



3rd June, 2022

The Secretary,
BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Building, P.J.Towers,
Dalal Street, Fort, Mumbai-400 001
Scrip Code: 523207

Dear Sir,

Sub: Notice of 75th Annual General Meeting and Annual Report for the year 2021-2022

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the financial year 2021-2022 along with the Notice of 75th Annual General Meeting ("AGM") of the Company, to be held on Wednesday, June 29, 2022 at 11:00 a.m. IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") without the physical presence of the Members.

This is in compliance with General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, 21/2021 dated December 14, 2021 and 02/2022 dated May 5, 2022 issued by Ministry of Corporate Affairs ("MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMP2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 ("SEBI Circulars") issued by the Securities and Exchange Board of India and relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the aforesaid MCA Circulars and SEBI Circulars, the Annual Report together with the Notice of the AGM is being dispatched today by electronic mode to those Shareholders whose email addresses are registered with the Company/ Depository Participants.

The Notice and Annual Report of the Company are also available on the Company's website at <https://www.kokuyocamlin.com/annual-reports.html>.

Pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Register of Members of the Company will be closed from Saturday, 25th June, 2022 to

KOKUYO CAMLIN LIMITED

Regd. Office : 48/2, Hilton House, Central Road,
MIDC, Andheri (East), Mumbai - 400 093. INDIA
Tel.: 91-22-6655 7000 Fax : 91- 22-2836 6579
E-mail : info@kokuyocamlin.com
Website : www.kokuyocamlin.com
CIN - L24223MH1946PLC005434

The Manager,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (East), Mumbai – 400 051

Scrip Code: KOKUYOCLN





KOKUYO CAMLIN LIMITED

Regd. Office : 48/2, Hilton House, Central Road,
MIDC, Andheri (East), Mumbai - 400 093. INDIA
Tel.: 91-22-6655 7000 Fax : 91- 22-2836 6579
E-mail : info@kokuyocamlin.com
Website : www.kokuyocamlin.com
CIN - L24223MH1946PLC005434

Wednesday, 29th June, 2022 (both days inclusive) for the purpose of AGM. The Company is providing to its members the facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic mode. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date viz., Wednesday, 22nd June, 2022, only shall be entitled to avail electronic voting facility.

The remote e-voting period commences from Sunday, 26th June, 2022 at 9.00 am and ends on Tuesday, 28th June, 2022 at 5.00 pm.

You are requested to take note of the above.

Thank you.

For KOKUYO CAMLIN LIMITED

A handwritten signature in blue ink, appearing to read "Hinal Chheda".

HINAL CHHEDA

COMPANY SECRETARY & COMPLIANCE OFFICER

Encl: a/a

Kokuyo Camlin Limited
75th Annual Report 2021-22

Leveraging Strengths



SCROLL DOWN FOR...

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INVESTOR INFORMATION

CIN	: L24223MH1946PLC005434
BSE Code	: 523207
AGM Date	: Wednesday, 29 th June, 2022, 11.00 AM
AGM Venue/Mode	: Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

Please find our online version at

<https://www.kokuyocamlin.com/annual-reports.html>

or

Simply scan the QR code below to view our previous year's report:



Disclaimer :

Disclaimer: This document contains statements about expected future events and financials of Kokuyo Camlin Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements, as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

LEVERAGING **STRENGTHS**

At Koyuyo Camlin we have been consistently upfront about the challenges, but we are equally proactive to rightly strategize and embrace tomorrow. From strengthening our portfolio to enhancing our reach, we are always in pursuit of excellence to deliver sustained value to our stakeholders. Our strengths, capabilities, competencies and beliefs have helped us overcome hurdles, set new benchmarks and open new vistas of growth.

We have ensured that our strengths and proposition are well-aligned with our strategy and goals. As a result, our Company's priorities have become more focused and our responses stronger.

Our focus and fortitude would help us emerge stronger and continue to rise.



UNLEASHING CREATIVITY

All round the year Kokuyo Camlin organised several campaigns and took various initiatives to bring joy and happiness to our audiences. We took steps to indulge the artists to soak in creativity and bring out their creative best.

LIFE LINES ON CANVAS:



Art has always been the most ancient form of expression. Art is a language that has transcended decades and all frontiers, from cave drawings to our little toddlers scribbling on paper. Colors do not have limitations, they are boundless, they do not have age bars, they do not differentiate or discriminate. Art, colors, paintings unite people in thoughts, cultures, creativity and the joy of creating it. Keeping this thought in mind, 'Life Lines on Canvas' was initiated and a painting has been created with the hand impressions of 350+ people spanning across all age groups from 3 to 96 years on a Canvas Size 6 x 9 feet using Kokuyo Camlin colors. The painting has been displayed at the Belagavi airport.

CELEBRATION OF SWARNIM VIJAY VARSH:

India celebrated 50 years of its victory against Pakistan in the Indo-Pak War 1971. This being a golden jubilee was named as Swarnim Vijay Varsh. Every year a 'Victory Flame' is taken to major cities and finally reaches New Delhi.

Kokuyo Camlin was esteemed to being a part of this Swarnim Varsh, at the **Southern Command War Memorial- Army Camp, Pune** to honor the veterans and armed forces. The Company performed live painting demonstration depicting the Theme- Swarnim Vijay Varsh.



FLUID ART:

Fluid Art also known as paint pouring uses acrylic paints in fluid consistency to create abstract art. It can be done in various forms like pouring, dripping, swirling, glazing, dipping and many more and adds a whole lot of fun without artistic skills.

We conducted several fluid art contests across Surat, Ahmedabad, Vadodara and Rajkot and Tier II towns like -Vapi, Valsad, Anand, Nadiyad and Bhavnagar with huge success.



CORPORATE WORKSHOP:

Cadila Healthcare Ltd, Zydus:

During the year we organized Special, Fluid Acrylic Colour (FAC) Workshop, for Cadila Healthcare Ltd's (Zydus), employees at Ankleshwar, Gujarat. It was an overwhelming response from the participants who enjoyed using colours to create different pattern out of FACs on Canvas. They were overjoyed to recognise the hidden artist in them. This activity being unique in nature for adults also acted as a stress buster in the difficult times.



FABRICA ACRYLIC COLOUR (KATHAKALI FACE):

This activity was conducted across 11 schools and four Art classes of Gujarat. There were 820 participants in this event. A similar activity Fabrica Acrylic colour (Kalamkari wall clock) workshop was organized for JD Institute of Fashion Technology, Vadodara, Gujarat. A good number of adolescent and young artists participated making the activity a grand success.



ONLINE WORKSHOP

We developed a weekly online workshop for art enthusiasts during second wave of the pandemic. The idea was to keep them engaged and enhance our interaction in an environment of stress and fear. This workshop received a tremendous amount of support, and we decided to keep it going for another six months. We were able to enroll over 30,000 art enthusiasts during this campaign.



CORPORATE INFORMATION

Chairman Emeritus

Mr. Subhash Dandekar

Board of Directors

Mr. Dilip Dandekar (Chairman & Non-Executive Director)
Mr. Shriram Dandekar (Vice Chairman & Executive Director)
Mr. Koji Higashiguchi (Non-Executive Director)
Mr. Nobuchika Doi (Non-Executive Director)

Independent Directors

Mr. Shishir Desai
Mr. Sriram Venkataraman
Ms. Nandini Chopra
Mr. Yasuyuki Kanebako

Chief Executive Officer

Mr. Satish Veerappa

Chief Financial Officer

Mr. Chetan Badal

Company Secretary & Compliance Officer

Ms. Hinal Chheda

Registered Office

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

Works

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

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

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

Auditors

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

Bankers

Mizuho Bank Ltd.
MUFG Bank Ltd.
Sumitomo Mitsui Banking Corporation
HDFC Bank Ltd.

Registrar & Transfer Agents

Link Intime India Pvt. Ltd.
C-101, 247 Park,
LBS Marg, Vikhroli (West),
Mumbai - 400 083.
Tel: 91-022-4918 6270
Fax: 91-022-4918 6060
Email: rnt.helpdesk@linkintime.co.in

Audit Committee

Mr. Shishir Desai, Chairman
Mr. Sriram Venkataraman, Member
Ms. Nandini Chopra, Member
Mr. Yasuyuki Kanebako, Member
Mr. Koji Higashiguchi, Member

Stakeholders' Relationship Committee

Mr. Shishir Desai, Chairman
Mr. Shriram Dandekar, Member
Mr. Nobuchika Doi, Member

Remuneration & Nomination Committee

Mr. Shishir Desai, Chairman
Mr. Dilip Dandekar, Member
Ms. Nandini Chopra, Member
Mr. Sriram Venkataraman, Member

Corporate Social Responsibility Committee

Ms. Nandini Chopra, Chairperson
Mr. Shriram Dandekar, Member
Mr. Yasuyuki Kanebako, Member

Risk Management Committee

Mr. Shriram Dandekar, Chairman
Ms. Nandini Chopra, Member
Mr. Nobuchika Doi, Member
Mr. Satish Veerappa, Member

Notice

NOTICE is hereby given that the 75th Annual General Meeting of the Members of Kokuyo Camlin Limited, will be held on Wednesday, the 29th June, 2022 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements for the financial year ended 31st March, 2022 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dilip Dandekar (DIN: 00846901), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and on the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. B S R & Co., LLP, Chartered Accounts (Firm Registration No.: 101248W/W-100022) be and are hereby re-appointed as Statutory Auditors of the Company to hold the office for a second term of five consecutive years from the conclusion of the seventy fifth annual general meeting until the conclusion of the eightieth annual general meeting, at such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors, in addition to the reimbursement of applicable taxes and out of pocket expenses incurred in connection with the audit of accounts of the Company.

RESOLVED FURTHER THAT the Board of Directors (including committee thereof) be and are hereby authorized to decide and/or alter the terms and conditions of the appointment including the remuneration for subsequent financial years as it may deem fit."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act 2013 (Act) 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), Regulation 25(2A) and other applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) and on the recommendation of Remuneration & Nomination Committee and the Board of Directors, Ms. Nandini Chopra (DIN: 07891312), Independent Non-Executive Director of the Company whose term expires on 2nd August, 2022 being eligible for re-appointment and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16 of Listing Regulations 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 Director of the Company be and is hereby re-appointed as Independent Non-Executive Director of the Company (not liable to retire by rotation) to hold the office for second term of five consecutive years with effect from 3rd August 2022 to 2nd August, 2027.

RESOLVED FURTHER THAT any one of the Directors of the Company namely Mr. Dilip D. Dandekar, Chairman & Non-Executive Director, Mr. Shriram S. Dandekar, Vice-Chairman & Executive Director or Mr. Satish Veerappa, Chief Executive Officer or Ms. Hinal Chheda, Company Secretary & Compliance Officer be and are hereby severally authorized to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions if

Notice (Contd.)

any, read with Schedule V of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6)(ca) and other applicable provisions, if any, of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and on the recommendation of Remuneration & Nomination Committee and the Board of Directors, the consent of the members be and is hereby accorded for the payment of remuneration to Mr. Dilip Dandekar, Chairman and Non- Executive Director of the Company by way of perquisites in the form of Annual Subscription towards club membership and Provision of Car and Driver with maintenance expenses upto an amount not exceeding ₹12,00,000 (Rupees Twelve Lakhs only) per annum.

RESOLVED FURTHER THAT the above mentioned total remuneration shall be in addition to the fees payable to him for attending the meetings of the Board/ Committees thereof or for any other purpose whatsoever as may be decided/ approved by the Board of Directors (including any Committee thereof) and reimbursement of various expenses incurred in performance of his duties including travelling and other out-of-pocket expenses as required from time to time.

RESOLVED LASTLY THAT Mr. Shriram S. Dandekar, Vice-Chairman & Executive Director or Mr. Satish Veerappa, Chief Executive Officer or Ms. Hinal Chheda, Company Secretary & Compliance Officer be and are hereby severally authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

Regd. Office:

Kokuyo Camlin Limited
CIN: L24223MH1946PLC005434
48/2, Hilton House,
Central Road, M.I.D.C,
Andheri (East),
Mumbai-400 093.
Dated: 6th May, 2022

By Order of the Board

Hinal Chheda
Company Secretary &
Compliance Officer

NOTES:

1. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020,

January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars'), and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, January 15, 2021 and May 13, 2022 respectively (collectively referred to as 'SEBI Circulars') holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held through VC/ OAVM, whereby physical attendance of Shareholders has been dispensed with and in line with the said MCA Circulars, THE FACILITY TO APPOINT A PROXY TO ATTEND AND CAST VOTE FOR THE SHAREHOLDER IS NOT MADE AVAILABLE FOR THIS AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

However, in terms of the provisions of Section 112 and 113 of the Act read with the said MCA Circulars, Corporate Members are entitled to appoint their authorized representatives to attend the AGM through VC/ OAVM on their behalf and participate thereat, including cast votes by electronic means.

Corporate Members intending to appoint their authorized representatives to attend the Meeting pursuant to Section 113 of the Act 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.

Notice (Contd.)

3. The Explanatory statement as required under Section 102 of the Act in respect of the business referred to under Item Nos. 3 to 5 (both numbers inclusive) is annexed hereto. The Board of Directors of the Company at its meeting held on 6th May, 2022 considered that the business under Item No. 3 to 5, being considered unavoidable, be transacted at the 75th AGM of the Company.
4. The Shareholders can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned hereinbelow in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 Shareholders on 'first come first serve' basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Remuneration and Nomination Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.
5. The attendance of the Shareholders attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Register of Members and Share Transfer Books will remain closed from 25th June, 2022 to 29th June, 2022 (both days inclusive).
7. In compliance with Section 124 (6) of the Act, the shares in respect of which dividend was unclaimed for a period of seven years or more have been transferred in the name of 'Investor Education and Protection Fund' (IEPF) established by the Central Government. Members may claim the said shares and unpaid dividend by making an application to IEPF Authority in Form IEPF-5 available on www.iepf.gov.in.
8. As per the provisions of Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed Amounts lying with Companies) Rules, 2014, the Company has placed on its website (www.kokuyocamlin.com) the information on dividend which remains unclaimed with the Company for the financial year ended 31st March, 2009 and thereafter. The information is also available on the website of the Ministry of Corporate Affairs (www.mca.gov.in).
9. As per Regulation 36(3) of the Listing Regulations and Secretarial Standard-2, details in respect of the Directors seeking re-appointment at the Annual General Meeting forms integral part of the notice.
10. Shareholders, who would like to express their views/have questions may send their questions in advance at least seven working days prior to the meeting mentioning their name, demat account number/folio number, email id, mobile number at investorrelations@kokuyocamlin.com. The same will be replied by the Company suitably.
11. Members who would like to register themselves as a speaker at the AGM shall send a request to the Company at investorrelations@kokuyocamlin.com from 20th June, 2022 to 24th June, 2022. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company/ R&T Agent.
13. In compliance with the provisions of Section 108 of the Act and the rules framed thereunder and Regulation 44 of the Listing Regulations, the members are provided with the facility to cast their votes electronically, through the e-voting services provided by NSDL, on the resolutions set forth in this notice. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the notice of AGM and holding shares as on the cut-off date i.e. 22nd June, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. Instructions for e-voting are given hereunder. Resolution(s) passed by the members through e-voting is/ are deemed to have been passed as if they have been passed at the AGM.
14. Since the AGM is held through VC/OAVM, the facility for voting through Ballot paper shall not be made available at the AGM.

Notice (Contd.)

15. The Board of Directors of the Company, at its meeting held on 6th May, 2022 has appointed Mr. J. H. Ranade, Partner failing which Mr. Sohan J. Ranade, Partner failing which Ms. Tejaswini Jogal, Partner of M/s. JHR & Associates as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner. Upon completion of the scrutiny of the e-voting, the Scrutinizer will submit his report to the Chairman & Non-Executive Director of the Company. The results will be declared on or before 1st July, 2022 and communicated to the Stock Exchanges, Depository, Registrar and Share Transfer Agent and displayed on the Company's website at www.kokuyocamlin.com.
16. In compliance with aforesaid MCA and SEBI circulars, the Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice calling AGM and Annual Report 2021-22 are available on the website of the Company at www.kokuyocamlin.com, on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of National Securities Depository Limited (NSDL) i.e. www.evoting.nsdl.com (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM). Company's web-link on the above will also be provided in advertisement being published in newspaper having wide circulation in India (English Language) and local newspaper (Marathi Language).
17. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
18. Pursuant to the Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021, the SEBI mandated the listed Companies to record the PAN, Nomination, KYC details and Bank account details of all the shareholders holding physical securities till 31st March, 2023, failing which the account shall be frozen. Accordingly, our RTA has sent a letter along with the KYC form to the concerned members for submitting the aforesaid information. Members holding shares in physical form are requested to provide their details as per the KYC form enclosed to the letter. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://www.kokuyocamlin.com/share-information.html>.
19. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 mandated the listed Companies to issue the securities only in dematerialized form while processing the service requests viz. issue of duplicate Securities certificate, Claim from unclaimed Suspense Account, renewal / exchange of Securities certificate, Endorsement, Sub-division / splitting of Securities certificate, Consolidation of Securities certificate / folios, Transmission and Transposition. In view of this, to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or Link Intime India Pvt. Ltd., Company's Registrar and Share Transfer Agents ("RTA") for assistance in this regard.
20. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.
21. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.

Notice (Contd.)

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Sunday, 26th June, 2022 at 09:00 A.M. and ends on Tuesday, 28th June, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22nd June, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd June, 2022.

How do I vote electronically using NSDL e-Voting system?




The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. This will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>

Notice (Contd.)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest, the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

Notice (Contd.)

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a. For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b. For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c. For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

Notice (Contd.)

8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@jhrasso.co.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in

the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Sangishetti, Assistant Manager, NSDL at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorrelations@kokuyocamlin.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorrelations@kokuyocamlin.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Notice (Contd.)

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
 3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
2. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Members are encouraged to join the Meeting through Laptops for better experience.
 3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name.

Regd. Office:

Kokuyo Camlin Limited
CIN: L24223MH1946PLC005434
48/2, Hilton House,
Central Road, M.I.D.C,
Andheri (East),
Mumbai-400 093.
Dated: 6th May, 2022

By Order of the Board

Hinal Chheda
Company Secretary &
Compliance Officer

Annexure forming part of the Notice Explanatory Statement

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

Item No.3

This Explanatory Statement is provided though strictly not required as per the provisions of Section 102 of the Companies Act, 2013.

