Current Assets	6	28,875.85	27,571.73
TOTAL		41,836.42	39,372.92
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 OfficerDilip Dandekar
Shriram DandekarChairman & Executive Director
Vice Chairman & Executive DirectorHimanshu Chapsey
Partner

Membership No. 105731

Chetan Badal
Chief Financial OfficerNobuchika Doi
Takeo Iguchi
Shishir B. DesaiExecutive Director
Executive Director
Director

Place: Mumbai

Dated: May 14, 2015

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

Place: Mumbai

Dated: May 14, 2015

Consolidated Statement of Profit and Loss

for the year ended March 31, 2015

	Notes	Year ended 31.03.2015 (` in Lacs)	Year ended 31.03.2014 (` in Lacs)
INCOME			
Revenue from Operations	7	56,824.78	49,068.26
Less: Excise Duty		2,436.85	2,032.77
		54,387.93	47,035.49
Other Income	8	767.07	582.09
TOTAL INCOME		55,155.00	47,617.58
EXPENDITURE			
Cost of Materials	9	22,690.38	18,283.67
Purchases of Stock-in-Trade	10	13,147.28	12,193.84
Changes in the Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	11	(1,476.53)	(325.50)
Employee Benefit Expenses	12	6,035.93	5,479.91
Finance Costs	13	977.29	876.97
Depreciation	5.a	1,096.84	886.16
Other Expenses	14	12,255.51	11,141.50
TOTAL EXPENDITURE		54,726.70	48,536.55
Net profit/(loss) before tax		428.30	(918.97)
Less : Tax expenses			
: Current Tax		0.03	—
: Minimum Alternate Tax		—	24.00
: Prior Years (Net)		—	1.10
: Deferred Tax	22	(64.27)	(166.29)
Profit/(Loss) after Tax for the period		492.54	(777.78)
Share of profits/(losses) of Associate		10.03	—
Profit/(Loss) for the year after tax		502.57	(777.78)
Earning/(Loss) Per Share - Basic and diluted of share of face value of ` 1/- each (in `)	23	0.50	(0.89)
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

Himanshu Chapsey
Partner

Membership No. 105731

Place: Mumbai
Dated: May 14, 2015

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

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

Place: Mumbai
Dated: May 14, 2015

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

Consolidated Cash Flow Statement

for the year ended March 31, 2015

	Year ended 31.03.2015 (` In Lacs)	Year ended 31.03.2014 (` In Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss)	438.33	(918.97)
Adjustments for:		
Depreciation	1,096.84	886.16
Foreign Exchange (Unrealised)	3.72	1.47
(Profit)/Loss on disposal of Fixed Assets	8.96	30.81
Profit on sale of Investment in Alphakids Learning & Activity Centre Ltd.	25.93	—
Provisions/Reversals thereof	41.63	13.79
Finance Costs	977.29	876.97
Interest/Dividend Accrued	(766.51)	(581.11)
Operating Profit before Working Capital changes	1,826.19	309.12
Adjustments for:		
Inventories	(1,609.30)	(1,108.39)
Trade Receivables	(611.86)	(430.99)
Loans and Advances	(78.93)	(116.93)
Trade Payables	1,260.41	1,826.38
Other Current Liabilities	136.48	348.66
Share of Income of Associates	(10.03)	—
Changes in Working Capital	(913.24)	518.73
Cash generated from Operations	912.95	827.85
Direct taxes paid	(75.16)	(47.98)
Net cash from operating activities	837.79	779.87
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including advances)	(1,881.91)	(3,909.69)
Sale of Fixed Assets	44.39	12.67
(Increase)/Decrease in bank deposits (having maturity of more than three months)	(4,378.68)	(1,922.45)
Interest received	798.14	308.85
Dividend received	2.80	2.40
Net cash used in Investing Activities	(5,415.27)	(5,508.22)

Consolidated Cash Flow Statement

for the year ended March 31, 2015

	Year ended 31.03.2015 (` In Lacs)	Year ended 31.03.2014 (` In Lacs)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	608.89	593.89
Repayment of borrowings	(436.74)	—
Rights issue of equity shares	—	10,156.49
Issue of Shares under 'Camlin Employees Stock Option Scheme 2008' (ESOP 2008)	—	15.57
Finance Costs paid	(993.69)	(878.73)
Dividend Paid	(2.12)	(0.05)
Net cash used in Financing Activities	(823.66)	9,887.17
D. UNREALISED FOREIGN EXCHANGE FLUCTUATION		
	(3.72)	(1.47)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(5,404.86)	5,157.35
Cash and Cash Equivalents (Opening Balance)	5,691.45	534.10
Cash and Cash Equivalents (Closing Balance)	286.59	5,691.45
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