M/s. B S R & Co., LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed as Statutory Auditor of the Company at seventieth Annual General Meeting (AGM) of the Company held on 28th June, 2017 for a period of five years commencing from the conclusion of seventieth AGM till the conclusion of seventy fifth AGM, subject to ratification of the appointment by the members every year. However, MCA vide notification dated 7th May, 2018 had omitted the requirement under the first proviso to Section 139 of the Act and Rule 3(7) of the Companies (Audit and Auditors) Rule, 2014 regarding ratification of appointment of Statutory Auditors by the members at every subsequent AGM.

Consequently, the first term of five consecutive years of M/s. B S R & Co., LLP, Chartered Accountants as Statutory Auditors of the Company will expire at the conclusion of seventy fifth AGM of the Company.

Pursuant to Section 139(2) of the Act, the Company can appoint an audit firm for two terms of five consecutive years. Accordingly, M/s. B S R & Co., LLP, Chartered Accountants, Mumbai, are proposed to be re-appointed as Statutory Auditors of the Company for a second term of five consecutive years commencing from the conclusion of Seventy fifth AGM of the Company till the conclusion of eightieth AGM to be held in the year 2027.

M/s. B S R & Co., LLP have consented to said re-appointment and confirmed that their re-appointment, if made would be within the limits specified under section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be re-appointed as Statutory Auditor in terms of the provisions of Sections 139(1), 141(2) and 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules 2014 as amended from time to time.

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

The Directors recommend the Ordinary Resolution no. 3 for your approval.

Item No. 4

Pursuant to the provisions of the Act and Listing Regulations, Ms. Nandini Chopra, was appointed as Independent Non-Executive Director of the Company w.e.f. 3rd August, 2017 to hold the office for a term of five consecutive years up to 2nd August, 2022 by the members of the Company by passing ordinary resolution through postal ballot on 26th December, 2017.

Based on recommendation of Remuneration and Nomination Committee and in terms of the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Act and Listing Regulations, Ms. Nandini Chopra, being eligible for re-appointment as an Independent Director and offering herself for re-appointment is proposed to be re-appointed as an Independent Non-Executive Director for second term of five consecutive years effective from 3rd August, 2022 to 2nd August, 2027.

The Company has received a notice in writing under the provisions of Section 160 of the Act from member proposing the candidature of Ms. Nandini Chopra for re-appointment as an Independent Director as per the provisions of the Act.

The Company has also received a declaration from Ms. Nandini Chopra that she meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16 of the Listing Regulations.

Details of Ms. Nandini Chopra as required under the Regulations 36(3) and 26(4) of the Listing Regulations and Secretarial Standards 2 on General Meetings issued by the Institute of Company Secretaries of India have been given in the Annexure for the information of members.

In the opinion of the Board, Ms. Nandini Chopra fulfills the conditions specified in the Act and rules made thereunder for her re-appointment as an Independent Director of the Company and is independent of Management. A copy of draft letter for appointment of Ms. Nandini Chopra as an Independent Director setting out the terms and conditions would be available for inspection by the members at Company's web site www.kokuyocamlin.com up to last date of e-voting i.e. 28th June, 2022.

Annexure forming part of the Notice Explanatory Statement

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

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. Nandini Chopra as an Independent Director.

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

The Directors recommend the special resolution no. 4 for your approval.

Item No. 5

The Board of Directors in its meeting held on 10th August, 2021 had approved the re-designation of Mr. Dilip D. Dandekar from Director in whole-time employment designated as Chariman and Executive Director to Chairman and Non-Executive Director effective from 1st September 2021.

Consequent to his re-designation and based on the recommendation of the Remuneration and Nomination Committee, the Board in its meeting held on 31st August, 2021 approved the payment of remuneration by way of perquisites upto an amount not exceeding ₹9,50,000 (Rupees Nine Lakhs Fifty Thousand Only) per annum, in the form of Annual Subscription towards club membership and provision of Car and Driver with maintenance expenses to Mr. Dilip D. Dandekar, Chairman and Non-Executive Director effective from 1st September, 2021. The said payment was also approved by the Members of the Company by passing a special resolution through postal ballot on 23rd December, 2021.

The Company now proposes to pay remuneration to Mr. Dilip D. Dandekar, Chairman and Non-Executive Director by way of aforesaid perquisites not exceeding ₹12,00,000 (Rupees Twelve Lakhs Only) per annum. The above mentioned remuneration shall be in addition to the fees payable to him for attending the meetings of the Board/ Committees thereof or for any other purpose whatsoever as may be decided/ approved by the Board of Directors (including any Committee thereof) and reimbursement of various expenses incurred in performance of his duties including travelling and other out-of-pocket expenses as required from time to time.

Mr. Dilip Dandekar is associated and held various positions with industry bodies namely, Indian Merchants' Chamber, FICCI and International Chambers of Commerce (ICC) World

Chambers Federation which has benefited the Company from time to time. It is in the interest of the Company to continue to avail his services and guidance.

As per the provisions of Regulation 17(6)(ca) and other applicable provisions, if any, of the Listing Regulations, the approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

Since the payment of remuneration to Mr. Dilip Dandekar exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, the Company seeks your approval by way of special resolution for the payment of remuneration as mentioned above.

The payment of such remuneration was approved by the Board of Directors in their meeting held on 6th May, 2022 based on the recommendation of the Remuneration and Nomination Committee and subject to the approval of members.

The information as required under Part II of Section II of Schedule V of the Companies Act, 2013.

I. GENERAL INFORMATION:

i. Nature of Industry:

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

ii. Date or expected date of commencement of commercial production:

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

iii. Financial Performance based on given indicators – (Rs. In Lakhs)

Sr. No.	Particulars	2021-22	2020-21	2019-20
1	Revenue from operations (Net)	50847.23	40312.37	63403.49
2	Profit/(Loss) before tax	(472.85)	(1816.29)	878.45
3	Profit/(Loss) after tax	(472.85)	(1461.84)	435.62

iv. Foreign Investments or Collaborations, if any.

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

Kokuyo Co. Ltd., Japan, Promoters and also our holding Company have invested Rs. 16,168 Lakhs by way of Equity shares. These FDI Investment were made against preferential allotment and rights Issue.

II. INFORMATION ABOUT MR. DILIP DANDEKAR:

i. Background Details:

Mr. Dilip D. Dandekar (70) G.C.D, is one of the promoter of the Company. He is associated with the Company since 1971 and was later appointed as Whole-time Director in the year 1979 and as Chairman & Managing Director of the Company, from 1st June, 2002. The Board of Directors in its meeting held on 1st February, 2013 appointed Mr. Dilip D. Dandekar as Chairman & Executive Director of the Company. Further, the Board of Directors approved his re-designation as 'Chairman & Non-Executive Director' with effect from 1st September, 2021.

ii. Past Remuneration:

- a) Rs.96.58 Lakhs - in the capacity of Chairman & Executive Director (up to 31st August, 2021)
- b) Perquisites in the form of Annual subscription towards club membership and Provision of car and Driver with maintenance expenses upto an amount not exceeding upto ₹ 9.50 Lakhs per annum - in the capacity of Chairman & Non-Executive Director (w.e.f. 1st September, 2021)

iii. Recognition & Awards:

Not applicable.

iv. Job Profile and his suitability:

Mr. Dilip D. Dandekar has wide experience of over 51 years in the field of Marketing, Administration and overall Management of the Company. With his long standing experience and knowledge he has successfully and in a sustained way contributed towards the growth of the Company. Mr. Dilip Dandekar is associated and held various positions with industry bodies namely, Indian Merchants' Chamber, FICCI and International Chambers of Commerce (ICC) World Chambers Federation which has benefited the Company from time to time. It is in the interest of the Company to continue to avail his services and guidance.

v. Remuneration Proposed:

As stated in the Explanatory Statement.

vi. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration, the size of the Company, the profile of Mr. Dilip Dandekar and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration paid to Non-Executive Chairman in other Companies.

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

Besides the remuneration proposed, Mr. Dilip D. Dandekar does not have any other pecuniary relationship with the Company and its managerial personnel except that of Ms. Aditi D. Dighe,

daughter of Mr. Dilip D. Dandekar, employed with the Company as General Manager (Marketing) and Mr. Rahul D. Dandekar, son of Mr. Dilip D. Dandekar, employed with Company as General Manager, Business Development, Fine Art & Hobby.

III. OTHER INFORMATION:

a) **Reasons for loss or inadequate profits:**

The Company suffered a major loss due to COVID-19 pandemic which caused disruptions in business and overall operations on account of lockdown imposed by the Government.

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

The Company has implemented major steps to reduce operating cost. Cost reduction was achieved through innovative ideas, renegotiations of contracts and strong budgetary controls.

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

Considering the unpredictability around the end date of pandemic, the focus of the company is towards cutting losses and ensuring that sufficient liquidity is maintained.

IV. Disclosures:

With regards to remuneration paid to Directors and Manager, please refer the Corporate Governance Report forming part of the Annual Report.

None of the Directors/ Key Managerial Personnel of the Company and their relatives except Mr. Dilip Dandekar is concerned or interested in this resolution. The relatives of the said Director may be deemed to be interested to the extent of their shareholding, if any, in the Company.

The Directors recommend the Special Resolution no.5 for your approval.

Annexure to the Notice

Details of Directors seeking Re-Appointment at the ensuing Annual General Meeting

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name	Mr. Dilip Dandekar	Ms. Nandini Chopra
Designation	Chairman & Non-Executive Director	Independent Non-Executive Director
Director Identification Number	00846901	07891312
Age	70 years	51 years
Date of first Appointment on the Board	1st January, 1979	3rd August, 2017
Expertise in Specific Functional Area	Over 51 years of wide experience in the field of Marketing, Administration and overall Management of the Company	Over 27 years of experience in financial advisory especially to the consumer and retail sector in India. She also has a wide range of experience in mergers and acquisitions, sales and divestitures, JV advisory, private equity raises, IPOs, debt syndication and valuations.
Qualification	G.C.D.	Chemical engineer from BITS Pilani and MBA from XLRI Jamshedpur.
Terms and Conditions of Re-appointment	Liable to retire by rotation	Not liable to retire by rotation
Details of remuneration sought to be paid	₹12,00,000 per annum by way of perquisites	Not applicable
Last drawn remuneration	₹96.58 Lakhs - in the capacity of Chairman & Executive Director (up to 31st August, 2021) Perquisites in the form of Annual subscription towards club membership and Provision of car and Driver with maintenance expenses - in the capacity of Chairman & Non-Executive Director (w.e.f. 1st September, 2021)	Not applicable
Relationship with other Directors and Key Managerial Personnel	Nil	Nil
Directorship in other Companies	9	Nil
Chairman/Member in the Committees of the Boards of other Listed Companies	1 (Member of the Audit Committee of Datamatics Global Services Limited)	Nil
No. of Shares held in the Company	200,000 Equity Shares	Nil
Number of meetings of the Board attended during the year	8	8

Directors' Report

To,

The Shareholders of Kokuyo Camlin Limited

Your Directors have pleasure in presenting the 75th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2022.

FINANCIAL RESULTS:

	(₹ In Lakhs)	
Particulars	2021-2022	2020-2021
Gross Sales/Income from Business	54817.87	43774.93
Less : Discount on Sales	3970.64	3462.56
Net Sales/Income from Business	50847.23	40312.37
Other Income	71.21	32.51
Total Income	50918.44	40344.88
Profit Before Interest and Depreciation	1721.98	916.84
Less : Interest	425.49	892.90
Less : Depreciation	1769.34	1840.23
(Loss)/Profit Before Tax	(472.85)	(1816.29)
Less : Provision for Tax		
- Current	-	-
- Deferred	-	(351.58)
- Prior Years (Net)	-	(2.87)
(Loss)/Profit after Tax	(472.85)	(1461.84)
Balance carried to Balance Sheet		
Earnings per share (Basic)	(0.47)	(1.46)
Earnings per share (Diluted)	(0.47)	(1.46)

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

During the year the Company reported gross sale/ income of ₹54817.87 Lakhs as compared to ₹43774.93 Lakhs for the last year reflecting a growth of 25.23% over the corresponding period of the previous year. During the year, Company took major steps to reduce operating costs. Cost reduction was achieved through innovative ideas, re-negotiations and strong budgetary controls. The Company reported a loss after tax for FY 2021-22 of ₹472.85 Lakhs in comparison with a Loss after tax of ₹1461.84 Lakhs for FY 2020-21.

IMPACT OF COVID-19 PANDEMIC ON THE PERFORMANCE:

The second wave of the pandemic struck in mid-April of FY 2021-22 wherein several jurisdictions responded by implementing restrictions to curb the virus spread, and accelerating the vaccination drive. The Company engaged in re-evaluating business prospects, investments in capability building, social media management, consumer satisfaction and distribution management. These endeavours translated into higher efficiencies and better customer understanding for the Company.

DIVIDEND:

In view of loss, the Board of Directors regrets its inability to recommend any dividend on equity shares. The Dividend Distribution policy is available on the website of the Company at www.kokuyocamlin.com

TRANSFER TO RESERVE:

In view of loss during the year under review, the Company has not transferred any amount towards General Reserve.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis forms an integral part of this report and is presented separately. It gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's operations and their adequacy, risk management systems and other material developments during the financial year 2021-2022.

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, 2022 was ₹1003.04 Lakhs.

Directors' Report (Contd.)

CONSOLIDATED FINANCIALS STATEMENTS:

The Company does not have any subsidiary, associate or joint venture and hence, the Company is not required to prepare Consolidated Financial Statements.

SUBSIDIARIES:

At present, the Company does not have any subsidiary. No new subsidiary was incorporated or acquired by the Company during the year under review. Since the Company does not have any subsidiary, associate or joint venture, Form AOC-1 pursuant to the provisions of Section 129(3) of Companies Act, 2013 (the Act) is not applicable to your Company.

DEPOSITS:

During the year under review, your Company has not accepted any deposits. There are no unclaimed deposits as on date. Pursuant to the Companies (Acceptance of Deposit) Rules, 2014 as amended, the Company has filed with the Registrar of Companies (ROC) the requisite returns for outstanding receipt of money / loan by the Company, which is not considered as deposits.

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

There are no material changes affecting the financial position of the Company subsequent to the close of the FY 2021-22 till the date of this report. There is no change in the nature of the business of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not granted any Loans, Guarantees or Investments during the financial year ended 31st March, 2022.

RELATED PARTY TRANSACTIONS:

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their review/approval on a quarterly basis. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of Related Party Transactions as required under Section 134 (3) (h) of the Act in Form AOC-2 is not applicable to your Company.

The details of transaction with related parties are provided in the accompanying financial statements. The policy on Related

Party Transactions as approved by the Board is uploaded on the Company's website at <https://www.kokuyocamlin.com/company-policies.html>

CORPORATE GOVERNANCE REPORT:

Corporate Governance is all about ethical conduct, integrity and accountability. Good Corporate Governance involves a commitment of the Company to run the business in a legal, ethical and transparent manner and runs from the top and permeates throughout the organisation. It is a key element improving the economic efficiency of Organisation. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a separate section on Corporate Governance forms part of this report. A Certificate from M/s. JHR & Associates, Secretarial Auditor confirming compliance of Corporate Governance forms part of this Report. Certificate of the CEO/CFO, confirming the correctness of the financial statements, compliance with the Company's Code of Conduct and the Audit Committee in terms of Regulation 17 of the Listing Regulations is attached in the Corporate Governance report and forms part of this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Retirement by Rotation

In terms of the provisions of the Act, Mr. Dilip Dandekar, Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. You are requested to appoint him. The profile of Mr. Dilip Dandekar, seeking re-appointment forms part of the Notice.

Re-appointment of Independent Director for Second Term

Ms. Nandini Chopra, shall complete her first term of five consecutive years as Independent Non-Executive Director of the Company on 2nd August, 2022. Based on the recommendation of the Remuneration & Nomination Committee of the Company and being eligible for re-appointment as an Independent Director, the Board recommends the re-appointment of Ms. Nandini Chopra as an Independent Non-Executive Director for second term of five consecutive years effective from 3rd August, 2022 to 2nd August, 2027. A special resolution proposing her re-appointment along with the explanatory statement forms part of the Notice of this 75th Annual General meeting. You are requested to re-appoint her.

Appointment / Re-appointment of Directors

During the year under review, Mr. Koji Higashiguchi was appointed as an Additional Non-Executive Director by the Board of Directors with effect from 1st September, 2021. He was further appointed as Non-Executive Director of the Company with effect from 1st September, 2021 by the Members of the Company by passing an ordinary resolution through postal ballot on 23rd December, 2021.

Directors' Report (Contd.)

Further, the Board of Directors at its meeting held on 28th January, 2022 approved the re-appointment of Mr. Shriram S. Dandekar as 'Vice-Chairman & Executive Director', whose term expired on 31st January 2022, for the further period of one (1) year with effect from 1st February, 2022 subject to approval of members. The said appointment was also approved by the members by passing special resolution through Postal Ballot on 24th March, 2022.

Transition of Mr. Dilip Dandekar, 'Chairman & Executive Director' to the role of Chairman & Non-Executive Director of the Company

During the year under review, the Board of Directors re-designated Mr. Dilip Dandekar as Non-Executive Director in view of his cessation as Director in Whole-time employment designated as Executive Director of the Company with effect from 1st September, 2021 while, he continued to act as the Chairman of the Company. The Board of Directors placed on record its appreciation for the valuable services rendered by Mr. Dilip Dandekar during his tenure of office as Executive Director.

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

Cessation

During the year, Mr. Takuya Morikawa resigned as Non-Executive Director with effect from 1st September, 2021. The Board placed on record its sincere appreciation for the valuable services rendered by Mr. Takuya Morikawa during his tenure with the Company as Non-Executive Director.

Key Managerial Personnel

During the year under review, Mr. Satish Veerappa whose term as 'Manager' designated as Chief Executive Officer expired on 31st October, 2021 was re-appointed for the further period effective from 1st November, 2021 to 31st December 2024 by the Board of Directors at its meeting held on 28th October, 2021 and by the members by passing special resolution through Postal Ballot on 23rd December, 2021.

Further, the Board of Directors approved the re-designation of Mr. Ravindra Damle from Vice President (Corporate) & Company Secretary to Vice President (Corporate) with effect from close of business hours on 28th February, 2022 and approved the appointment of Ms. Hinal Chheda as the Company Secretary & Compliance Officer of the Company with effect from 1st March, 2022.

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

1. Mr. Satish Veerappa - Manager designated as Chief Executive Officer

2. Mr. Chetan Badal - Chief Financial Officer
3. Ms. Hinal Chheda - Company Secretary & Compliance Officer

The Disclosure required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as "Annexure – B" forming an integral part of this report.

MEETINGS OF BOARD:

During the financial year 2021-22, eight Board Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act.