Place: Mumbai

Dated: May 14, 2015

Ayyadurai Srikanth
Chief Executive Officer

Chetan Badal
Chief Financial Officer

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

Place: Mumbai

Dated: May 14, 2015

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

SIGNIFICANT ACCOUNTING POLICIES

A. Principles of consolidation:

The consolidated financial statements comprises the Financial statements of Kokuyo Camlin Limited (the company), and its Subsidiary (Collectively referred to as "the Group") and associate companies. The Consolidated financial statement 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) Rule, 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. 31st March 2015.
- (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) Rule, 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.

The subsidiary company considered in the consolidated financial statements is:

Name of the Company	Country of Incorporation	% of voting power held on 31 st March, 2015
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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

- (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
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

(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.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

- (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.

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, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
2a. SHARE CAPITAL		
Authorised		
20,00,00,000 (20,00,00,000) Equity Shares of ` 1/- each	2,000.00	2,000.00
Issued, Subscribed & Paid-up		
10,03,03,806 (10,03,03,806) Equity Shares of ` 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:

	31.03.2015		31.03.2014	
	No. of shares	in Lacs	No. of shares	in Lacs
Outstanding at the beginning of the year	100,303,806	1,003.04	68,922,350	689.22
Issued during the year-employee stock option plan	—	—	97,625	0.98
Issued during the year-Rights Issue of Equity Shares	—	—	31,283,831	312.84
Outstanding 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 ` 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:

Name of the Holding Company	31.03.2015		31.03.2014	
	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%	65,971,120	65.77%

(iii) Details of shareholders holding more than 5% shares in the Company

Other than Kokuyo S&T 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, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
2b. RESERVES AND SURPLUS		
(i) Capital Reserve		
Balance, beginning and end of the year	52.70	52.70
(ii) Share Premium Reserve		
Balance, beginning of the year	17,901.56	8,043.32
Received during the year		
On exercise of employee stock option	—	14.64
Rights issue		10,010.83
Less : Issue expenses	—	167.23
Balance, end of the year	17,901.56	17,901.56
(iii) General Reserve		
Balance, beginning of the year	2,064.34	2,064.34
Less : Depreciation adjustment (Refer Note No. 5)	69.02	—
Deferred tax effect of the above (Refer Note No. 5.a)	(22.82)	—
Balance, end of the year	2,018.14	2,064.34
(iv) Surplus/(deficit) in the Statement of Profit and Loss		
Balance, beginning of the year	(151.87)	625.91
Add : Profit/(Loss) for the year	502.57	(777.78)
Add : Other Items of Income	25.93	—
Surplus/(deficit) at the end of the year	376.63	(151.87)
3.		
Long-term borrowings from banks		
(i) Unsecured	871.57	1,307.35
(ii) Secured	12.39	—
	883.96	1,307.35
Long term borrowing comprise		
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 on 8 equal half yearly installments starting from 22 nd April, 2014 with last installment payable on 18 th October, 2017		
The secured loan from bank is a vehicle loan, the key terms of which are as follows:		
(1) Rate of Interest is 10.25% p.a.		
(2) Repayable in monthly installments starting from December 2014 with last installment payable on 7 th November, 2019.		
(3) Secured against hypothecation of vehicle.		
Other long-term liabilities		
Security Deposits	1,097.25	981.75
	1,097.25	981.75
Long-term provisions		
Provisions for Employee Benefits - (Refer Note No. 24)		
(i) Gratuity	190.73	—
(ii) Leave Encashment	126.21	102.11
	316.94	102.11

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
4. CURRENT LIABILITIES		
(a) Short-term borrowings		
Bank Overdrafts/Working Capital Demand Loan (Unsecured) (Repayable on demand)	5,968.09	5,375.20
(b) Trade payables		
Trade payables (including acceptances)	9,994.43	8,734.02
The disclosure relating to Micro and Small Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act 2006" is given under Note No. 20		
(c) Others		
(i) 1. Current Maturities of Long Term Borrowings - Banks (Unsecured) (Refer Note No. 3.a.i)	435.78	435.79
2. Current Maturities of Long Term Borrowings - Banks (Secured) (Refer Note No. 3.a.ii)	2.65	—
(ii) Advances from customers	180.38	143.14
(iii) Employee Dues	405.94	774.36
(iv) Security Deposits	9.38	67.66
(v) Capital Creditors	446.35	15.64
(vi) Statutory Liabilities	467.65	277.89
(vii) Interest Accrued but not due on loans	50.42	66.82
(viii) Investor Education and Protection fund will be credited by following amounts (as and when due)		
1. Unclaimed Dividends	12.95	15.07
2. Unclaimed Fixed Deposits	—	0.65
3. Unclaimed Interest on Fixed Deposits	—	0.06
(ix) Others	17.43	83.25
	2,028.93	1,880.33
(d) Short-term provisions		
Provisions for Employee Benefits - (Refer Note No. 24)		
(i) Gratuity	159.80	58.95
(ii) Leave Encashment	34.80	38.80
(iii) Provision for Tax	—	24.48
	194.60	122.23

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

5. (a) FIXED ASSETS

(i) Tangible assets

(₹ in Lacs)

PARTICULARS	COST					DEPRECIATION					BALANCE	
	As at 31.03.2014	Additions during the year	Disposals/ Adjustments	Assets held for disposal	As at 31.03.2015	Upto 31.03.2014	For the year	Disposals/ Adjustments	Assets held for disposal	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Freehold Land	2.73	—	—	—	2.73	—	—	—	—	—	2.73	2.73
Leasehold Land	320.52	1,930.90	—	—	2,251.42	24.69	27.33	—	—	52.02	2,199.40	295.83
Site Development	22.47	20.22	—	—	42.69	3.53	0.99	—	—	4.52	38.17	18.94
Building & Shed	1,811.07	189.28	54.69	—	1,945.66	399.02	58.05	41.38	—	415.69	1,529.97	1,412.05
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	5,455.10
Office Machinery	653.84	78.27	23.41	—	708.70	264.85	121.44	9.85	—	376.44	332.26	388.99
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	177.99
Vehicles	213.82	21.01	24.19	—	210.64	95.15	29.99	19.28	—	105.86	104.78	118.67
Total	13,666.03	3,706.44	163.15	—	17,209.32	5,795.73	1,133.95	109.80	—	6,819.88	10,389.44	7,870.30
Previous Year	12,142.65	1,771.54	216.48	31.68	13,666.03	5,116.38	870.24	173.00	17.89	5,795.73	7,870.30	7,026.25

(ii) Intangible assets

PARTICULARS	COST					DEPRECIATION					BALANCE	
	As at 31.03.2014	Additions during the year	Disposals/ Adjustments	Assets held for disposal	As at 31.03.2015	Upto 31.03.2014	For the year	Disposals/ Adjustments	Assets held for disposal	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
ERP Software Cost	219.44	291.32	—	—	510.76	163.45	31.91	—	—	195.36	315.40	55.99
Total	219.44	291.32	—	—	510.76	163.45	31.91	—	—	195.36	315.40	55.99
Previous Year	219.44	—	—	—	219.44	147.53	15.92	—	—	163.45	55.99	71.91

(iii) Capital Work-in-Progress

	130.34	594.88
	10,835.18	8,521.17

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 ₹ 1,165.86 lacs (aggregating ₹ 1,133.95 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 ₹ 1,096.84 lacs has been charged to the Statement of Profit & Loss for the year ended 31st March, 2015.

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

Previous Year

(i) Tangible assets

(` in Lacs)