COMMITTEES OF THE BOARD:

As on March 31, 2022, the Board had five committees: the Audit committee, the Corporate Social Responsibility committee, the Remuneration and Nomination committee, the Stakeholders Relationship committee and Risk Management Committee. During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report.

FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

In compliance with the requirements of Listing Regulations, the Company has put in place a familiarisation program for the Independent Directors to familiarise them with their role, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization program are explained in the Corporate Governance Report.

The same is also available on the website of the company and can be accessed by web link <https://www.kokuyocamlin.com/company-policies.html>.

PERFORMANCE EVALUATION:

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, its Committees and individual Directors. Further, the Independent Directors had met separately without the presence of Non-Independent Directors and the members of management and discussed the performance evaluation of the Board Members as stipulated under the Listing Regulations.

DECLARATION OF INDEPENDENCE:

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Act read with the Schedules and Rules issued thereunder as

Directors' Report (Contd.)

well as Regulation 16(1) (b) of Listing Regulations (including any statutory modification(s) or reenactment(s) for the time being in force). In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company.

The Independent Directors of the Company have registered themselves with the data bank maintained by Indian Institute of Corporate Affairs (IICA).

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 and is also available on the website of the Company at <https://www.kokuyocamlin.com/company-policies.html>.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) That in the preparation of the annual accounts for the financial year ended 31st March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2022 and of the Loss of the Company for the year ended on that date.
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the Directors had prepared the annual accounts on a going concern basis;
- 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; and
- f) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & AUDITORS REPORT: STATUTORY AUDITORS:

Pursuant to the provisions of Section 139(2) of the Act read with Companies (Audit and Auditors) Rules, 2014, the first term of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W100022) who were appointed as the Statutory Auditors of the Company for a term of five consecutive years to hold office from the conclusion of 70th Annual General Meeting held on 28th June, 2017, expires at the conclusion of 75th Annual General Meeting of the Company. The Board of Directors at their meeting held on 6th May, 2022, on the recommendation of the Audit Committee, have made its recommendation for re-appointment of M/s. B S R & Co., LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company for the second term of five consecutive years from the conclusion of the 75th Annual General Meeting until the conclusion of the 80th Annual General Meeting. Accordingly, an ordinary resolution, proposing the re-appointment of M/s. B S R & Co., LLP as the Statutory Auditors of the Company for a Second term of five consecutive years, forms part of the Notice of 75th AGM of the Company. The Company has received their consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

AUDITORS REPORT:

The observation of the Auditors in their report read with relevant notes to the accounts are self-explanatory and therefore do not require further explanations. The Auditors Report to the members on the Financial Statements of the Company for the year ended 31st March, 2022 does not contain any qualifications, reservations or adverse remarks. There have been no instances of fraud reported by the Statutory Auditors under Section 143 (12) of the Act and the Rules framed thereunder either to the Company or to the Central Government.

SECRETARIAL AUDIT:

M/s. JHR & Associates a firm of Company Secretaries were appointed as Secretarial Auditor for the financial year 2021-22 pursuant to Section 204 of the Act. The Secretarial Audit Report submitted by them in the prescribed form MR-3 is attached as "Annexure – D" and forms part of this report.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Secretarial Audit/Compliance Report issued by them for the financial year 2021-22.

RECONCILIATION OF SHARE CAPITAL AUDIT:

As directed by the Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit has been carried out at the specified period, by a Practicing Company Secretary.

Directors' Report (Contd.)

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

The Act re-emphasizes the need for an effective Internal Financial Control System (IFC) in the Company which should be adequate and shall operate effectively. To ensure effective Internal Financial Controls, the Company has its own process driven framework for the year ended 31st March, 2022.

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

INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

The Company was not required to transfer any amount to the Investor Education and Protection Fund established by the Central Government (IEPF) during the financial year 2021-22.

TRANSFER OF SHARES TO IEPF:

The Company has not transferred any shares to IEPF during the financial year 2021-22. Details of shares transferred prior to the financial year 2021-22 have been uploaded on the website of IEPF as well as the Company.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. As required under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under, the Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at the workplace. All women, permanent, temporary or contractual including those of service providers are covered under the policy. An Internal Committee comprising management staff has been set up at office and factory locations, which includes three women to redress complaints relating to sexual harassment. The Committee also includes an outside woman representative from an NGO. One case reported during the financial year 2021-22 was resolved and no complaint was pending at the end of the financial year.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

CORPORATE SOCIAL RESPONSIBILITY:

In terms of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules 2014, as amended

and in accordance with the CSR Policy, the Company has spent 2% of the average net profits of the Company during the three immediately preceding financial years. The details are provided in the Annual Report on CSR activities has been appended as "Annexure – C". The CSR policy of the Company is also available on the website of the Company <https://www.kokuyocamlin.com/company-policies.html>. Key initiatives which the Company engaged are:

Installation of Oxygen plant at TIMA Hospital, Tarapur

Company is committed to do as much as possible to strengthen the fight against Covid-19 pandemic. To mitigate the oxygen crisis faced by hospitals at Tarapur, Boisar, our Tarapur plant team worked hard for conversion of Nitrogen generation plant into Oxygen generation plant. The Company handed over this plant to TIMA hospital. The capacity generation of this plant is sufficient for about 20 patients at a time for continuous Oxygen supply.

PM CARES Fund

Your Company also contributed to the PM CARES Fund set up by the Central Government for dealing with any kind of emergency or distress situation, like posed by the COVID-19 pandemic, through donation to the above said fund.

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

CODE OF ETHICS AND VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

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

The Company has taken steps to establish Vigil Mechanism for Directors and Employees of the Company. The details of the Policy are posted on the website of the Company at <https://www.kokuyocamlin.com/company-policies.html>.

PREVENTION OF INSIDER TRADING:

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

Directors' Report (Contd.)

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.

RISK MANAGEMENT

We operate in a dynamic business scenario that gives rise to external and internal risk factors. We have designed an integrated risk management approach called the ERM framework for risk identification, assessment and reporting. As required by the ERM Policy, the Company initiates risk identification and control testing exercise to provide briefing and reporting to the Board. The ERM policy is implemented by various department heads who take the risk ownership and monitor the risks on a periodical basis. The ERM Framework will enable achievement of strategic objectives by identifying, analysing, assessing, mitigating, monitoring and governing any risk or potential threat to these company objectives. Systematic and proactive identification of risks and mitigation thereof will enable effective and quick decision making and will boost the performance of the organisation. The ERM framework will act as a decision enabler which not only seeks to minimise the impact of risks but also enable effective resource allocation based on risk ranking and risk appetite. Strategic decisions will be taken after careful consideration of risks based on secondary risks and residual risks.

There are no risks which in the opinion of the Board threatens the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis Report which forms part of this Annual Report.

DISCLOSURE ON CONFIRMATION ON THE SECRETARIAL STANDARDS:

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

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 Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure – A".

ANNUAL RETURN:

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the annual return is placed on the website of the Company and can be accessed at www.kokuyocamlin.com.

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197(12) of the Act read with Rule 5(2) & 5(3) 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 the business hours on working days of the Company upto date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to Company Secretary in this regard.

BUSINESS RESPONSIBILITY REPORT (BRR)

As required under the Listing Regulations, separate section on the Business Responsibility Report forms part of this report.

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. The Directors deeply regret the loss of life caused due to the COVID-19 pandemic and are grateful to every person who risked their life and safety to fight this pandemic.

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

For & on behalf of the Board

Place : Mumbai

Dated : 6th May, 2022

Dilip D. Dandekar

Chairman & Non-Executive Director

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:

- Installed and commissioned 564 KWp Solar Power Plant at Patalganga plant which contributes to 25% of our power consumption.
- Use of Solar Energy for process water heating.
- Diesel consumption of power generator is reduced due to starting of express feeder power line at Patalganga plant.
- In all factories, we are not discharging treated effluents from ETP but it is recycled and reused, resulting in saving of 20% of water. Also use of stored rain water for gardening is reducing water consumption. We have 65000 LTR Rain water storage pond at Patalganga.
- Installed Turbo ventilator on roofs, operated on wind to reduce heat and also improved shop floor ventilation.
- Usage of natural lights in manufacturing area to reduce power consumption and use of LED lights across all factory locations.
- Use of electric injection moulding machines in place of hydraulic machines which has reduced substantial energy consumption.

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

470 KWp solar plant capacity is under installation at Tarapur factory.

c) Impact of the above matters:

As a result of measures taken/to be taken enumerated in (a) and (b) above, there is a reduction in unit consumption which has helped in reducing the cost of production.

B) TECHNOLOGY ABSORPTION:

Research and Development (R & D):

1.	Specific areas in which R & D Carried out by the Company	:	New product development, process development.
2.	Benefits derived as a Result of the above R & D	:	Cost reduction, quality up gradation, development of new markets
3.	Future plan of action	:	We envision further enhancing the value and profits of our products by building development processes to capture emotional needs that go beyond the functional needs of consumers.

		(₹ in Lakhs)	
4.	Expenditure on R&D	2021-2022	2020-2021
a)	Capital	-	-
b)	Recurring	516.86	402.25
	Total	516.86	402.25
	Total R&D Expenditure as a Percentage of total turnover	1.00	1.00

Annexure 'A' to the Board's Report (Contd.)

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, Middle East, Far East and Japan.

(b) Total Foreign Exchange used and earned:

	(₹ in Lakhs)	
	2021-2022	2020-2021
Foreign exchange used	3878.31	2146.21
Foreign exchange earned	1594.52	1320.13

For & on behalf of the Board

Place : Mumbai
Dated : 6th May, 2022

Dilip D. Dandekar
Chairman & Non-Executive Director

ANNEXURE - B

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

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Name of the Director	Designation	Ratio to median remuneration
Mr. Dilip Dandekar*	Chairman and Non-Executive Director	34.52
Mr. Shriram Dandekar	Vice Chairman and Executive Director	48.23

* Mr. Dilip Dandekar was re-designated from 'Director in whole time employment designated as Chairman & Executive Director' to 'Chairman & Non-Executive Director' with effect from 1st September, 2021.

- The median remuneration of employees of the Company was ₹ 279785/-
- Sitting Fees paid to the Directors have not been considered as remuneration.

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

Name of the Director/KMP	Designation	% increase in remuneration [^]
Mr. Dilip Dandekar*	Chairman and Non-Executive Director	N.A.
Mr. Shriram Dandekar	Vice Chairman and Executive Director	22.90
Mr. Satish Veerappa	Chief Executive Officer	136.27
Mr. Chetan Badal	Chief Financial Officer	29.06
Mr. Ravindra Damle#	Vice President (Corporate) & Company Secretary (up to 28th February, 2022)	15.21
Ms. Hinal Chheda	Company Secretary & Compliance Officer (w.e.f. 1st March, 2022)	N.A.

[^] During the year 2020-21, to reduce the financial losses faced by the Company due to the outbreak of COVID-19 pandemic, the senior management employees and whole time directors had taken a voluntary deduction in their remuneration for part of the year which was restored in the year 2021-22. The same is getting reflected as an increase in the remuneration in FY 2021-22.

* Mr. Dilip Dandekar was re-designated from 'Director in whole time employment designated as Chairman & Executive Director' to 'Chairman & Non-Executive Director' with effect from 1st September, 2021.

Mr. Ravindra Damle was re-designated from Vice President (Corporate) & Company Secretary to Vice President (Corporate) w.e.f. close of working hours on 28th February, 2022.

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

3. The percentage increase in the median remuneration of employees in the financial year: 0.44%
4. The number of permanent employees on the rolls of company: 1105
5. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Average increase in remuneration is Nil for 'Employees other than Managerial Personnel' and Nil for 'Managerial Personnel' except the CEO. The revised remuneration of the CEO was approved by the Members of the Company by passing special resolution through Postal Ballot on 24th March, 2022.

6. Affirmation that the remuneration is as per the remuneration policy of the Company.

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

For & on behalf of the Board

Place : Mumbai
Dated : 6th May, 2022

Dilip D. Dandekar
Chairman & Non-Executive Director

ANNEXURE - C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

1. Brief outline on CSR Policy of the Company.

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

- Promoting health care including preventive health care and sanitation including undertaking of activities related to the Government's Swachh Bharat Abhiyaan program & contribution to the Swachh Bharat Kosh set-up by the Central Government for promotion of sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled, and livelihood enhancement projects;
- Contribution to the Prime Minister's National Relief Fund or any other Fund set up by the Central Government for socioeconomic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward Classes, minorities and women;

2. Composition of CSR Committee:

Sl. No.	Name	Position	Number of meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Ms. Nandini Chopra	Chairperson	1	1
2	Mr. Shriram Dandekar	Member	1	1
3	Mr. Yasuyuki Kanebako	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.- <https://www.kokuyocamlin.com/>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). – Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in)	Amount required to be set-off for the financial year, if any (in)
1.	-	-	-
Total		-	-

6. Average net profit of the company as per section 135(5): **₹636.17 Lakhs**
7. (a) Two percent of average net profit of the company as per section 135(5): **₹12.72 Lakhs**
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c): **₹12.72 Lakhs**

ANNEXURE - C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (Contd.)

8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (in ₹)	Amount Unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
13.32 Lakhs	Nil	-	-	-	-

(b) Details of CSR amount spend against ongoing projects for the financial year: Nil

1	2	3	4	5	6	7	8	9	10	11		
Sl No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the Current financial year (in ₹)	Amount transferred to Unspent CSR Account for the projects per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Total												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8		
Sl No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Amount allocated for the project (in ₹ Lakhs)	Mode of implementation Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Installation of Oxygen plant at TIMA Hospital, Tarapur During the year, to mitigate the oxygen crisis faced by hospitals at Tarapur, Boisar our Tarapur plant team worked hard for conversion of Nitrogen generation plant into Oxygen generation plant. The Company handed over this plant to TIMA hospital, Tarapur.	Promoting Healthcare	Yes	Maharashtra	Tarapur	7.32	Yes	-	-
2	PM CARES Fund	Contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund	No	-	-	6.00	Yes	-	-
Total						13.32			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹13.32 Lakhs

ANNEXURE - C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (Contd.)

(g) Excess amount for set off, if any

Sl No.	Particular	Amount (in ₹)
i.	Two percent of average net profit of the company as per section 135(5)	12.72 Lakhs
ii.	Total amount spent for the Financial Year	13.32 Lakhs
iii.	Excess amount spent for the financial year [(ii)-(i)]	0.60 Lakhs
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any -	-
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.60 Lakhs

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project – completed/ ongoing.
1								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – Not Applicable

(asset-wise details).

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable.

Satish Veerappa

Chief Executive Officer

Nandini Chopra

Chairperson- CSR Committee

Place: Mumbai

Dated: 6th May, 2022

ANNEXURE – D

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March 2022

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

The Members,

Kokuyo Camlin Limited
Hilton House, Central Road, MIDC, 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 - CIN: L24223MH1946PLC005434 (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 authorised 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 2022, 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, 2022 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 Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ; (Not applicable to the Company during audit period);
 - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during audit period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 / Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during audit period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during audit period);
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - j. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference

ANNEXURE - D (Contd.)

Shares) Regulations, 2013; (Not applicable to the Company during audit period);

k. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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.

(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.

Adequate notice of at least seven days was 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.

As per minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

We further report that during the Audit period, consents of the members by postal ballot were accorded for: -

- Appointment of Mr. Koji Higashiguchi (DIN:09263193) as a Non-Executive Director whose term of office shall be liable to retirement by rotation. – Passed by Members on 23rd December, 2021.
- Re-appointment of Mr. Satish Veerappa as 'Manager' designated as 'Chief Executive Officer' for a further period effective from 1st November 2021 to 31st December, 2024 and remuneration payable to him upto 31st December, 2021. – Passed by Members on 23rd December, 2021.
- Payment of remuneration by way of perquisites to Mr. Dilip D. Dandekar (DIN: 00846901), Chairman & Non-Executive Director. - Passed by Members on 23rd December, 2021.
- Re-appointment of Mr. Shriram S. Dandekar (DIN: 01056318) as Director in whole-time employment designated as 'Vice- Chairman & Executive Director' for the period of one (1) year effective from 1st February 2022 to 31st January, 2023 and remuneration payable to him. - Passed by Members on 24th March, 2022.
- Remuneration payable to Mr. Satish Veerappa, Manager designated as 'Chief Executive Officer' (CEO) for a period effective from 1st January, 2022 to 31st December, 2024. - Passed by Members on 24th March, 2022.

**For JHR & Associates
Company Secretaries**

**J.H. Ranade
Partner**

**FCS- 4317, CP- 2520
UDIN: F004317D000294574**

Place: Thane

Date: 6th May, 2022

ANNEXURE - D (Contd.)

The Members,

Kokuyo Camlin Limited

Hilton House, Central Road

MIDC, Andheri (East)

Mumbai- 400 093

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For JHR & Associates
Company Secretaries**

**J.H. Ranade
Partner**

FCS- 4317, CP- 2520

Place: Thane

Date: 6th May, 2022

Management Discussion and Analysis

Global Economic Overview

In the early half of 2021, the world economy started returning to normalcy after a prolonged struggle with the Covid-19 pandemic and related concerns. In 2021, the GDP grew by 6.1% against a contraction of 3.4% in 2020. The improved vaccination rates, robust policy support from the Governments and improved demand post relaxation of Covid-19 restrictions helped the economies gain momentum.

However, the second half of the year was a dampener to recovery. This period was accompanied by mounting inflationary pressures, rising commodity prices, supply chain disruptions and a spike in fuel prices.

The Russian invasion in Ukraine aggravated the challenges further and has added on to the global inflationary pressures, raising it to record highs ever observed since past four decades.

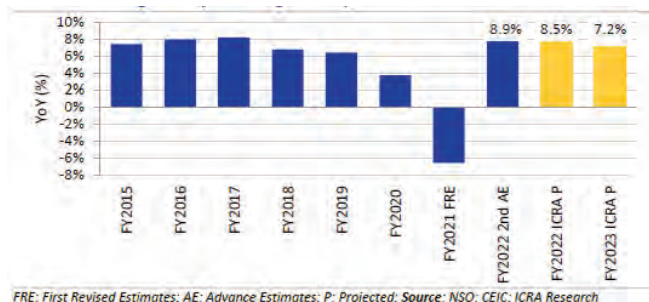
The Central Banks are taking a hawkish stance and increasing the interest rates to control the mounting inflationary pressure. They are rolling back the fiscal stimulus and the US Central Bank has raised its rates first time since 2018.

The world is expected to experience stagflation – an economic condition characterised as a combination of rising costs and weaker growth – following rising interest rates, geopolitical tensions and resultant challenges. According to IMF Fitch ratings, the global GDP is likely to decelerate to 4.4% in FY2022.