PARTICULARS	COST					DEPRECIATION				
	As at 31.03.2013	Additions during the year	Disposals/ Adjust- ments	Assets held for disposal	As at 31.03.2014	Upto 31.03.2013	For the year	Disposals/ Adjust- ments	Assets held for disposal	As at 31.03.2014
Freehold Land	2.73	—	—	—	2.73	—	—	—	—	—
Leasehold Land	187.29	133.23	—	—	320.52	14.52	10.17	—	—	24.69
Site Development	22.47	—	—	—	22.47	3.16	0.37	—	—	3.53
Building & Shed	1,637.46	190.79	—	17.18	1,811.07	332.56	76.19	—	9.73	399.02
Plant, Machinery & Equipment	8,999.31	1,149.08	49.30	—	10,099.09	4,001.37	679.69	37.07	—	4,643.99
Office Machinery	423.22	286.79	54.42	1.75	653.84	252.55	53.67	40.38	0.99	264.85
ERP Hardware Cost	186.61	—	—	—	186.61	186.54	0.07	—	—	186.61
Furniture & Fittings	458.81	3.00	93.18	12.75	355.88	234.20	29.58	78.72	7.17	177.89
Vehicles	224.75	8.65	19.58	—	213.82	91.48	20.50	16.83	—	95.15
Total	12,142.65	1,771.54	216.48	31.68	13,666.03	5,116.38	870.24	173.00	17.89	5,795.73

(ii) Intangible assets

PARTICULARS	COST					DEPRECIATION				
	As at 31.03.2013	Additions during the year	Disposals/ Adjust- ments	Assets held for disposal	As at 31.03.2014	Upto 31.03.2013	For the year	Disposals/ Adjust- ments	Assets held for disposal	As at 31.03.2014
ERP Software Cost	219.44	—	—	—	219.44	147.53	15.92	—	—	163.45
Total	219.44	—	—	—	219.44	147.53	15.92	—	—	163.45

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
5. (b) Non-Current Investments		
Investments in Equity Instruments		
I. Trade Quoted		
8,00,000 Equity Shares of ` 1/- each (4,00,000 Equity Shares of ` 2/- each) in Camlin Fine Sciences Ltd. [Market Value ` 706.40 Lacs (` 153.00 Lacs)]	9.73	9.73
II. Non-Trade Unquoted		
(a) 2,150 (2,150) Equity Shares of ` 100/- each in Excella Pencils Ltd.	2.15	2.15
Add: Share of post acquisition profit	43.16	33.13
(b) 5,22,000 (5,22,000) Equity Shares of ` 10/- each in ColArt Camlin Canvas Pvt. Ltd. \$	—	—
\$ Valued at ` Nil as accumulated losses as on March 31, 2015 exceeds the net worth of the Company		
	55.04	45.01
Aggregate amount of unquoted investments	2.15	2.15
The gain on disposal of Alphakids Learning & Activity Centre Limited of ` 25.93 Lacs is disclosed as "Other Items of Income" in the Statement of Profit and Loss - Surplus/(Deficit)		
5. (c) Long-term Loans and Advances		
(i) Capital Advances	775.74	2,018.63
(ii) Income Tax (net of provisions)	249.43	174.30
(iii) Security Deposits	328.26	390.94
	1,353.43	2,583.87
Less: Allowance for Doubtful Loans and Advances	—	22.29
	1,353.43	2,561.58
5. (d) Other Non-current assets		
Fixed Deposits with banks with maturity of more than twelve months	22.69	24.65
6. CURRENT ASSETS		
(a) Inventories		
(i) Raw Materials [includes in transit ` 80.86 Lacs (` 3.54 Lacs)]	1,658.19	1,484.38
(ii) Packing Materials [includes in transit ` 80.97 Lacs (` 88.39 Lacs)]	1,760.09	1,801.13
(iii) Work-in-Process	819.12	1,002.00
(iv) Finished Goods	3,837.97	2,784.88
(v) Stock-in-Trade [includes in transit ` 26.35 Lacs (` 20.73 lacs)]	4,252.77	3,646.45
	12,328.14	10,718.84

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
(b) Trade receivables		
Unsecured		
(i) Outstanding for a period exceeding six months from the due date		
1. Considered Good	34.01	108.26
2. Considered Doubtful	171.60	177.95
(ii) Other Debts - Considered Good	7,661.82	6,975.71
	7,867.43	7,261.92
Less: Allowance for doubtful receivables	171.60	177.95
	7,695.83	7,083.97
(c) Cash and cash equivalents		
(i) Balances with Banks		
In Current Accounts	124.67	320.48
In EEFC Accounts	30.17	61.50
Deposits with maturity of less than three months	122.18	5,301.96
Cash on Hand	9.57	7.51
	286.59	5,691.45
(ii) Other Bank Balances		
Deposits with original maturity of more than three months but less than twelve months	7,131.56	2,747.08
Staff Security Deposits	6.85	8.51
Earmarked for payment of Dividends/Interest on Fixed Deposits	12.95	15.13
	7,151.36	2,770.72
	7,437.95	8,462.17
(d) Short-term Loans and Advances		
Unsecured (Considered Good)		
(i) Advances to Related Parties	3.81	3.44
(ii) Advances to suppliers	294.65	223.97
(iii) Prepaid Expenses	205.81	90.55
(iv) Deposits, balances and input credits for other taxes and duties	534.62	561.30
(v) Other advances	105.71	123.73
	1,144.60	1,002.99
(e) Other current assets		
Interest accrued on Deposits	269.33	303.76
	269.33	303.76

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
7. REVENUE FROM OPERATIONS (GROSS)		
Sale of Products	56,738.22	48,793.54
Add: Other Operating Revenues	86.56	274.72
Revenue from Operations (Gross)	56,824.78	49,068.26
Less: Excise Duty-[Net of Rebate] [Refer Note No. 16]	2,436.85	2,032.77
Revenue from Operations (Net)	54,387.93	47,035.49
8. OTHER INCOME		
(i) Interest	763.71	578.71
(ii) Dividend on Trade Investments	2.80	2.40
(iii) Profit on Sale of Assets	0.49	0.98
(iv) Miscellaneous Receipts	0.07	—
	767.07	582.09
9. COST OF MATERIALS		
Colours/Pigments	2,315.28	1,981.10
Chemicals	2,822.75	2,156.93
Components	5,525.01	4,343.17
Containers	3,221.71	2,720.23
Others	8,805.63	7,082.24
	22,690.38	18,283.67
10. PURCHASE OF STOCK-IN-TRADE		
(i) Stationery Items	12,337.90	10,958.37
(ii) Chemical and Chemical Products	809.38	1,235.47
	13,147.28	12,193.84
11. CHANGES IN THE INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Stocks as per last Balance Sheet		
Work-in-Process	1,002.00	809.27
Stock-in-Trade	3,646.45	3,242.34
Finished Goods	2,784.88	3,056.22
	7,433.33	7,107.83
Less:		
Closing Stock as at year end		
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
	8,909.86	7,433.33
	(1,476.53)	(325.50)

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

	31.03.2015 (` in Lacs)	31.03.2014 (` in Lacs)
12. EMPLOYEE COST		
Salaries, Wages and Bonus	5,199.43	4,863.66
Contribution to Provident & other funds [Refer Note No. 24]	660.40	428.33
Staff and Labour Welfare	176.10	187.92
	6,035.93	5,479.91
13. FINANCE COSTS		
Interest Expense on Debts and Borrowings	766.73	671.03
Interest Expense relating to Taxes and Duties	2.48	39.03
Other Borrowing Costs	208.08	166.91
	977.29	876.97
14. OTHER EXPENSES		
Power and Fuel	490.91	442.75
Job work charges	2,265.83	1,613.80
Repairs		
— Building	23.22	18.46
— Machinery	120.02	90.29
Rent	857.69	906.59
Rates and Taxes	25.07	27.36
Net losses/(gains) in respect of translations of foreign currencies	(55.97)	84.06
Insurance	49.29	62.04
Advertisement and Sale Promotion	2,123.33	1,806.76
Transport & Forwarding Charges	2,127.70	1,796.33
Commission/Discount/Service Charges on Sales	1,520.19	1,161.39
Travelling & Conveyance	1,034.96	970.74
Payment to Auditors	33.74	30.96
Miscellaneous Expenses	1,639.53	2,129.97
	12,255.51	11,141.50
Payment to Auditors		
(a) For Audit	16.29	17.42
(b) Taxation matters	8.00	7.31
(c) Others	9.45	6.23
	33.74	30.96

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

15. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**(i) Contingent Liabilities:**

1. Claims against the Company not acknowledged as debts ` 332.88 Lacs (` 232.26 Lacs)
2. Other money for which the Company is contingently liable ` 14.39 Lacs (` 14.39 Lacs)
3. Bank Guarantees as at 31st March 2015 ` 76.03 Lacs (Previous year ` 41.50 Lacs)

(ii) Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for ` 3,240.33 Lacs (` 579.05 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 ` 306.20 lacs (` 288.86 lacs), is recognised as revenue and accrued as income from the operations. The cumulative amount of remission as on March 31, 2014, so recognised is ` 1,785.31 Lacs (` 1,479.11 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.