Indian Economic Overview

In a nutshell, the FY 2021-22 can be described as a year of recovery for the Indian economy.

India's GDP Growth



The economy started recovering by Q1 of FY 2020-21, witnessing a GDP growth of 20.1%, owing to higher consumption rate and lower base effect. The second wave

of the pandemic struck in mid-April of FY 2021-22 wherein several jurisdictions responded by implementing restrictions to curb the virus spread and accelerating vaccination drive. Despite the wave, the Indian economy grew by 8.4% in the second quarter. The Index of Industrial Production (IIP) surged by 13.7% during April-January 2022, against contraction of 12% in the corresponding period of previous financial year.

The Government and Reserve Bank of India (RBI) is making effort in strengthening relevant policies, institutions, and investments, to boost mobility and economic activity. During 2021-22, total CAPEX by the Government stood at ₹ 7.5 trillion, 35% higher compared to the previous year. GST collections were at an all-time high during this period, showcasing a strong consumer demand. The RBI maintained an accommodative stance for enabling liquidity and a lower interest rate for a steady economic growth. Despite Government-led initiatives, the global inflation impacted trade deficit, taking it to a record level of 27%. As a result, the Indian economy grew by 5.4% in Q3 of FY 2021-22 – demonstrating a stronger growth in comparison to the corresponding quarter of FY 2021-2022. Overall, rising inflation and geopolitical tensions alongside all other mentioned areas of concern led to slow, although a progressive, economic growth rate.

Outlook

According to the International Monetary Fund (IMF), the Indian economy is likely to witness a growth of 8.9% in FY 2021-22, thereby positioning India as the fastest growing economy.

Stationery Industry Overview

The Stationery industry deals in a wide range of products and categories, comprising paper products, writing instruments, computer stationery, school stationery, office stationery, among others. The pandemic and pace of digitalisation impacted the industry's growth considerably in the past few years. In recent years, overall industry was further impacted due to the pandemic. The Global Stationery market is anticipated to reach a market size of USD 30 billion by 2031, registering CAGR of 4% during 2021-31.

The Landscape

Asia and North America occupy 60% to 62% of the global market share and shall continue to remain the leading markets in future.

Management Discussion and Analysis (Contd.)

- Paper and paper products are expected to account for 30% of the industry share.
- Global demand for writing and marking instruments is likely to register CAGR of 3.7% during 2020-27, and is expected to reach USD 21 billion in market size.
- Sustainable products with enhanced aesthetics and customisation shall gain huge traction in the sector.

In the current scenario, India's Stationery market is estimated to be worth USD 2.5 billion in 2020. It is a mix of both organised and unorganised players, wherein the unorganised players are dominating the market in the current scenario. In recent years, several challenges posed on the market include disruption caused by COVID, digitisation, closing of schools and offices, and the work-from-home culture – plummeting the growth rate to severely low levels. Eventually, increased defense against the new virus strains, easing up of lockdowns, faster vaccination drives, reopening of schools and offices, alongside resumption of other economic activities led to a steady revival in terms of economic growth and outlook.

The Evolving Landscape

India's Literacy Rate: In 2021, the domestic literacy rate stands at 74% alongside high population growth rates. Numerous initiatives are undertaken by the Government and other social welfare institutions to promote 'Right to Education'. Rising inclination towards pursuing higher studies have resulted in opening up of newer and better avenues thereby infusing higher demand and enhancing stationery industry growth prospects.

Digitalisation: Offline Retailing has been threatened by the urge for digitalisation since the Covid-19-led pandemic. Proving to be more convenient for customers, online platforms started to witness rise in customer base and sales volumes. The shift is not at an accelerated pace but gradual, as the brick-and-mortar model is still preferred owing to the variety of choice and a more personalised form of buyer-seller engagement, although online platforms are helping businesses penetrate deeper markets.

Tailor-made Products: There is a rise in preference towards customised stationery products in the market. There is an increase in consumer consciousness with a concern towards knowing more about their purchase, likes and dislikes. Additionally, influencers and market trends are also impacting the overall customer preference. Therefore there is a growth in

demand for environment-friendly products and personalised stationery products. Such demand is driving business to transform and explore newer & improved ways to serve customer better.

Growing Working-class: India has the greatest working age population. Increasing scale of businesses and higher number of corporates are leading to extended demand for stationery products. Right from the demand for notepads, sticky-notes, pen, markers, separators, till the demand for folders, are suggestive of the industry's growth prospects influenced by demand for both traditional and innovative products.

Company Overview

Kokuyo Camlin Limited is an Indian multinational manufacturing Company. A familiar brand name for every kid and household, by the name 'Camel', the Company's range of products have been a consumer favourite since years. The brand enjoys prominence nation-wide by the name 'Camel' and 'Camlin'.

The Company has three facilities at Patalganga, Tarapur and Jammu. Patalganga stands to be the Company's largest facility, currently producing more than 160 SKUs annually.

Throughout the year, we have engaged ourselves in re-evaluating business prospects, investments in capability building, social media management, consumer satisfaction and distribution management. Eventually, these endeavours translated into higher efficiencies and better customer understanding for the Company.

Key Initiatives

- **Focused Strategies:** The preceding year was a blow to industries wherein the second and third pandemic waves struck businesses considerably. At Kokuyo Camlin, we have evolved over the years to deal with such unprecedented challenges. We dealt with every situation meticulously and remained focussed on cost controls while designing/formulating consumer retention and customer acquisition strategies. With our clearly formed strategies, we remained focussed on driving the non-school portfolio and strengthening our distribution side.
- **Portfolio Diversification:** As schools were shut down during the pandemic, we had to make some internal adjustments and demonstrate agility in our thinking and in our actions, towards demand management. We

Management Discussion and Analysis (Contd.)

scaled up the non-school portfolio aggressively during this period through products such as Fine Art & Hobby, Markers & Office stationery. As there were shifts in consumption taking place as consumers adapted to the pandemic, we were able to fulfil the need for growing “at-home” consumption for art products through our Fine Art portfolio. Sectors such as logistics, healthcare witnessed unprecedented demand. We were able to service some of the needs of these sectors through our Markers and Office products portfolio. Today, the non-school portfolio stands at almost 50% of revenues as compared to previous year. We have made significant inroads and improved our market share in the Fine Art and Hobby domain during the period.

- **Market Activation:** There was a comprehensive market activation program to acquire consumers in the Hobbyist segment. The initiative involved mapping of Hobby heavy outlets and enrolling them into outcome based contracts. Further to drive penetration in the Hobby segment, we have reached out to over 2500 Hobby Tutors across the country and are working closely with them to enhance the salience of our brand and its usage.

Kokuyo Camlin engaged with dedicated retailers for each segment who had a significant presence in the hobby portfolio.

- **Hobby Workshops:** During the 2nd wave of the pandemic to build engagement with our consumers in an environment of stress and anxiety, we launched an weekly online workshop for both students and adults. This program had an overwhelming response and we continued with this initiative for over 6 months. During this campaign we were able to enrol over 30000 art enthusiasts.
- **Inventory and Distribution Management:** We have initiated the process of automating critical operations in our value chain. We have moved from a manual forecasting to a statistical based forecasting model. This has helped immensely in improving forecast accuracy and thereby reducing the burden on working capital due to higher inventory.

Further we have rolled out a Distribution Management System (DMS), bringing all our key distributors on a single online platform. Through this we have been able

to extract higher efficiency in our secondary sales efforts and also have been able to migrate our distributors on to an auto-replenishment system.

We believe ongoing efforts in automating the value chain will bear rich dividends in demand management & working capital management, making the organisation more responsive to real time demand.

- **Design Management:** Innovation is at the core of our products. We believe that good design can create greater brand endearment and consumer satisfaction. We have therefore embarked on making design central to our thought process behind new and existing products. We are working with talented designers in creating better products and experiences.
- **Digitalisation of Sales Force:** As an extension of the Demand Management system (DMS), we have also introduced Sales force automation (SFA) across all our business verticals. This initiative is making the salesforce more productive, while simplifying the entire order management cycle.
- **Cost control and working capital management:** The Company continues to emphasize on cost control and cost reduction. For effective working capital management, the Company took several measures such as portfolio rationalization, optimization of inventory levels, strict monitoring of reserves etc.

Performance Review

Analysis of key areas of the financial statement for FY 2021-22:

Revenue from Operations

(₹ in Lakhs)

	FY 2021-22	FY 2020-21	Change (%)
Revenue from operations	50,847.23	40,312.37	26.13
Foreign exchange earned	1594.52	1,320.13	20.79

Other Income

(₹ in Lakhs)

	FY 2021-22	FY 2020-21	Change (%)
Other Income	71.21	32.51	119.04

Management Discussion and Analysis (Contd.)

Cost of Material

(₹ in Lakhs)

	FY 2021-22	FY 2020-21	Change (%)
Cost of Material	19,937.45	12,963.43	53.80

Employee Benefit Expenses

(₹ in Lakhs)

	FY 2021-22	FY 2020-21	Change (%)
Employee Benefit Expenses	8,012.06	7,306.07	9.66

Finance Cost

(₹ in Lakhs)

	FY 2021-22	FY 2020-21	Change (%)
Finance Cost	425.49	892.90	-52.35

Depreciation and Amortisation Expenses

(₹ in Lakhs)

	FY 2021-22	FY 2020-21	Change (%)
Depreciation	1,769.34	1,840.23	-3.85

Other Expenses

(₹ in Lakhs)

	FY 2021-22	FY 2020-21	Change (%)
Other Expenses	9,937.70	8,490.67	17.04

Key Financial Ratios

(₹ in Lakhs)

Particulars	FY 2021-22	FY 2020-21
Debtors Turnover Ratio (Times)	9.20	6.37
Inventory Turnover Ratio (times)	2.46	1.52
Current Ratio	1.58	1.61
Debt to Equity Ratio	0.29	0.32
Operating Profit Margin (%)	3.38	2.27
Revenue Growth (%)	26.13	-36.40

Return on Net-worth

	FY 2021-22	FY 2020-21
Return on Net-worth (%)	-0.02	-0.06

Note: Regarding the significant change of more than 25% as compared to immediately preceding financial year, please refer note no. 45 of the Schedules to the Balance Sheet and Profit and Loss Statement.

Outlook

During the FY 2022, the Company showcased a tremendous rebound post-Covid-19 outbreak. With an enhanced customer base, diversified portfolio, growing retail channel and stronger distribution network, the partial reopening of schools and offices provided the required impetus for our Company to return on its growth trajectory.

Risks Management

Every company keeps track of industry challenges and strives to manage and respond to business risks – that are a threat to its financial existence – in a timely manner. As a result, an effective risk management system necessitates use of flexible strategies, in line with the Company's business objectives.

- **Business Cyclicity Risk:** The Company thrives in an industry observing irregular sales patterns and short-lived phases of peak demand. For the rest of the year, market demand remains mostly between a low to moderate range. The demand in turn determines the Company's production and sales volume.

Mitigation: Initially, Kokuyo Camlin's core customers were the school-going kids. But we have diversified our portfolio backed by higher number of engagement initiatives with hobbyist, artist and professional users thereby increasing customer base and initiating better means to meet industry demands effectively.

- **Economic Risk:** The likeliness of a progressive growth, following economic revival since the pandemic, has been dampened by the ongoing geopolitical turmoil and risk of new Covid-19 variants.

Mitigation: In order to maintain liquidity amid challenges, we facilitate consistent value creation for our customers and deeper market penetration to diversify risks.

- **Commodity Risk:** The pandemic has infused inflation and the Russia-Ukraine war build upon further inflationary pressures, driving supply chain disruptions and shortage of raw materials. Hence, spike in prices of key commodities impacts revenue margins and mobilisation immensely.

Management Discussion and Analysis (Contd.)

Mitigation: We have been closely monitoring price fluctuations, maintaining strict control over our inventory management in accordance with the industry dynamics and business threats. We have an efficient inventory management system in place to centralise production and optimise production costs.

- **Liquidity Risk:** A prudent liquidity risk management involves maintaining sufficient cash, marketable securities, along with availability of funds backed by proper credit facilities. This aids in meeting financial obligations and facilitates liquidity, within time constraints and as per need.

Mitigation: The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities. This is done by continuously monitoring economic forecasts & actual cash flows, and by matching maturity profiles of financial assets & liabilities. The Company consistently generates sufficient cash flows to meet financial obligations within the time constraints.

- **Brand Risk:** Unorganised businesses and strong competition within the industry may tarnish brand value in the absence of an effective response. Changes in customer preferences, products and consumer confidence can further add on to this risk.

Mitigation: Since nine decades, Kokuyo Camlin is serving innovative, high-quality products to customers. This has been a driving factor behind an established and enhanced brand reputation. Furthermore, we are consistently educating our consumers about the Company's product line, to be able to distinguish them from competitors' products.

Internal Control System & Adequacy

The internal control and risk management system is built and implemented in line with the organisation's corporate governance principles and requirements. These safeguard and ensure recording and reporting of transactions, asset preservation and protection against loss due to unauthorised use or disposition. In addition, the internal financial control system is supplemented by a thorough programme of internal audits and management reviews. Internal financial controls are managed by ensuring all relevant policies, guidelines, and processes are effective and operating. Furthermore,

well-defined MIS system ensures that all expenses remain within budgetary limits. An effective internal control system is vital to an organisation's success, giving the Management and stakeholders' reasonable comfort regarding the Company's adherence to corporate policies, industry standards, and legal obligations.

Human Resources

Your Company has always considered safety, security and well-being of people at its core. During the year 2021-22, the Work from home structure continued with the challenges thrown by the pandemic. The Human Resource department ensured smooth functioning with necessary infrastructure and access to virtual communication tools between departments, business units and its customers. IT systems were well equipped for its employees to continue working remotely. The Company has been instrumental in providing a favourable work environment to all its employees with support at both professional and emotional front.

The second wave of COVID was a very challenging period for the company during which the company extended help by sharing responsibilities of coordinating mediclaim benefits, and facilitated arrangement of hospital beds, medicines and plasma etc. for employees /their family members.

During the year, the Company organized vaccination drive for all the head office and factory employees. HR supported its on-ground sales employees with safety kits for their safe movement in their respective territories. Housekeeping and sanitization procedures were given highest importance to keep the work place hygienic and safe at all times.

Kokuyo Camlin has always demonstrated to be not just an employee-friendly but also an employee-caring organization. As on 31st March, 2022, our Kokuyo Camlin family has 1105 employees who are efficiently working for the success of the organization.

Cautionary Statement

Estimate and expectations stated in this Management Discussion and Analysis may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual result could differ materially from those expressed or implied. Important factors that could make difference to your Company's operations include economic conditions in the Government regulations, tax laws, other statutes and other incidental factors.

Corporate Governance Report

Your Director's present the Company's report on Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the year ended 31st March, 2022.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

It is your Company's unending mission to regularly nurture and develop steadfast professionalism, astute accountability and increased disclosures by taking all steps necessary towards superior growth in its value for its stakeholders. The Board of Directors ('The Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short term and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

BOARD OF DIRECTORS:

At Kokuyo Camlin, the Board is at the core of the Corporate Governance practice. Your Company has an optimum mix of

eminent personalities on the Board of Directors with members from diverse experience and expertise.

The Composition of the Board as on 31st March, 2022 is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013. The Board of Directors is chaired by Non-Executive Promoter Chairman and has an optimum combination of Executive, Non-Executive and Independent Directors.

None of the Non-Executive Directors have any material pecuniary relationships or transactions with the Company.

A declaration to this effect is also submitted by all the Non-Executive Directors at the beginning of each financial year.

The Board of Directors, based on the declaration received from the Independent Directors, confirms that in their opinion, the independent directors fulfill the conditions specified in the Companies Act, 2013 and the Listing Regulations and are independent of the management.

The Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 read with rules issued there under and the same is available on the website of the Company at the following link: <https://www.kokuyocamlin.com/companyolicies.html>

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

As mandated by Listing Regulations, none of the Directors is a member of more than ten Board level Committees or Chairman of more than five Committees across companies in which he/she is Director. Relevant details of the Board as on 31st March, 2022 are given as follows:

Corporate Governance Report (Contd.)

Name, Designation & DIN of Directors	Category	No. of Board Meetings Attended	No. of Directorships held in other Companies (+)	Name of the Listed Entity in which Directorship held and Category of Director	Attendance at last AGM	No. of Committee positions held in other Companies.	
						Chairman of Committee	Member of Committee
Mr. Dilip D. Dandekar* Chairman & Non-Executive Director (00846901)	NED(P)	8	9	Datamatics Global Services Limited - NED (I)	Yes	Nil	1
Mr. Takuya Morikawa** Sr. vice Chairman (03599830)	NED	3	1	Nil	Yes	Nil	Nil
Mr. Shriram S. Dandekar Vice Chairman & Executive Director (01056318)	ED(P)	8	1	Nil	Yes	Nil	Nil
Mr. Koji Higashiguchi*** (09263193)	NED	4	Nil	Nil	N.A.	Nil	Nil
Mr. Nobuchika Doi (03599835)	NED	8	Nil	Nil	Yes	Nil	Nil
Mr. Shishir B. Desai (01453410)	NED (I)	8	3	Paramount Cosmetics (India) Limited - NED (I)	Yes	Nil	Nil
Mr. Sriram Venkataraman (06790179)	NED (I)	8	1	Nil	Yes	Nil	Nil
Ms. Nandini Chopra (07891312)	NED (I)	8	Nil	Nil	Yes	Nil	Nil
Mr. Yasuyuki Kanebako (08580880)	NED (I)	8	Nil	Nil	Yes	Nil	Nil

* Change in designation from 'Director in whole time employment designated as Chairman and Executive Director' to 'Chairman and Non-Executive Director' effective from 1st September, 2021. Further, he continues to be the Chairman of the Company.

** Resigned with effect from 1st September, 2021.

*** Appointed with effect from 1st September, 2021.

+ Includes Directorship in Private Limited Companies, Companies under section 8 and Foreign Companies. As on 31st March 2022, none of the Directors are related inter-se.

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

The Non-Executive / Independent Directors are not holding any shares of the Company as on 31st March, 2022 except Mr. Dilip D. Dandekar who holds 2,00,000 Equity shares of the Company.

List of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business and sector, for it to function effectively and those available with the Board.

Corporate Governance Report (Contd.)