17. DERIVATIVES INSTRUMENTS AND FOREIGN CURRENCY EXPOSURE

- (i) The hedged exposure of foreign currency transactions is as follows:

On Account of	Currency	(Amt in Lacs)	
		2014-15	2013-14
Loan from Bank - Unsecured	(USD)	24.37	32.50

- (ii) The unhedged exposure of foreign currency transactions is as follows:

On Account of	Currency	(Amt in Lacs)	
		2014-15	2013-14
(i) Trade Receivables	(USD)	4.99	4.81
(ii) Trade Payables	(USD)	—	5.29
	(GBP)	—	0.01
	(YEN)	351.26	660.84

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 ` 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	(` in Lacs)	
	2014-15	2013-14
Right issue expenditure	167.23	167.23
Actual utilised till date for objects of the issue	2,927.13	2,077.33
Amount kept with Banks in Fixed Deposits & Current Account	7,229.30	8,079.10
Total funds raised from Rights issue of equity Shares	10,323.66	10,323.66

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

19. EXPENDITURE ON RESEARCH AND DEVELOPMENT

		(` in Lacs)	
Sr. No.	Particulars	2014-15	2013-14
1.	Employee Cost	269.20	179.85
2.	Cost of Materials	0.64	0.30
3.	Other Expenses	24.49	29.42
	Total	294.33	209.57

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, 2015 are as under:

		(` in Lacs)	
Sr. No.	Particulars	2014-15	2013-14
1.	Principal amount remaining unpaid beyond due date, to suppliers as at the end of accounting year.	27.32	Nil
2.	Interest due thereon remaining unpaid to suppliers as at the end of accounting year	0.11	Nil
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 2014-15	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.	3.10	8.78
5.	Amount of interest accrued and remaining unpaid at the end of accounting year.	18.47	15.26
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 leave and license agreements ranging under 12 months to 3 years on leave 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

		(` in Lacs)		
Particulars	Opening Balance as on 31.03.2014	Increase/ (Decrease) During the year	Closing Balance as on 31.03.2015	
Liability:				
Difference between book and tax depreciation	617.93	48.31	666.24	
Sub-total	617.93	48.31	666.24	

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

Particulars	(` in Lacs)		
	Opening Balance as on 31.03.2014	Increase/ (Decrease) During the year	Closing Balance as on 31.03.2015
Assets:			
Provision for doubtful debts/Leave Encashment	103.45	6.52	109.97
Gratuity	31.80	84.10	115.90
Expenses deductible in tax on actual payment	900.41	(449.94)	450.47
Unabsorbed Depreciation	195.77	488.36	684.13
Unabsorbed business loss	35.27	(35.27)	0.00
Sub-total	1,266.75	93.77	1,360.47
Net Deferred Tax Liability/(Asset)	(648.78)	(45.46)	(694.23)

Of the change of ` 45.46 lacs during the year, ` 22.82 lacs has been adjusted to General Reserve (See Note No. 5a).

23. EARNINGS PER SHARE (BASIC & DILUTED)

	2014-15	2013-14
Net Profit/(Loss) available for equity shareholders - ` Lacs	502.57	(777.78)
Issued and Paid-up Equity Shares of face value of ` 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	8,73,65,089
Weighted average of Number of Equity Shares used in computing diluted earnings per share (Nos.)	10,03,03,806	8,73,65,089
Earnings/(Loss) per Share - Basic & Diluted (`)	0.50	(0.89)

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 Account.

Defined Benefit Plan:

Company's liabilities towards gratuity and leave encashment are determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and 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**

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

Principal actuarial assumptions:

	2014-15	2013-14
Discount rate	7.95%	9.33%
Rate of Return on Plan Assets	7.95%	8.70%

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

Reconciliation of Benefit Obligation:

	2014-15	2013-14
Liability at the beginning of the year	682.22	699.56
Interest Cost	63.65	57.71
Current Service Cost	44.39	44.42
Past Service Cost	—	—
Benefit Paid	(125.28)	(190.34)
Actuarial (Gain)/Loss on Obligations	263.10	70.87
Liability at the end of the year	929.42	682.22
Value of Plan Assets at the end of the year	578.89	623.26

Reconciliation of value of Plan Assets:

	2014-15	2013-14
Value of Plan Assets at the beginning of the year	623.26	689.39
Expected Return on Plan Assets	50.74	59.98
Contributions	28.82	69.90
Benefit Paid	(125.28)	(190.34)
Actuarial (Gain)/Loss on Obligations	1.35	(5.67)
Actual return of Plan Assets	52.09	54.31
Value of Plan Assets at the end of the year	578.89	623.26

The Company expects to contribute to gratuity fund ₹ 100 lacs in the next year. (Previous year ₹ 28.82 lacs).