The following skills and competencies are identified for the Company's business:

Sr. No	Areas of Core Skills/Expertise/Competence
1	Business Development
2	General Management/ Governance
3	Financial Skills
4	Sales and Marketing
5	Information Technology
6	Technical and professional skills including legal and regulatory aspects

The above mentioned skills are also available with the Company's Board of Directors. Details of the directors who have such skills / expertise / competence are as under:

Name of the Director	Skills / Expertise / Competence
Mr. Dilip Dandekar	Over 51 years of wide experience in the field of Marketing, Administration and overall Management of the Company.
Mr. Shriram Dandekar	Over 39 years of wide experience in the field of Business Expansion, Diversification, Research and Development, Product Development, Business Planning and Marketing.
Mr. Koji Higashiguchi	Wide experience in the field of business strategy & Marketing, Planning & Distribution, management of stationery products.
Mr. Nobuchika Doi	Over 32 years of wide experience in the field of business strategy and marketing, planning, research and development, production technology and distribution management of stationery products.
Mr. Shishir Desai	Over 42 years of experience as a practicing advocate and solicitor in India.
Mr. Sriram Venkataraman	Wide experience in the field of Business Development and Technology advisory services. He is a guest faculty in renowned management schools both in India and Japan.
Ms. Nandini Chopra	Over 27 years of experience in financial advisory especially to the consumer and retail sector in India. She also has a wide range of experience in mergers and acquisitions, sales and divestitures, JV advisory, private equity raises, IPOs, debt syndication and valuations.

Name of the Director	Skills / Expertise / Competence
Mr. Yasuyuki Kanebako	Wide experience in facility planning and engineering to reduce energy consumption and enhance productivity with ME engineering skill and innovative technology in various countries. He also has ample knowledge in quality management.

NUMBER OF BOARD MEETINGS:

During the financial year 2021-2022, 8 (eight) Meetings were held details of which are given below and the maximum gap between two meetings did not exceed one hundred and twenty days:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1	27.05.2021	8	7
2	18.06.2021	8	8
3	10.08.2021	8	8
4	31.08.2021	8	8
5	28.10.2021	8	8
6	15.12.2021	8	8
7	28.01.2022	8	8
8	24.02.2022	8	8

CODE OF CONDUCT:

The Board has laid down a Code of Conduct for all Board members and Senior Managerial personnel of the Company. The Code of Conduct is available on the website of the Company at www.kokuyocamlin.com. All the Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct and a declaration to that effect signed by the Chief Executive Officer has been obtained.

INDUCTION AND FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

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

Corporate Governance Report (Contd.)

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

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

COMMITTEES OF THE BOARD:

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

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

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

Kokuyo Camlin has the following Board Level Committees:

- A) Audit Committee
- B) Remuneration and Nomination Committee
- C) Stakeholder Relationship Committee
- D) Corporate Social Responsibility Committee
- E) Risk Management Committee

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

A. AUDIT COMMITTEE

The Audit Committee has played an important role in ensuring the financial integrity of the Company. The Audit Committee's role includes the financial reporting process, Audit process, Related Party Transactions and other applicable laws. The composition of the Audit Committee is in line with the provisions of section 177 of Companies Act, 2013 and Listing Regulations. Further the Committee invites the Whole time Directors, Chief Executive Officer, Chief Financial Officer, Statutory

and Internal Auditor to attend the Audit Committee Meetings. Minutes of the Audit Committee are placed and discussed in the next meeting of the Board.

The composition of the Audit Committee along with the details of the meetings held and attended during the financial year ended 31st March, 2022, are given below.

Meetings, Members and Attendance:

During the financial year 2021-22, the Audit Committee held 8 (eight) meetings on 27th May, 2021, 18th June, 2021, 10th August, 2021, 31st August, 2021, 28th October, 2021, 15th December, 2021, 28th January, 2022 and 24th February, 2022. The time gap between any two meetings was less than one hundred twenty days. The details of attendance of Audit Committee meetings are as under:

Name of the Member	Category	Status	No of Meetings	
			Held#	Attended
Mr. Shishir Desai	NED(I)	Chairman	8	8
Mr. Sriram Venkataraman	NED(I)	Member	8	8
Mr. Takuya Morikawa*	NED	Member	4	3
Ms. Nandini Chopra	NED(I)	Member	8	8
Mr. Yasuyuki Kanebako	NED(I)	Member	8	8
Mr. Koji Higashiguchi**	NED	Member	3	3

Number of meetings held during the tenure of respective member of the Committee.

* Resigned with effect from 1st September, 2021.

** Appointed with effect from 28th October, 2021.

The Board has designated Ms. Hinal Chheda Company Secretary to act as Secretary to the Committee.

Members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the AGM held on 31st August, 2021 to answer the shareholders' queries.

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

Corporate Governance Report (Contd.)

powers entrusted upon it by the Board of Directors from time to time.

Terms of reference:

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

The Audit Committee has also powers *interalia* to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

B. REMUNERATION AND NOMINATION COMMITTEE:

As on 31st March, 2022, the Remuneration & Nomination Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations.

Meetings, Members and Attendance

During the Financial Year 2021-22, the Remuneration & Nomination Committee held 6 (six) meetings on 9th August, 2021, 27th August, 2021, 22nd October, 2021, 15th December, 2021, 25th January, 2022 and 24th February, 2022. The details of attendance of the Members are as under:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Shishir Desai	NED(I)	Chairman	6	6
Ms. Nandini Chopra	NED(I)	Member	6	6
Mr. Dilip Dandekar	NED	Member	6	5
Mr. Sriram Venkataraman	NED(I)	Member	6	6

The Board has designated Ms. Hinal Chheda, Company Secretary to act as Secretary to the Committee.

Terms of reference:

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

- Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommendation of remuneration to the Board of Directors of Senior Management one level below the Chief Executive Officer.

Performance Evaluation

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

Policy for Remuneration to Director/ Key Managerial Personnel

1. Remuneration to Managing/ Whole-time Directors:

- The Remuneration to be paid to Managing/ Whole-time Directors, shall be governed as per provisions of the Companies Act, 2013 and rules

Corporate Governance Report (Contd.)

made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

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

2. Remuneration to Non-Executive/ Independent Directors:

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

- b. All the remuneration of the Non-Executive/ Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The amount of such remuneration shall be such as may be recommended by the Remuneration and Nomination Committee and approved by the Board of Directors or shareholders, as the case may be.

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

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

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

A brief of the Remuneration paid to Directors and Manager is given below:

A. Directors:

(₹ In Lakhs)

Name of Director	Sitting Fees	Salary Including HRA	Perquisites#	Total
Mr. Dilip D. Dandekar*	N.A.	48.02	48.55	96.58
Mr. Shiriram S. Dandekar	N.A.	97.32	39.83	134.95
Mr. Nobuchika Doi	0.00	N.A.	N.A.	0.00
Mr. Takuya Morikawa**	0.00	N.A.	N.A.	0.00
Mr. Koji Higashiguchi***	0.00	N.A.	N.A.	0.00
Mr. Shishir B. Desai	9.60	N.A.	N.A.	9.60
Mr. Sriram Venkataraman	9.20	N.A.	N.A.	9.20
Ms. Nandini Chopra	9.60	N.A.	N.A.	9.60
Mr. Yasuyuki Kanabako	0.00	N.A.	N.A.	0.00

* During the year, Mr. Dilip Dandekar was re-designated from 'Director in whole time employment designated as Chairman and Executive Director' to 'Chairman and Non-Executive Director' effective from 1st September, 2021. Further, he continues to be the Chairman of the Company.

** Resigned with effect from 1st September, 2021.

*** Appointed with effect from 1st September, 2021.

Perquisites *interalia*, include reimbursement of expenses/ allowance for utilities, such as gas, electricity, water, furnishing and repairs, medial reimbursement, leave travel concession, club fees, provision of car and driver, telephone/fax facilities, benefit of personal accident

Corporate Governance Report (Contd.)

insurance scheme etc. The Executive Director is entitled to gratuity and encashment of leave as per the rules of the Company and also entitled to Company's contribution to provident fund and superannuation fund.

The Board of Directors at their meeting held on 28th January, 2022 have re-appointed Mr. Shriram S. Dandekar as Director in Whole time employment designated as 'Vice Chairman and Executive Director' for a further period of 1 (one) year with effect from 1st February, 2022. The necessary agreement has been executed with Mr. Shriram S. Dandekar. The aforesaid appointment was approved by the members by passing special resolutions through postal ballot on 24th March, 2022.

B. Manager

Mr. Satish Veerappa, Manager designated as Chief Executive Officer was paid a remuneration of ₹208.98 Lakhs during the year.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Terms of reference:

The terms of reference to this committee, *inter alia* covers all the matters specified under Regulation 20 of Listing Regulations, as well as in Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors, from time to time. The Committee was constituted to specifically look into the mechanism of redressing of Shareholders and Investors Complaints concerning transfer of shares, non- receipt of dividend, non-receipt of annual report etc.

Meetings, Members and Attendance

During the Financial Year 2021-2022 the Committee held 2 (two) meetings on 18th June, 2021 and 28th January, 2022.

The details of attendance of Members are as under:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Shishir Desai	NED(I)	Chairman	2	2
Mr. Shriram Dandekar	ED	Member	2	2
Mr. Nobuchika Doi	NED	Member	2	2

The Board has designated Ms. Hinal Chheda, Company Secretary to act as Secretary to the Committee.

Complaints received and redressed by the Company during the financial year 2021-2022:

During the financial year 2021-22, two complaints were received from the shareholders and the same were resolved.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

Meetings, Members and Attendance

During the Financial Year 2021-2022 the Committee held 1 (one) meeting on 29th March, 2022.

The details of attendance of Members are given below:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Ms. Nandini Chopra	NED(I)	Chairperson	1	1
Mr. Shriram Dandekar	ED	Member	1	1
Mr. Yasuyuki Kanebako	NED(I)	Member	1	1

The Board has designated Ms. Hinal Chheda, Company Secretary to act as Secretary to the Committee.

Terms of Reference:

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

E. RISK MANAGEMENT COMMITTEE

During the year under review, the Board of Directors at its meeting held on 10th August, 2021 has constituted Risk Management Committee pursuant to Regulation 21 of the Listing Regulations as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 issued on May 5, 2021.

Meetings, Members and Attendance

During the Financial Year 2021-2022 the Committee held 1 (one) meeting on 29th March, 2022.

Corporate Governance Report (Contd.)

The details of attendance of Members are given below:

Name of the Member	Category	Status	No of Meetings	
			Held	Attended
Mr. Shriram Dandekar	ED	Chairman	1	1
Ms. Nandini Chopra	NED(I)	Member	1	1
Mr. Nobuchika Doi	NED	Member	1	1
Mr. Satish Veerappa	CEO	Member	1	1

The Board has designated Ms. Hinal Chheda, Company Secretary to act as Secretary to the Committee.

Terms of reference:

The terms of reference to this committee, *interalia* covers all the matters specified under Regulation 21 as well as Regulation C of part D of Schedule II of Listing Regulations besides other terms as may be referred by the Board of Directors, from time to time. These include:

- i. Formulation of a detailed risk management policy which shall include:
 - a. framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.

- ii. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- iv. Periodical review of the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- v. Keeping the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vi. Review of appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

F. INDEPENDENT DIRECTORS MEETING:

In accordance with provisions of the Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors of the Company was held on 29th March, 2022 through video conferencing. The meeting was attended by all Independent Directors in absence of Non Independent Directors and Members of the Management.

Corporate Governance Report (Contd.)

4. GENERAL BODY MEETINGS:

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

FINANCIAL YEAR	VENUE	DATE & TIME	DETAILS OF SPECIAL RESOLUTION PASSED
2020-2021	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	31st August, 2021 at 11.00 a.m.	There was no special resolution passed.
2019-2020	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	4th September, 2020 at 11.00 a.m.	There was no special resolution passed.
2018-2019	Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai-400 020	8th August, 2019 at 3.00 p.m.	There was no special resolution passed.

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

During the year 2021-22, the Company successfully completed the process of obtaining the approval of members by way of postal ballot on two occasions in respect of the following special resolutions:

SR. NO.	PARTICULARS OF RESOLUTIONS	PASSED ON
1	Re-appointment of Mr. Satish Veerappa as 'Manager' designated as 'Chief Executive Officer' for a further period effective from 1st November, 2021 to 31st December, 2024 and remuneration payable to him upto 31st December, 2021.	23rd December, 2021
2	Payment of remuneration by way of perquisites to Mr. Dilip D. Dandekar (DIN: 00846901), Chairman & Non-Executive Director.	23rd December, 2021
3	Re-appointment of Mr. Shriram S. Dandekar (DIN: 01056318) as a Director in whole time employment designated as 'Vice Chairman & Executive Director' for a period of one (1) year effective from 1st February 2022 to 31st January, 2023 and remuneration payable to him.	24th March, 2022
4	Remuneration payable to Mr. Satish Veerapa, Manager designated as 'Chief Executive Officer' (CEO) for a period effective from 1st January, 2022 to 31st December, 2024.	24th March, 2022

The Company had appointed Mr. J. H. Ranade (FCS No. 4317, C.P. No. 2520) failing which Mr. S. J. Ranade (ACS No.33416, C.P. No.12520) of M/s. JHR & Associates, Practicing Company Secretaries as scrutinizer for conducting the postal ballot/ e-voting process in a fair and transparent manner.

Mr. Dilip D. Dandekar, Chairman & Non-Executive Director announced the Postal Ballot results as per the scrutinizers report on 24th December, 2021 in respect of the resolutions mentioned at serial nos. 1 to 2 above and further on 25th March, 2022 in respect of the resolutions mentioned at serial nos. 3 to 4 above and the results were displayed at the Registered Office of the Company, intimated to the Stock Exchanges where the Company's shares are listed and displayed along with the Scrutiniser's report on the Company's website, www.kokuyocamlin.com.

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

Corporate Governance Report (Contd.)

Resolution Required : Special			1. Re-appointment of Mr. Satish Veerappa as 'Manager' designated as 'Chief Executive Officer' for a further period effective from 1st November, 2021 to 31st December, 2024 and remuneration payable to him up to 31st December, 2021.					
Whether promoter/ promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	$[3]=\{[2]/[1]\} * 100$	[4]	[5]	$[6]=\{[4]/[2]\} * 100$	$[7]=\{[5]/[2]\} * 100$
Promoter and Promoter Group	E-Voting	75215950	75215950	100.0000	75215950	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		75215950	100.0000	75215950	0	100.0000	0.0000
Public Institutions	E-Voting	133592	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	24954264	1038866	4.1631	1035644	3222	99.6899	0.3101
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		1038866	4.1631	1035644	3222	99.6899	0.3101
Total		100303806	76254816	76.0239	76251594	3222	99.9958	0.0042

The Resolution was passed with requisite majority.

Resolution Required : Special			2. Payment of remuneration by way of perquisites to Mr. Dilip D. Dandekar (DIN: 00846901), Chairman & Non-Executive Director.					
Whether promoter/ promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	$[3]=\{[2]/[1]\} * 100$	[4]	[5]	$[6]=\{[4]/[2]\} * 100$	$[7]=\{[5]/[2]\} * 100$
Promoter and Promoter Group	E-Voting	75215950	75215950	100.0000	75215950	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		75215950	100.0000	75215950	0	100.0000	0.0000
Public Institutions	E-Voting	133592	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	24954264	1038766	4.1627	1031173	7593	99.2690	0.7310
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		1038766	4.1627	1031173	7593	99.2690	0.7310
Total		100303806	76254716	76.0238	76247123	7593	99.9900	0.0100

The Resolution was passed with requisite majority.

Corporate Governance Report (Contd.)

Resolution Required : Special			3. Re-appointment of Mr. Shiram S. Dandekar (DIN: 01056318) as a Director in whole-time employment designated as 'Vice- Chairman & Executive Director' for a period of one (1) year effective from 1st February 2022 to 31st January, 2023 and remuneration payable to him.					
Whether promoter/ promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	E-Voting	75215950	75215950	100.0000	75215950	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		75215950	100.0000	75215950	0	100.0000	0.0000
Public Institutions	E-Voting	178490	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	24909366	1075690	4.3184	1067414	8276	99.2306	0.7694
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		1075690	4.3184	1067414	8276	99.2306	0.7694
Total		100303806	76291640	76.0606	76283364	8276	99.9892	0.0108

The Resolution was passed with requisite majority.

Resolution Required : Special			4. Remuneration payable to Mr. Satish Veerappa, Manager designated as 'Chief Executive Officer' (CEO) for a period effective from 1st January, 2022 to 31st December, 2024.					
Whether promoter/ promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	E-Voting	75215950	75215950	100.0000	75215950	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		75215950	100.0000	75215950	0	100.0000	0.0000
Public Institutions	E-Voting	178490	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	24909366	1075565	4.3179	1066300	9265	99.1386	0.8614
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		1075565	4.3179	1066300	9265	99.1386	0.8614
Total		100303806	76291515	76.0604	76282250	9265	99.9879	0.0121

The Resolution was passed with requisite majority.

Corporate Governance Report (Contd.)

At present, the Company is not proposing to conduct Postal Ballot for passing a Special Resolution.

Procedure for Postal Ballot:

After receiving the approval of the Board of Directors, the Postal Ballot notice along with the explanatory statement, were dispatched to the members through e-mail on:

- a) 22nd November, 2021, to enable them to vote within a period of 30 days, starting from Wednesday, 24th November, 2021 at 9:00 a.m. (IST) to Thursday, 23rd December, 2021 at 5:00 p.m. (IST). After the last date of receipt of postal Ballot forms, the scrutinizer after due verification submitted his report on 23rd December, 2021. Thereafter, the result of Postal Ballot was declared by the Chairman on 24th December, 2021 and the same was intimated to the stock exchanges, put up on the Notice Board at the Registered Office and on the website of the Company.
- b) 21st February, 2022, to enable them to vote within a period of 30 days, starting from Wednesday, 23rd February, 2022 at 9:00 a.m. (IST) to Thursday, 24th March, 2022 at 5:00 p.m. (IST). After the last date of receipt of postal Ballot forms, the scrutinizer after due verification submitted his report on 25th March, 2022. Thereafter, the result of Postal Ballot was declared by the Chairman on 25th March, 2022 and the same was intimated to the stock exchanges, put up on the Notice Board at the Registered Office and on the website of the Company.

5. MEANS OF COMMUNICATION

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

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

FINANCIAL RESULTS: The Quarterly, Half yearly and Annual Results are regularly posted by the Company on its website. These are also submitted to the Stock Exchanges i.e. NSE through NEAPS (NSE Electronic Application Processing System) and BSE (Corporate Compliance and Listing Centre) in accordance with Listing Regulations. The Quarterly, Half Yearly and Annual Results are normally published in Financial Express (English) and Loksatta (Marathi) newspapers, within 48 hours of approval.

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

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.

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

Corporate Governance Report (Contd.)

6. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting (Day, Date, Time)	Wednesday, 29th June, 2022 11:00 a.m.
Mode	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circulars dated May 5, 2020, April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
Financial Year	1st April, 2021 – 31st March, 2022
Date of Book Closure	25th June, 2022 – 29th June, 2022
Financial Results	First Quarter Results: by 14th August, 2022 Second Quarter Results: by 14th November, 2022 Third Quarter Results: by 14th February, 2023 Fourth Quarter Results: by 30th May, 2023
Listing on Stock Exchanges	BSE Ltd. (Scrip Code: 523207) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 National Stock Exchange of India Ltd. (Symbol: KOKUYOCMLN) Exchange plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051

International Securities Identification Number (ISIN)	INE760A01029
Corporate Identification Number (CIN)	L24223MH1946PLC005434

Note: The Annual Listing Fees for the year 2022-23 has been paid to BSE & NSE.

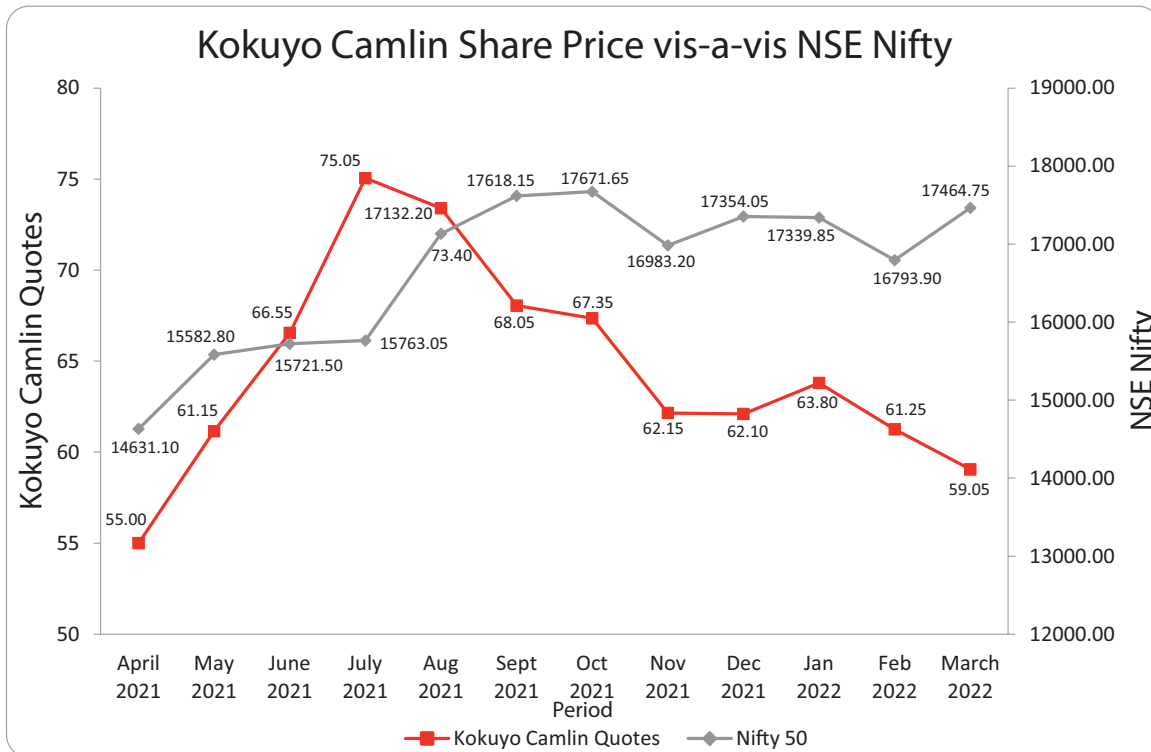
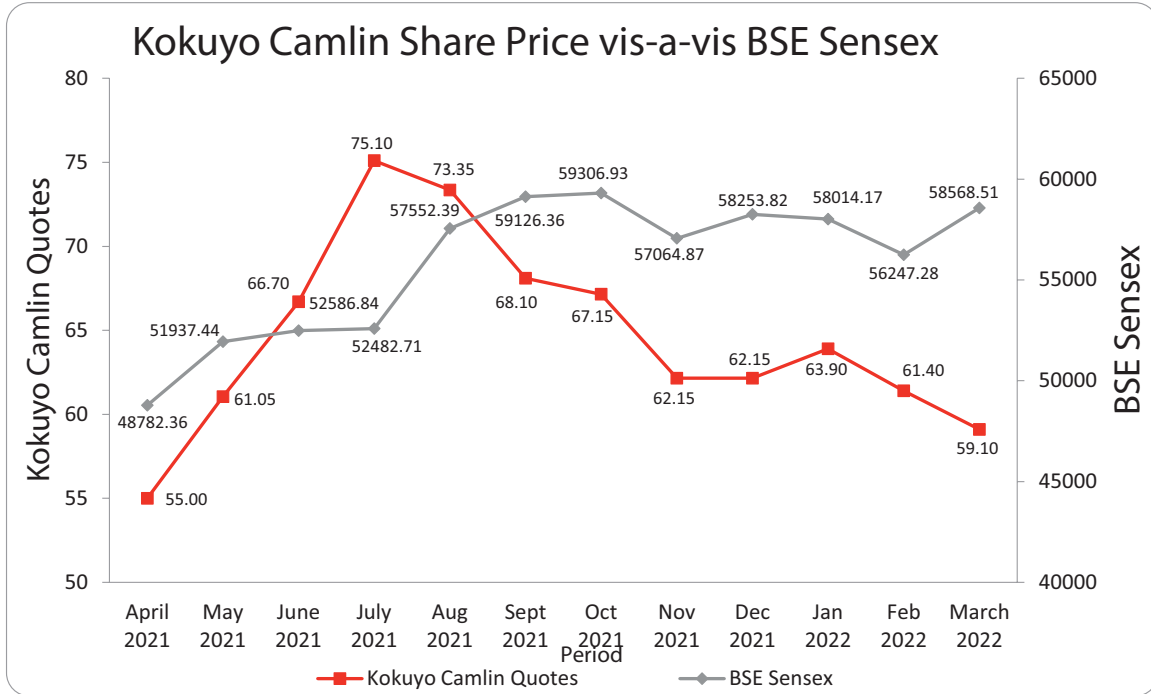
7. STOCK MARKET DATA:

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

Month	BSE		NSE	
	High	Low	High	Low
April, 2021	60.15	52.20	60.30	52.00
May, 2021	64.70	54.40	64.90	54.50
June, 2021	69.65	58.90	70.00	58.75
July, 2021	79.85	66.55	79.90	66.50
August, 2021	79.45	59.65	79.65	59.50
September, 2021	77.00	64.75	77.40	64.85
October, 2021	71.35	63.70	71.25	63.90
November, 2021	72.45	61.10	72.50	61.10
December, 2021	67.45	59.00	67.60	59.25
January, 2022	68.90	60.00	68.90	60.75
February, 2022	71.60	57.70	70.25	58.00
March, 2022	64.85	58.55	64.90	58.55

Corporate Governance Report (Contd.)

8. STOCK PERFORMANCE:



Corporate Governance Report (Contd.)

9. REGISTRARS AND SHARE TRANSFER AGENT FOR SHARES:

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

Shareholders are advised to send all the correspondence to the RTA. Documents relating to shares received by the Company are also forwarded to the RTA for necessary actions thereon.

10. SHARE TRANSFER SYSTEM:

In terms of Regulation 40 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, securities can be transferred only in dematerialized form w.e.f. April 01, 2019, except in case of request received for transmission or transposition of securities. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 mandated the listed Companies to issue the securities only in dematerialized form while

processing the service requests viz. issue of duplicate Securities certificate, Claim from unclaimed Suspense Account, renewal / exchange of Securities certificate, Endorsement, Sub-division / splitting of Securities certificate, Consolidation of Securities certificate / folios, Transmission and Transposition. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Shareholders who desire to demat their shares can get in touch with any Depository Participant having registration with SEBI to open a demat account and follow the procedure for dematerialization of share.

11. RECONCILIATION OF SHARE CAPITAL AUDIT:

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

12. Distribution of Shareholding as on 31st March, 2022:

No. of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
Up to 5000	33367	98.40	12375321	12.34
5001-10000	313	0.92	2340343	2.33
10001-20000	118	0.35	1722544	1.72
20001-30000	34	0.10	849710	0.85
30001-40000	21	0.06	734304	0.73
40001-50000	12	0.04	568219	0.57
50001-100000	23	0.07	1686091	1.68
100001-9999999	19	0.06	5361324	5.34
10000000 & above	1	0.00	74665950	74.44
Total	33908	100.00	100303806	100.00

Corporate Governance Report (Contd.)

Category of Shareholding as per 31st March, 2022:

Category of Shareholder	Total No. of Shares	Percentage of Total Shares
Promoter and Promoter Group (A)	75215950	74.99
Public Shareholding (B)		
Nationalised Banks	2125	0.00
Foreign Portfolio Investors (Corporate)	122208	0.12
Investor Education and Protection Fund	721018	0.72
Bodies Corporate	1665948	1.66
Clearing Member	132883	0.13
Individuals	20870876	20.81
Non Resident (Rep)	258705	0.26
Non – Resident (Non-Rep.)	187771	0.19
Hindu Undivided Family	1071321	1.07
Unclaimed Shares	55001	0.05
Total Public Shareholding (B)	25087856	25.01
Total Shareholding = (A) + (B)	100303806	100.00

Dematerialisation of Shares:

The Company's Equity Shares are held in dematerialized form by National Securities Depository Ltd. (NSDL) and Central Depository Services India Ltd. (CDSL) under ISIN No. INE760A01029. As on 31st March, 2022, 98.98% of the total shares of the Company have been dematerialised. The Shareholders holding shares in physical form are requested to dematerialise their shares as the Company's shares are required to be compulsorily traded at the stock exchanges in dematerialised form only. Further, SEBI, vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated issuance of securities in dematerialized form while processing the service request viz. issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / splitting of securities certificate, Consolidation of securities certificates/folios, Transmission and Transposition. The shares of the company are regularly traded at the National Stock Exchange of India Limited and the BSE Limited.

12. UNCLAIMED SUSPENSE ACCOUNT:

In accordance with the requirements of Regulation 34, 39 read with Schedule V(F) of Listing Regulations, details of equity shares in Kokuyo Camlin Limited Unclaimed Suspense Account are as follows:

Particulars	No. of shareholders	No. of Equity Shares
Opening Balance	31	55001
Add	–	–
Less	–	–
Less	–	–
Closing Balance	31	55001

Corporate Governance Report (Contd.)

The shareholders after verifying from RTA that their shares have been transferred to Unclaimed Suspense Account can make their claim with the Company or RTA. Thereafter, Company on proper verification of the shareholder's identity and address would transfer the shares in their favour. All the corporate benefits against those shares like bonus shares, split, dividend etc., would also be transferred to Unclaimed Suspense Account of the Company. The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

13. SUBSIDIARY COMPANY:

The Company does not have any Subsidiary Company.

14. Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2022. The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1 and A/Stable respectively. There was no revision in the said ratings during the year under review.

15. Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any exposure hedged through commodity derivatives. During the financial year, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposures are disclosed in Note no. 41 to the Annual Audited Financial Statements.

16. Plant Locations:

Tarapur	:	M.I.D.C, Boisar, Tarapur, Dist. Thane 401506.
Patalganga	:	Plot No. F/8, Additional Patalganga, MIDC, Village Chavane, Tal. Panvel, Dist Raigad, Pin – 410 220.
Jammu	:	Industrial Growth Center, Samba Phase I, Jammu, J&K State.
	:	101, Gangyal Industrial Area, Phase II, Jammu – 180 004.

17. Address for correspondence:

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

Secretarial Department:

The Company's Secretarial Department headed by Ms. Hinal Chheda, Company Secretary & Compliance Officer is situated at the Registered Office mentioned above. Shareholders/Investors may contact the Company Secretary for any assistance they may need.

Name of the Compliance officer	:	Ms. Hinal Chheda
Designation	:	Company Secretary & Compliance Officer
Telephone	:	022- 6655 7000
Fax No.	:	022- 2836 6579
Email	:	investorrelations@kokuyocamlin.com

18. DISCLOSURES:

i. Strictures and Penalties:

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

ii. Compliance with Accounting Standards:

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

iii. CEO/ CFO Certification:

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

Corporate Governance Report (Contd.)

iv. **Internal Control system and their adequacy:**

The Company has adequate internal control procedures commensurate with its size and nature of business. The Company has appointed Internal Auditors who audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements. The Audit Committee of the Board of Directors periodically reviews the audit plans, internal audit reports and adequacy of internal controls and risk management.

v. **Related Party Transactions:**

The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large. The related party transactions entered into with the related parties as defined under the Companies Act, 2013 and as per Listing Regulations during the financial year were in the ordinary course of business and the same have been approved by the Audit Committee/ Board of Directors. Transactions with the related parties are disclosed under Schedule 40 to the financial statements in the Annual Report. The Board of Directors has approved a policy of related party transactions which has been uploaded on the website of the Company www.kokuyocamlin.com.

vi. **Recommendations of the Committees of the Board:**

There were no instances during the financial year 2021-22, wherein the Board had not accepted recommendations made by any Committee of the Board.

vii. **Risk Management:**

We operate in a dynamic business scenario that gives rise to external and internal risk factors. We have designed an integrated risk management approach called the Enterprise Risk Management (ERM) framework for risk identification, assessment and reporting. To identify key risks to our business model, during the course of the year we have conducted a risk management

exercise that assisted the senior management in identification of key risks and selection of most suited risk management strategies to manage principal risks effectively. The Board has approved the Risk Management Policy as part of the ERM framework that covers key business functions, processes and units. The Risk Management policy is implemented through the Risk Management Committee and various department heads who take the risk ownership and monitor the risks on a periodical basis. The ERM Framework will enable achievement of strategic objectives by identifying, analysing, assessing, mitigating, monitoring and governing any risk or potential threat to these company objectives. Systematic and proactive identification of risks and mitigation thereof will enable effective and quick decision making and will boost the performance of the organization. The ERM framework will act as a decision enabler which not only seeks to minimize the impact of risks but also enable effective resource allocation based on risk ranking and risk appetite. Strategic decisions will be taken after careful consideration of risks based on secondary risks and residual risks.

viii. **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 policy also includes reporting of instances relating to leak of Unpublished Price Sensitive Information. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. No person has been denied access to the Chairman of the Audit Committee.

ix. **Secretarial Compliance Report**

The Company has engaged the services of Mr. J. H. Ranade (CP No. 2520), Partner of M/S. JHR & Associates, Practicing Company Secretaries and Secretarial Auditors of the Company for providing the certificate pursuant to SEBI Circular

Corporate Governance Report (Contd.)

No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24 (A) of the Listing Regulations and the said certificate was placed before the Board of Directors at their meeting held on 6th May, 2022.

x. Certificate from Practicing Company Secretary

Certificate as required under Part C of Schedule V of the Listing Regulations received from Mr. J. H. Ranade, Partner of M/S. JHR & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 6th May, 2022 and is annexed to this Report.

xi. Total fees paid to the Statutory Auditor:

Total fees of ₹35.36 Lakhs during the financial year 2021-22, for all the services was paid by the Company, to the Statutory Auditor and all entities in the network firm/ network entity of which the Statutory Auditor is a part.

xii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a)	Number of complaints pending at the beginning of the financial year 2021-2022.	:	0
b)	Number of complaints filed during the financial year 2021-2022	:	1
c)	Number of complaints disposed off during the financial year 2021-2022.	:	1
d)	Number of complaints pending as on end of the financial year 2021-2022.	:	0

xiii. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons:

The Company has adopted Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons under Securities and

Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

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

The Corporate Governance Report of the Company for the year ended 31st March, 2022 are in compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

The Non-Executive Chairman of the Company is entitled to maintain his office at the expenses of the Company and reimbursement of expenses incurred in performance of his duties.

- **Shareholders Rights:**

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

- **Modified opinion in Auditors Report**

The Company's financial statement for the year ended 31st March, 2022 does not contain any modified Audit opinion

- **Reporting of Internal Auditor:**

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

For & on behalf of the Board

Dilip D. Dandekar
Chairman & Non-Executive Director

Place: Mumbai
Dated: 6th May, 2022

Corporate Governance Report (Contd.)

COMPLIANCE WITH CODE OF BUSINESS CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2022.

Place: Mumbai
Date: 6th May, 2022

For Kokuyo Camlin Limited
Satish Veerappa
Chief Executive Officer

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

To,
The Board of Directors
Kokuyo Camlin Limited

We, Satish Veerappa, Chief Executive Officer and Chetan R. Badal, Chief Financial Officer heading the Finance Functions, to the best of our knowledge and belief, hereby certify that:

1. We have reviewed the Balance Sheet as at 31st March, 2022, Profit & Loss Account for the year ended on that date along with all its schedules, notes to accounts as well as cash flow statement and Directors Report for the year and based on our knowledge and information confirm that:
 - a. these statements do not contain any materially untrue statement or omit to state any material fact or contain statements that may be misleading;
 - b. these statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. Based on our knowledge and information, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We, along with the Company's other certifying officers accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of internal control system of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which, we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We, along with the Company's other certifying officers, have indicated to the Auditors and the Audit Committee of the Company, the following:
 - a. Significant changes in internal control during the year;
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having significant role in the Company's internal Control System.

SATISH VEERAPPA
CHIEF EXECUTIVE OFFICER

CHETAN BADAL
CHIEF FINANCIAL OFFICER

Place: Mumbai
Date: 6th May, 2022

Corporate Governance Report (Contd.)

Certificate from Practicing Company Secretaries Regarding Non-Disqualification of Directors CERTIFICATE

Based on our verification of the records maintained by Kokuyo Camlin Limited L24223MH1946PLC005434 (hereinafter called 'the Company') including declarations / notices received from its Directors and also information / record available on the website(s) of the Ministry of Corporate Affairs, Securities and Exchange Board of India and Stock Exchanges where the equity shares of the Company are listed, we hereby certify that, during the Financial year 2021-22, none of the Directors on the Board of the Company were debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

This certificate is being issued as per the requirements of Schedule V (C) (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For JHR & Associates
Company Secretaries**

**J. H. Ranade
(Partner)**

FCS: 4317, CP. 2520

UDIN: F004317D000294640

Place: Thane

Date: 6th May, 2022

Certificate from Practicing Company Secretaries Regarding Compliance of Conditions of Corporate Governance CERTIFICATE

To

The Members of **KOKUYO CAMLIN LIMITED**

We have examined the compliance of conditions of Corporate Governance by Kokuyo Camlin Limited - CIN: L24223MH1946PLC005434 ('the Company') for the year ended on 31st March, 2022 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreements of the said Company with Stock Exchanges ('the Regulations').