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

	2014-15	2013-14
Current Service Cost	44.39	44.42
Past Service Cost	—	—
Interest Cost	63.65	57.71
Return on Plan Assets	(50.74)	(59.98)
Net Actuarial (Gain)/Loss recognised	263.10	76.54
Expenses recognised in the Statement of Profit and Loss	320.40	118.69

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

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:

	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit Obligations	929.42	682.22	699.56	605.45	750.64
Plan Assets	578.89	623.26	689.39	658.16	730.83
Experience adjustment					
On plan liability (gains)/losses	278.08	105.28	162.08	(186.03)	54.80
On plan assets (losses)/gains	1.34	(5.67)	2.23	12.20	6.74

(` in Lacs)

LEAVE ENCASHMENT

The accumulated balance of leave encashment (unfunded) provided in the books as at year end is ` 161.01 lacs (Previous year - ` 140.91 lacs) determined on actuarial basis using projected unit credit method.

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

(a) Name of related parties and nature of relationship

1. Kokuyo S&T Co. Ltd.	Holding Company
------------------------	-----------------

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

2. Kokuyo Commerce (Shanghai) Co., Ltd.	Fellow Subsidiary
3. Kokuyo Riddhi Paper Products Pvt. Ltd.	
4. DDI Finance Pvt. Ltd.	
5. Excella Pencils Ltd.	
6. Camlin Fine Sciences Ltd.	
7. Nilmac Packaging Industries Ltd.	
8. Triveni Pencils Ltd.	
9. Mayur Colours Ltd.	
10. Dandekar Inks & Adhesives Ltd.	

Entities over which KMPs/directors and/or their relatives are able to exercise significant influence

(c) Key Management Personnel and their Relatives:

Name of the Person	Nature of Relationship
Key Management Personnel	
Mr. Dilip Dandekar	Chairman & Executive Director (C & ED)
Mr. Shriram Dandekar	Vice Chairman & Executive Director (VC & ED)
Mr. Nobuchika Doi	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
Relatives	
Mr. Subhash Dandekar	Chairman Emeritus and brother of C & ED
Mrs. Aditi Dighe	General Manager - Marketing (Colour Group 2) and daughter of C & ED
Mr. Rahul Dandekar	Dy. General Manager - Sales and son of C & ED
Mr. Nikhil Dandekar	Assistant Manager - Strategy Planning & Projects and son of VC & ED
Mrs. Smita Dandekar	Wife of C & ED
Mrs. Akshada Joshi	Daughter-in-law of C & ED
Mr. Dhanraj Dighe	Son-in-law of C & ED

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

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

(d) Transactions with Associate Companies:

		(` in Lacs)
Particulars	Entities over which KMP's/Directors and/ or their relatives are able to exercise significant influence	2014-15
Purchase of goods	Total	— (1,963.50)
Sale of goods	Total	— (133.63)
Purchase of Fixed Assets	Mayur Colours Limited Total	464.27 464.27 (497.08)
Receiving Services	Mayur Colours Ltd. Nilmac Packaging Industries Ltd. Excella Pencils Ltd. Dandekar Inks & Adhesives Ltd. Total	365.58 513.36 889.80 13.08 1,781.82 (1,136.95)
Interest Received	Total	— (1.81)
Dividend Received	Camlin Fine Sciences Ltd. Total	2.80 2.80 (2.40)
Net Amount Payable	Mayur Colours Ltd. Others Total	331.71 15.92 347.63 (8.24)
Net Amount Receivable	Camlin Fine Sciences Ltd. Triveni Pencils Ltd. Excella Pencils Ltd. Total	1.04 0.51 0.36 1.91 (123.67)
Reimbursement of expenses paid	Excella Pencils Ltd. Triveni Pencils Ltd. Nilmac Packaging Industries Ltd. Total	116.45 22.23 5.52 144.20 (96.96)
Sale of Investments	DDI Finance Pvt. Ltd. Dilip Dandekar Smita Dandekar Rahul Dandekar Akshada Joshi Aditi Dighe Dhanraj Dighe Total	2.50 0.35 0.35 7.85 0.35 38.26 0.35 50.00 (—)