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For JHR & Associates
Company Secretaries**

**J. H. Ranade
(Partner)**

FCS: 4317, CP. 2520

UDIN: F004317D00030411

Place: Thane

Date: 6th May, 2022

Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March, 2022 pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company.	:	L24223MH1946PLC005434
2	Name of the Company	:	Kokuyo Camlin Limited
3	Registered address	:	48/2, Hilton House, Central Road, MIDC, Andheri (E), Mumbai – 400093
4	Website	:	www.kokuyocamlin.com
5	E-mail id :	:	corporate@kokuyocamlin.com
6	Financial Year reported :	:	1st April, 2021 to 31st March, 2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Stationery & Art Material Products
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Scholastic Products & Note books Writing and Marking Instruments Fine Art and Graphics/Fashion and Hobby colours.
9	Total number of locations where business activity is undertaken by the Company	:	
	a. Number of International Locations (Provide details of major 5)	:	Nil
	b. Number of National Locations	:	The Company's manufacturing operations are at three locations i.e. Addl Patalganga and Tarapur in Maharashtra and In Samba in J & K Union Territory with Branch offices at New Delhi & Kolkata. The Company's registered office is in Mumbai and has a nationwide sales and distribution network.
10	Markets served by the Company –Local/State/ National/International	:	The markets for the Company's products are across India. Globally, it serves markets in SAARC, Middle East, Far East & Japan.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	:	100303806
2	Total Turnover (INR) (Net)	:	50,847.23 lakhs
3	Total profit after taxes (INR)	:	-472.85 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	₹13.32 lakhs Percentage – Not Applicable
5	List of activities in which expenditure in 4 above has been incurred:-	:	a) Conversion of Nitrogen Plant to Oxygen Plant and donating the same to TIMA Hospital, Tarapur for supply of oxygen to COVID-19 patients. b) Contribution to PM Cares Fund.

Business Responsibility Report (Contd.)

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	:	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	:	N.A
3	Do any other entity/entities (e.g. Suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	:	Currently other entities (suppliers/ distributors, etc.) do not participate in BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

No	Particulars	Details
1	DIN Number	01056318
2	Name	Shriram Dandekar
3	Designation	Vice Chairman & Executive Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	-
2	Name	Satish Veerappa
3	Designation	CEO
4	Telephone number	022-66557000
5	e-mail id	corporate@kokuyocamlin.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P 1:	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P 2:	Businesses should provide goods and services that are safe and contribute to Sustainability throughout their life cycle
P 3:	Businesses should promote the wellbeing of all employees
P 4:	Businesses should respect the interests of, and be responsive towards all stakeholders, Especially those who are disadvantaged, vulnerable and marginalized.
P 5:	Businesses should respect and promote human rights
P 6:	Business should respect, protect, and make efforts to restore the Environment
P 7:	Businesses, when engaged in influencing public and regulatory policy, should do so in a Responsible manner
P 8:	Businesses should support inclusive growth and equitable development
P 9:	Businesses should engage with and provide value to their customers and Consumers in a responsible manner

Business Responsibility Report (Contd.)

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes The policy is in line with applicable legal requirements and are as per ISO and Occupational Health and Safety Assessment systems.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/appropriate Board Director?	Yes it is signed by the CEO.								
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The implementation and adherence to the Code of Conduct for employees is overseen by the human resource department. The Corporate Social Responsibility Policy is administered by the CSR Committee in line with requirements of the Companies Act, 2013. The CEO is responsible for the implementation of Environment Health and Safety (EHS) policy/ies.								
6	Indicate the link for the policy to be viewed online?	All employee related policies are uploaded on the intranet portal of the Company for communication and implementation. Certain policies are uploaded on the Company's website www.kokuyocamlin.com.								
7	Has the policy been formally Communicated to all relevant internal and external stakeholders?	Policies are communicated to all relevant stakeholders through Company website, meetings, emails, annual report, etc.								
8	Does the company have in house structure to implement the policy/policies	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address Stakeholders' grievances related to the policy/policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	It is carried out wherever applicable.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles.	NOT APPLICABLE								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3	The company does not have financial or manpower resources available for the task.									
4	It is planned to be done within next 6 months.									
5	It is planned to be done within the next 1 year.									
6	Any other reason (please specify).									

Business Responsibility Report (Contd.)

3. Governance related to BR

Business responsibility performance will be reviewed, at least annually, by the Board. The BR report is part of Annual report and will be published annually. The Annual report is available on the Company's website: www.kokuyocamlin.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability:

The composition of the Board of Directors of the company is governed by the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. As on March 31, 2022, the Company has 8 directors on its board (including the Chairman), of which 4 are independent, 3 are non-executive non-independent Directors and 1 is Executive non-independent.

The Board along with its Committees provides leadership and strategic guidance to the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to high standards of ethics, transparency and disclosures. The Board's objective is to create sustainable value for all stakeholders, provide vision to the Company and oversee implementation of the Board's decisions.

To ensure accountability and monitoring, the Board has constituted various committees such as: Audit Committee, Remuneration & Nomination Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders' Relationship Committee and Risk Management Committee. The committees meet periodically during the year to review performance and advice on the necessary direction to be taken.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company, in order to maintain these standards has adopted the 'Code of Conduct', which lays down the principles and standards that should govern the actions of the employees in the course of conduct of business of the Company.

The Company has a 'Whistle Blower policy' which protects employees wishing to raise a concern about serious irregularities within the Company.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

The Company's Policy on ethics, bribery and corruption includes within its ambit all the employees, at all levels and grades, as also the Directors on the Board. The efficacy and performance of the Company's Whistle Blower Policy and Code of Ethics are reviewed by the Audit Committee of the Board.

The existing Code of Conduct for Board Members and senior management executives covers only the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholders	Complaints received	Complaints resolved	%
Investors complaints	2	2	50%
Consumers complaints	147	146	99.32%
Total	149	148	99.33%

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

The Company as always continues to believe and incorporate environment friendly initiatives and business practices in its operations. We take best efforts to ensure that our products do not cause any environmental concern or risk. While designing the product the company ensures that it is safe while using. From sourcing of raw material to the technology we use at our plants we are ensuring that our manufacturing process and technologies are resource efficient and sustainable. We treat the process waste by in house treatment plants and follow safe disposal procedures.

Principle 3: Businesses should promote the well-being of all employees:

Employee's safety and health is extremely important to us. The Company believes that giving its employees ample opportunities to perform increases the engagement levels and is vital to achieve a profitable growth. The Company provides its people with a safe working environment, respecting their human rights, promotes their professional development and creates an inclusive work environment. Human Resource policies and benefits have been articulated in the 'HR Policy Manual'. The manual defines eligibility, entitlement, terms & conditions and associated documentation for each policy.

Business Responsibility Report (Contd.)

The Company ensures that every woman employee is treated with dignity, respect and equality. There is zero tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action.

The Company has established a policy against Sexual Harassment for its employees. The policy allows any employee to freely report any such act and prompt action is taken thereon. The Company has strengthened its performance-driven orientation. The Company contributes to the medical insurance of its employees and their immediate family members and also organizes health check-ups and camps for employees. It is deeply committed to safety of its employees at workplace.

During the year, the Company had organized vaccination drive for all the head office and factory employees. All the field employees were provided with masks and sanitizers. All the COVID-19 related measures and protocols were implemented at the factory locations and head office.

Safety and skill upgradation programs are provided from time to time to the employees and over a period of time most of the employees are covered under such programs. Employees are encouraged to participate in safety programs and be acquainted with the safety measures. It regularly organizes mock fire drills and fire safety training classes at all its locations.

As on 31st March 2022, the total number of permanent employees on the payroll of the Company were 1105 and the total number of employees hired on Temporary/ contractual/ casual basis/third Party Sales employee were 1552 and there are 2 permanent employees with disability. The permanent women employees were 65. All factory workers at our unit in Tarapur are members of recognized labour union.

The details of complaints filed during the financial year are as under:

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labor/forced labor/involuntary labor	Nil	Nil
2	Sexual harassment	1	Nil
3	Discriminatory employment	Nil	Nil

Principle 4: Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Company has identified its internal and external stakeholders and endeavors to maintain healthy engagement with these stakeholders which allows participation and collaboration wherever possible. Company recognises employees, business associates viz suppliers, stockists and dealers, customers, shareholders/investors and communities surrounding our operations and regulatory authorities as key stakeholders.

The Company's website, www.kokuyocamlin.com contains comprehensive information for the stakeholders about the Company. The Company also has designated an exclusive email-id for investor services – investorrelations@kokuyocamlin.com. While developing our CSR strategy we have ensured that all communities benefit from our CSR activities, with special focus on those groups that are socially and economically marginalized.

Principle 5: Businesses should respect and promote human rights:

The Code of conduct is applicable to all employees of the company. The Company follows its policy on Human Rights which are applicable to all employees in the Company. We do not discriminate against any team member or applicant for employment on the basis of nationality, race, colour, religion, caste, gender, gender identity/expression, sexual orientation, disability, age, or marital status.

The Company encourages its Business Partners to follow similar policy. Company discourages dealing with any supplier/contractor if it is in violation of human rights and also prohibits the use of forced or child labor at all manufacturing units / with business associates. If the company finds any supplier/contractor employing child labour the company discontinues its engagement with the said supplier/contractor.

No complaint was received pertaining to human rights violation during the reporting period.

Principle 6: Businesses should respect, protect and make efforts to restore the environment:

We are continually investing in new technologies, implementing process improvements and innovating. There are continuous efforts for devising and implementing strategies for managing environmental risks.

Business Responsibility Report (Contd.)

EHS Policy of the Company and processes have been deployed to continually improve the environmental performance. The said policy has been deployed across the Company. Company has three manufacturing units across India. It has Integrated Management system certification i.e. ISO 9001, 14000 and 45000, which covers quality, environment and safety management system. The policy covers only to our plants in India.

Global warming is one of the threat for mankind. The philosophy governing the factories and its operations is 'Reduce, Recycle & Re use'. Our Goal is Zero accident, Zero waste & Zero defect and to have a safe and secure environment for employees."

Some of our steps are:

- (a) We are using polymers for our stationery products, and recycling maximum material which gets released as waste.
- (b) All our ETP/ STP plants are ZLD i.e. zero liquid discharge and we are using the treated effluent for garden, Utilities and Processes.
- (c) The Company is using the best of rainwater harvesting practices within the industry premises to ensure ground water recharge. The Patalganga factory has a 50 Lacs Liter Open water storage pond. The rainwater is collected in the pond and excess is then transferred to a stream and thereafter to the river in Patalganga.
- (d) Every factory is having LED lights to reduce the power consumption.
- (e) We have solar water heating system which is used for processing in production of certain goods. It has replaced the electrical heating partially.
- (f) The Patalganga Plant is having 564 KWp solar power generation plant to reduce carbon footprints and 500 KWp solar power plant is under installation at Tarapur factory.

The Company makes all efforts to identify environment aspects and manage its environmental impacts and continually improve its environmental performance, driven by our Environment Health & Safety Policy. All manufacturing plants in India are certified to ISO 14001:2015 – Environment Management System & ISO 45001:2018 – Occupational Health & Safety Management System. As part of EMS implementation, potential environmental risks are identified

and appropriate mitigation strategies to reduce the risk are in place

We do not have any project under Clean Development Mechanism (CDM).

We have solar plant of 564 KW, capacity, which generates 600 Tons CO2 emission saving /year.

For emission generation, we have one non IBR boiler in which all the emission norms are followed as per MPCB guideline.

1. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

- **Clean Technology:** We are utilizing maximum day light in our factory and have installed solar power plant and Solar water heating system to conserve energy.
- **Energy Conservation:** Energy efficiency is improved by replacing high power consuming motors with Servo based motors. All lightings are LED and we have proper energy monitoring systems which checks for any abnormality during the day.
- **Reduction in water use:** We have been able to reduce our water usage by fully recycling the treated water. We have 50 Lakh Litre rain water harvesting pond. This also improves the water density across area.
- **Reduce food waste:** We have educated all the employees for reducing the food wastage. All the garden waste and food waste is used as compost for improving Green area.
- **Awareness Program:** Safety week is the biggest event in our plants which creates the awareness on environment, safety, health. Many programs such as Drawing Competition, Slogan Competition, etc. are also held.
- **Plantations:** Every year all factories undertake plantation drives to increase green area in and around our factories. Under the heading of IDEAL SCHOOL PROJECT we are monitoring the tree plantation drive and around 5000 saplings are planted per year.

All our manufacturing Plants comply with the prescribed permissible limits for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal as per their Regulatory Consents/Authorizations.

Business Responsibility Report (Contd.)

As on 31 March, 2022, there is no pending show cause or legal notice received from MPCB/CPCB, to the best of the Company's knowledge and understanding.

Tarapur Environment Protection Society (TEPS) has issued demand notice to all the industries in Tarapur related to non-standard operations of Central Effluent Treatment Plant (CETP) as the inlet effluent quality was out of specification. We have received notice for two units for ₹11.25 Lakhs and ₹2.60 Lakhs. As we are zero liquid discharge Company, we have objected this claim by submitting our reply to TEPS. No further communication has been received in this regard.

Principle 7: Business when engaged in influencing Public and Regulatory Policy, should do so in a responsible manner.

Company is the member of several Industry bodies and trade Associations like Federation of Indian Chamber of Commerce and Industries (FICCI), Indian Merchants Chamber (IMC), Tarapur Industrial Manufacturer Association (TIMA) and such other trade bodies.

Being an industry-house, our major areas of concern are those public policies which deals with industry/business. Therefore, our interactions are related to economic policy changes and other issues, which affect the sustainability and competitiveness of the industry.

These platforms are utilized to update the industry concerns to the relevant government offices through seminars, delegations and memorandum. Through these forums, we also provide our inputs sought by the State & Central Governments from time to time related to current problems faced by the industry, future prospects and policy imperatives required to overcome bottlenecks.

These forums are used to advance the cause of the industry and are not used to take up company specific issues.

Principle 8 Businesses should support inclusive growth and equitable development:

The Company undertakes initiatives through the CSR committee of the Board as per the CSR policy of the Company. A brief outline of the policy for undertaking the CSR activities of the Company includes the following:

- Promoting healthcare, water and sanitation programmes;

- Promoting education, enhancing vocational skills and livelihood enhancement projects;
- Contribution to the Prime Minister's National Relief Fund or any other Fund set up by the Central Government.

These projects are in accordance with schedule VII of the Companies Act, 2013 and rules made thereunder.

The aforesaid projects have been carried out by the Company directly and/or through implementing agencies.

The details can be found in Annexure-C of the Directors Report.

In several locations the Company continuously engages with communities surrounding its factories and operations. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the community itself. This is done to ensure continuity even if the Company is unable to support the programme in the future. This ensures successful adoption by communities to the extent possible.

Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Understanding our customer is the key to adding value. We try to understand what drives value for our customers and offer best quality products with a prime focus of developing memorable customer experience. We take care of the wellbeing of our customers as well as the society. We take care of environment and implement practices that do not harm our society. We consistently work to improve customer satisfaction. We deliver value proactively by anticipating changes in customer's desired needs. We disclose all the information on our labels in compliance with the legal requirements and let customers make an informed decision. There is no case pending against the company regarding unfair trade practice As part of our stakeholder engagement strategy, Company engages with its customers and carries consumer surveys for different products every year to know the customer satisfaction level so that necessary steps may be taken to enhance customer satisfaction levels. Our marketing team routinely carries out these surveys and gives inputs to business on taking remedial action, if required.

Independent Auditors' Report

To the Members of

Kokuyo Camlin Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kokuyo Camlin Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p>Revenue recognition (refer note 3.01 and 43 – to the financial statements)</p> <p>Revenue from the sale of goods is recognised when the control of the goods has passed to the customers, which is on dispatch/delivery of the goods. There is a risk that revenue may be overstated throughout the year and as at the year end to achieve performance targets.</p> <p>Revenue is measured net of discounts, incentives and rebates earned by customers on the Company's sales. The estimation of discounts, incentives and rebates is significant and considered to be complex and requires significant degree of judgment. There is a risk that revenue may be overstated through incorrect estimation of the discounts, incentives and rebates recognised to achieve performance targets throughout the year and as at the year end.</p> <p>Accordingly, revenue recognition is a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Accounting policies: Assessed the Company's accounting policies with respect to revenue recognition, discounts, incentives and rebates by comparing with applicable accounting standards. Control testing: Tested the design, implementation and operating effectiveness of the Company's controls over recording revenue and estimating and recording the amount of provisions for schemes and discounts. Tests of details: Tested, by selecting statistical samples, underlying documentation/records for sales transactions recorded throughout the year and as at year end to determine whether revenue has been recognised in the correct period.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (Continued)

The key audit matter	How the matter was addressed in our audit
	<p>Tested, by selecting statistical samples, the underlying documentation for discounts, incentives and rebates recorded and disbursed during the year.</p> <p>Assessed the Company's computations for accrual of discounts, incentives and rebates, on a sample basis, and compared the accruals made with the approved schemes and underlying documents.</p> <p>Assessed manual journals posted to revenue to identify unusual or irregular items.</p> <p>Compared past trends of payments and reversals of provisions for discounts, incentives and rebates to evaluate the historical accuracy of provisions made.</p>
<p>Provisioning for slow moving inventory (refer note 09 – to the financial statements)</p> <p>The Company makes provisions for slow moving / non-moving inventories based on certain specific percentages assigned to the inventory ageing. The Company also makes specific provisions for slow moving items. Due to the significant number of stock keeping units (SKUs) in the various categories of inventories, significant judgment is required by the Company in determining the inventory provisioning.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Accounting policies: Assessed the Company's accounting policies for inventory provisioning. Control testing: Tested the effectiveness of the Company's controls over the assessment and recording of slow moving inventory provision. Tests of details:
<p>There is a risk that inventory may be overstated on account of inappropriate provisioning for non-moving inventories.</p> <p>Accordingly, provisioning for inventory is a key audit matter.</p>	<p>Tested the sales of slow moving inventory during the period and assessed the Company's plans for future disposal of such stocks.</p> <p>Tested the estimated future sales values, less estimated costs to sell against the carrying value of the inventories.</p> <p>Compared the historical trend of Company's estimates against actual outcomes to assess the impact of provision of slow moving inventory.</p> <p>Tested the inventory written off against the provisions recorded.</p> <ul style="list-style-type: none"> Considered the adequacy of the Company's disclosures in respect of provisions for inventory.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Independent Auditors' Report (Continued)