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

25. RELATED PARTIES DISCLOSURES: (AS CERTIFIED BY THE MANAGEMENT) (contd.)**(d) Transactions with Associate Companies: (contd.)**

		(` in Lacs)
Payments to Key Management Personnel and their Relatives		2014-15
Remuneration	Mr. Dilip Dandekar	121.75
	Mr. Shriram Dandekar	102.21
	Mr. Nobuchika Doi	86.66
	Mr. Takeo Iguchi	86.54
	Mr. A. Srikanth	74.64
	Mr. Chetan Badal	56.46
	Mr. Ravindra Damle	33.40
	Others	31.36
	Total	593.02
		(420.05)

(e) Transaction with Fellow Subsidiary Companies:

		(` in Lacs)
Particulars	Fellow Subsidiary Company	2014-15
Purchase of Goods	Kokuyo Riddhi Paper Products Pvt. Ltd.	102.53
	Total	102.53
		(157.69)
Reimbursement of expenses paid	Kokuyo Commerce (Shanghai) Co., Ltd.	1.17
	Total	1.17
		(—)

(f) Transactions with Holding Company:

		(` in Lacs)
Particulars	Holding Company	2014-15
Purchase of Goods	Kokuyo S&T Co. Ltd., Japan	105.25
	Total	105.25
		(17.71)
Reimbursement of Expenses paid	Kokuyo S&T Co. Ltd., Japan	1.09
	Total	1.09
		(16.18)
Reimbursement of Expenses received	Kokuyo S&T Co. Ltd., Japan	6.53
	Total	6.53
		(5.08)
Net Amount Payable	Kokuyo S&T Co. Ltd., Japan	5.35
	Total	5.35
		(42.05)

Figures in brackets are for the previous year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

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	43.16	45.31
Colart Camlin Canvas Pvt. Ltd.	Manufacturing and export of Canvas Products	40.00%	52.20	NIL	(52.20)	NIL

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 (₹ Lacs)	As % of consolidated profit or loss	Amount (₹ Lacs)
Subsidiary Company				
Camlin International Ltd	0.03	6.28	0.03	0.14
Associate Companies				
1. Excella Pencils Ltd	—	—	2.00	10.03
2. ColArt Camlin Canvas Pvt Ltd	—	—	—	—
Total	0.03	6.28	2.03	10.17

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).

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.

Chartered Accountants

Firm Registration No. 105102W

Ayyadurai Srikanth
Chief Executive Officer

Chetan Badal
Chief Financial Officer

Himanshu Chapsey
Partner

Membership No. 105731

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

Place: Mumbai
Dated: May 14, 2015

Place: Mumbai
Dated: May 14, 2015

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

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



Kokuyo Camlin Celebrated 50 years of 'Camel Colours' with an exhibition at Jehangir Art Gallery which was inaugurated by Mr. Uddhav Thackeray and graced by the Chief Minister Mr. Devendra Fadnavis

Our Chairman Emeritus, Mr. Subhash Dandekar was awarded as one of the Pride of India-Maharashtra, under Game Changer Category, by WCRC (World Consulting and Research Corporation)

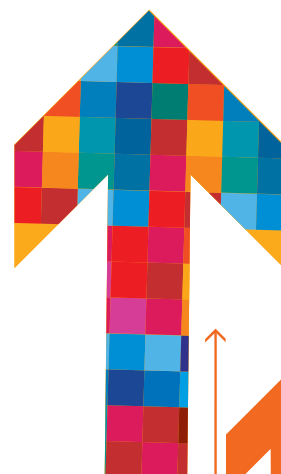


Education Minister Mr. Vinod Tawde inaugurating Kokuyo Camlin's initiative of celebrating 'Principal's Day' on 12th Feb 2015

Kokuyo Camlin celebrated World Art Day 2015 by organising an Event to paint a 7.5 kms world's longest canvas in a single day in the presence of film personality Esha Deol



Winners of Camel Art Contest with the Chief Guest - film actor Mr. Om Puri and Kokuyo Camlin Employees





KOKUYO CAMLIN LIMITED

A SUBSIDIARY OF KOKUYO S&T CO., LTD., JAPAN

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