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If

Independent Auditors' Report (Continued)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 31 to the financial statements;
 - b) The Company has made provision, as required under the applicable law or accounting standards, for material

Independent Auditors' Report (Continued)

- foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 41 to the financial statements;
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- d) (i) As explained in Note 46 to the financial statements, the management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) As explained in Note 46 to the financial statements, the management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The Company has neither declared nor paid any dividend during the year.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.101248W/W-100022

Vijay Mathur

Partner

Membership No. 046476

UDIN: 22046476AIMYPB7647

Place: Mumbai

Date: 06 May 2022

Annexure A to the Independent Auditors' report on the financial statements of Kokuyo Camlin Limited for the year ended 31 March 2022

(Referred to in our report of even date)

- | | |
|--|--|
| <p>(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.</p> <p>(a) (B) The Company has maintained proper records showing full particulars of intangible assets.</p> <p>(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified by the management over one year. In accordance with this programme, all property, plant and equipment were physically verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.</p> <p>(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.</p> <p>(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.</p> <p>(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.</p> | <p>(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.</p> <p>(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.</p> <p>(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.</p> <p>(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.</p> <p>(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.</p> |
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Annexure A to the Independent Auditors' Report on financial statements (Continued)

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by

the company with the appropriate authorities though there have been slight delays in a few cases.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues relating to Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues which have not been deposited with appropriate authorities on account of any dispute, except as follows:

Name of the Statute	Nature of dues	Amount Demanded ₹ in lakhs	Amount Paid ₹ in lakhs	Period to which the amount relates	Forum where dispute is pending
The Income tax Act, 1961	Income tax	2,026.25	-	AY 2018-19	CIT (Appeals)
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	53.60	32.97	1990-95	Mumbai High court
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	9.05	-	Jan 1991 to June 1991	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	827.57	204.12	1995-96, 1998-99 to 2001-02, 2004-05 to 2005-06, 2007-08, 2009-10 to 2013-14, 2014-15 to 2018-19	First Appellate
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	39.70	37.92	1996-97, 1997-98, 2001-02, 2005-06, 2006-07, 2007-08, 2008-09	Sales Tax– Tribunal

Annexure A to the Independent Auditors' Report on financial statements (Continued)

Name of the Statute	Nature of dues	Amount Demanded ₹ in lakhs	Amount Paid ₹ in lakhs	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	1.17	-	2016-17	Assessing officer
Goods and Service Tax Act, 2017	Goods and Service Tax Act	2.92	0.67	2018-19	First Appellate
Customs Act 1962	Customs Duty (including interest and penalty, if applicable)	73.83	-	2017-18 to 2020-21	The Commissioner of Customs
(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.				(f)	According to the information and explanations given to us and procedures performed by us, we report that the Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.
(ix) (a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.			(x) (a)	The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
(b)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.			(b)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
(c)	According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.			(xi) (a)	Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
(d)	According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.			(b)	According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(e)	The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.			(c)	We have taken into consideration the whistle blower complaints received by the Company

Annexure A to the Independent Auditors' Report on financial statements (Continued)

- during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii) (b) and 3(xii) (c) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.
- (d) The Company is not part of any group as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to other than ongoing projects. Accordingly, clauses 3(xx)(a) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.101248W/W-100022

Vijay Mathur

Partner

Membership No. 046476

ICAI UDIN: 22046476AIMYPB7647

Place: Mumbai
Date: 06 May 2022

Annexure B to the Independent Auditors' report on the financial statements of Kokuyo Camlin Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Kokuyo Camlin Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements

based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company

are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Mumbai
Date: 06 May 2022

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

Vijay Mathur
Partner
Membership No. 046476
ICAI UDIN: 22046476AIMYPB7647

Balance Sheet

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

	Note No.	31 March 2022	31 March 2021
A Assets			
1 Non-current assets			
(a) (i) Property, plant and equipment	4	12,740.79	14,373.87
(ii) Right of use asset	4	1,920.92	1,969.21
(b) Investment property	5	2.73	2.73
(c) (i) Other intangible assets	4	229.42	158.63
(ii) Other intangible assets under development	4	66.50	38.68
(d) Financial assets			
(i) Investments	6	1,369.81	1,369.07
(ii) Other financial assets	7	265.69	304.52
(e) Income tax assets (net)		365.32	354.29
(f) Other non-current assets	8	149.68	105.92
Total non - current assets (A)		17,110.86	18,676.92
2 Current Assets			
(a) Inventories	9	12,703.69	12,707.59
(b) Financial assets			
(i) Trade receivables	10	5,943.87	5,114.67
(ii) Cash and cash equivalents	11	700.56	670.90
(iii) Bank balances other than (ii) above	12	25.03	34.53
(c) Other current assets	14	2,035.85	1,823.96
(d) Assets held for sale	4	346.04	-
Total current assets (B)		21,755.04	20,351.65
TOTAL ASSETS (A + B)		38,865.90	39,028.57
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	15	1,003.04	1,003.04
(b) Other equity	16	22,937.01	23,351.92
Total equity (C)		23,940.05	24,354.96
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	592.97	1,342.76
(ia) Lease liabilities	37	0.72	0.78
(ii) Other financial liabilities	18	2.31	112.62
(b) Provisions	19	564.55	557.06
Total Non - current liabilities (D)		1,160.55	2,013.22
Current liabilities			
(a) Financial Liabilities			
(i) Short term borrowings	20	6,454.22	6,481.00
(ia) Lease liabilities	37	0.05	0.08
(ii) Trade payables	21		
total outstanding dues of micro enterprises and small enterprises		157.73	11.39
total outstanding dues of creditors other than micro enterprises and small enterprises		4,597.35	3,800.03
(iii) Other financial liabilities	22	1,707.33	1,555.06
(b) Other current liabilities	23	759.17	684.05
(c) Provisions	24	89.45	128.78
Total Current Liabilities (E)		13,765.30	12,660.39
TOTAL EQUITY AND LIABILITIES (C+ D+ E)		38,865.90	39,028.57

The attached notes 1 to 47 form an integral part of these financial statements.

As per our report of even date attached

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

Vijay Mathur
Partner
Membership No: 046476

Mumbai
06 May 2022

Satish Veerappa
Chief Executive Officer

Shishir B. Desai
Director
(DIN-01453410)

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

Chetan Badal
Chief Financial Officer

Hinal Chheda
Company Secretary
& Compliance Officer

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

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

Statement of profit and loss

for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

	Note No.	31 March 2022	31 March 2021
REVENUE			
I Revenue from operations	25	50,847.23	40,312.37
II Other income	26	71.21	32.51
III Total Income (I + II)		50,918.44	40,344.88
IV EXPENSES			
(a) Cost of materials consumed	27	19,937.45	12,963.43
(b) Purchases of stock-in-trade	27	10,787.65	5,278.42
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	27	521.60	5,389.45
(d) Employee benefits expense	28	8,012.06	7,306.07
(e) Finance costs	29	425.49	892.90
(f) Depreciation and amortisation expense	4	1,769.34	1,840.23
(g) Other expenses	30	9,937.70	8,490.67
Total Expenses (IV)		51,391.29	42,161.17
V Loss before tax (III - IV)		(472.85)	(1,816.29)
VI Tax expense			
(a) Current tax	35	-	-
(b) Deferred tax -(credit)		-	(351.58)
(c) Prior years - Income tax		-	(2.87)
Total tax expense (VI)		-	(354.45)
VII Loss after tax (V - VI)		(472.85)	(1,461.84)
VIII Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans		57.20	78.00
(b) Fair value changes on equity instruments		0.74	821.03
(ii) Income tax relating to items that will not be reclassified to profit or loss			(2.19)
IX Total comprehensive loss for the year		(414.91)	(565.00)
X Earnings per share (Face value ₹ 1/- each):			
Basic earnings per share	38	(0.47)	(1.46)
Diluted earnings per share		(0.47)	(1.46)

The attached notes 1 to 47 form an integral part of these financial statements.

As per our report of even date attached

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

Vijay Mathur
Partner
Membership No: 046476

Mumbai
06 May 2022

Satish Veerappa
Chief Executive Officer

Shishir B. Desai
Director
(DIN-01453410)

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

Chetan Badal
Chief Financial Officer

Hinal Chheda
Company Secretary
& Compliance Officer

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

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

Statement of cash flows

for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Loss before tax for the year	(472.85)	(1,816.29)
Adjustments for :		
Depreciation and amortisation	1,737.43	1,808.11
Amortisation of right of use assets	31.91	32.12
Unrealised foreign exchange gain	(19.65)	(0.51)
Finance costs	425.49	892.90
Interest income	(20.66)	(20.79)
(Reversal) / Provision for doubtful receivables	(18.30)	391.20
(Reversal) / Provision for doubtful advances (net)	(32.22)	32.84
Loss / (profit) on sale of property, plant and equipment(net)	22.16	(11.62)
Total	1,653.31	1,307.96
Working capital adjustments		
- (Increase) / decrease in trade receivables	(810.90)	2,044.89
- (Increase) / decrease in other current assets	(179.66)	455.70
- Decrease in Inventories	3.90	5,655.01
- Decrease in other non-current assets	-	18.09
- Decrease in other financial assets	10.40	10.47
- Increase / (decrease) in trade payables	963.31	(3,271.57)
- Increase in provisions	25.36	2.70
- Increase/(decrease) in other current liabilities	135.05	(22.64)
Total	147.46	4,892.65
Cash generated from operating activities	1,800.77	6,200.61
Tax paid	(20.48)	(26.29)
Net cash generated from operating activities	1,780.29	6,174.32
Cash flows from investing activities		
Acquisition of property, plant and equipment	(627.45)	(347.59)
Proceeds from sale of property, plant and equipment	10.90	18.74
Deposits (placed)	(30.42)	(124.63)
Deposits matured	69.65	84.63
Interest received	19.36	28.31
Net cash used in investing activities	(557.96)	(340.54)
Cash flows from financing activities		
(Repayment) of short term borrowings (net)	(26.78)	(3,931.24)
(Repayment) of term borrowings	(749.79)	(825.90)
Interest and other finance cost paid	(415.98)	(892.83)
Repayment of principal towards lease liability	(0.06)	(0.14)
Interest paid on lease liability	(0.06)	(0.07)
Net cash used in financing activities	(1,192.67)	(5,650.18)
Net increase in cash and cash equivalents	29.66	183.60
Cash and cash equivalents at the beginning of the year	670.90	487.30
Cash and cash equivalents at the end of the year	700.56	670.90

Statement of cash flows (Continued)

(Currency: Indian rupees in lakhs)

Notes :-

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows "
- 2) Cash and cash equivalents at the end of the year

	31 March 2022	31 March 2021
Balance with banks		
in current / collection accounts	599.46	603.96
in EEFC accounts	34.55	29.54
Deposits with original maturity of less than three months	65.42	34.14
Cash on hand	1.13	3.26
	700.56	670.90
3) Debt reconciliation statement in accordance with IND AS 7		
Opening balances		
Long term borrowings (including current maturities)	1,342.76	2,168.66
Short term borrowings	6,481.00	10,412.24
Cash movement		
Long term borrowings	(749.79)	(825.90)
Short term borrowings	(26.78)	(3,931.24)
Closing balance		
Long term borrowings (including current maturities)	592.97	1,342.76
Short term borrowings	6,454.22	6,481.00
4) Lease Liability reconciliation statement in accordance with IND AS 116		
Opening balance	0.86	1.00
Add: Interest accrued during the year	0.03	0.07
Less: Payments during the year	(0.12)	(0.21)
Closing balance	0.84	0.86

The attached notes 1 to 47 form an integral part of these financial statements.

As per our report of even date attached

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

Vijay Mathur
Partner
Membership No: 046476

Mumbai
06 May 2022

Satish Veerappa
Chief Executive Officer

Shishir B. Desai
Director
(DIN-01453410)

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

Chetan Badal
Chief Financial Officer

Hinal Chheda
Company Secretary
& Compliance Officer

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

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

Statement of Changes in Equity

for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

(a) Equity Share Capital

As at 31 March 2022

	Note No.	31 March 2022	31 March 2021
Balance at the beginning of the year	15	1,003.04	1,003.04
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year		1,003.04	1,003.04
Changes in equity share capital during the year		-	-
Balance at the end of the year		1,003.04	1,003.04

As at 31 March 2021

	31 March 2021	31 March 2020
Balance at the beginning of the year	1,003.04	1,003.04
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	1,003.04	1,003.04
Changes in equity share capital during the year	-	-
Balance at the end of the year	1,003.04	1,003.04

(b) Other equity

	Reserves and surplus				Items of Other comprehensive income	Total equity
	Capital reserve	Securities premium	General reserve	Retained earnings		
Balance at 1 April 2020	52.70	17,901.56	1,966.30	3,512.40	483.96	23,916.92
Loss for the year	-	-	-	(1,461.84)	-	(1,461.84)
Other comprehensive income for the year						
Equity Instruments through Other Comprehensive Income (net of tax)	-	-	-	-	818.84	818.84
Remeasurements of defined benefit plan (net of tax)	-	-	-	78.00	-	78.00
Balance at 31 March 2021	52.70	17,901.56	1,966.30	2,128.56	1,302.80	23,351.92
Loss for the year	-	-	-	(472.85)	-	(472.85)
Other comprehensive income for the year						
Equity Instruments through Other Comprehensive Income (net of tax)	-	-	-	-	0.74	0.74
Remeasurements of defined benefit plan	-	-	-	57.20	-	57.20
Balance at 31 March 2022	52.70	17,901.56	1,966.30	1,712.91	1,303.54	22,937.01

The attached notes 1 to 47 form an integral part of these financial statements.

As per our report of even date attached

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

Vijay Mathur
Partner
Membership No: 046476

Mumbai
06 May 2022

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Chief Executive Officer

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(DIN-01453410)

For and on behalf of the Board of Directors of
Kokuyo Camlin Limited
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(DIN-00846901)

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

Notes to the financial statements

for the year ended 31 March 2022

1 Background of the Company

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

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

2 Basis of preparation

(a) Statement of compliance

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

The financial statements for the year ended 31 March 2022 have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 06 May 2022.

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

(b) Functional and presentation currency

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

(c) Basis of measurement

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

1. Certain financial assets and liabilities (including derivative instruments and equity investments) - measured at fair value
2. Net defined benefit (asset)/liability - fair value of plan assets less present value of defined benefit obligations

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, including any impacts arising from COVID-19 pandemic (refer note (e) below). Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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

- Note 3.01 and 43 – recognition of schemes and rebates;
- Note 3.09 and 36 – recognition of deferred tax assets: availability of future taxable profit against which minimum alternate tax can be used;

Notes to the financial statements for the year ended 31 March 2022 (Contd.)

- Note 3.11 and 9 – recognition and measurement of provision for inventories;
- Note 3.13 and 39 – measurement of defined benefit obligations: key actuarial assumptions;

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

- Notes 3.14 and 31 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3.04 and 3.13– impairment of financial and non financial assets.
- Note 3.02 and 3.03 – management estimate for useful life of plant and machinery, electrical installation and intangible assets.
- Note 41 - fair value measurement of financial instruments

(e) The Company's operations were adversely impacted by the various lockdowns imposed to contain the spread of COVID-19 pandemic during the year. The operations gradually resumed with requisite safety precautions during the period with limited manpower and disruption in supply chain. The Company has evaluated the impact of this pandemic on its business operations, liquidity and financial position and based on management's review of current indicators and economic conditions, no significant adjustment is required in the financial statements for the year ended 31 March 2022. .

(f) Current vs non current classification

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

- i. the asset/liability is expected to be realised/settled in the Company's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realised/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

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

(g) Fair value measurement

The Company measures certain financial instruments, such as derivatives and equity investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

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

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

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

- A. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- B. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- C. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

- Note 5 - Investment property
- Note 41 - Financial instruments

3 Significant accounting policies

3.01 Revenue recognition

Revenue from Contracts with Customers

Revenue represents amounts received and receivable from third parties for goods supplied to the customers and for services rendered. Revenue is recognised when control of the goods has been transferred to the customer, which happens on dispatch/delivery of the goods.

Revenue is measured at the amount of consideration which the Company expects to receive, net of returns and allowances, trade/cash discounts and volume rebates.

Accumulated experience is used to estimate and accrue for the discounts (using the most likely method) and returns considering the terms of the underlying schemes and agreements with the customers. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice. A liability is recognised where payments are received from customers before transferring control of the goods being sold.

Interest income

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

Dividend:

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

3.02 Property, plant and equipment

(i) Recognition and measurement

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

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

- its purchase price, including import duties and non-refundable taxes (net of Cenvat, VAT and GST), after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- borrowing costs for long-term construction projects if the recognition criteria are met.

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

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

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

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

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

3.03 Intangible assets

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

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

The useful lives of intangible assets are as mentioned below:

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

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

3.04 Impairment of non financial assets

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

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

3.05 Foreign currency transactions

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

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

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

3.06 Borrowing cost

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

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

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

3.07 Leases

On inception of a contract, the Company (as a lessee) assesses whether it contains a lease. A contract is, or contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the fixed payments, including insubstance fixed payments. The lease liability is measured at amortised cost using the effective interest method.

The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease liability have been presented under other financial liabilities and Right of use asset have been separately presented in the Balance Sheet and lease payments are presented as follows in Company's statement of cash flows:

- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from financing activities; and
- payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

3.08 Investment property

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

3.09 Income-tax

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

(i) Current tax

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

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

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

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

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

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

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

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

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

3.10 Cash and cash equivalents

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

3.11 Inventories

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

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

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

3.12 Financial instruments

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

(i) Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

(ii) Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost:

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

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

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

Fair Value through OCI:

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

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

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

Fair Value through Profit or Loss:

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

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

(iii) Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVPTL if it is classified as held for trading or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gain and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iv) Impairment of financial assets:

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

(v) Derecognition of financial assets and financial liabilities:

Financial assets

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

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

Financial Liabilities

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

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

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(vi) Derivatives

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

(vii) Offsetting financial instruments

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

3.13 Employee benefits

(i) Short term employee benefits

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

(ii) Compensated absences

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

(iii) Defined contribution plans

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

(iv) Defined benefit plans

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

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

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

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

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

(v) Other long-term employee benefits

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

3.14 Provisions and contingent liabilities

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Where the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.15 Earnings per share

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

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

3.16 Government grants

The Company is entitled to 'Scheme of budgetary support' under Goods and Service Tax Regime in respect of eligible manufacturing units located in specified regions. Such grants are measured at amount receivable from the government and are recognised as other operating revenue when there is a reasonable assurance that they will be received and the Company will comply with all necessary conditions attached to the grant.

Income from such grants is recognised on a systematic basis over the periods to which they relate.

3.17 Research and Development

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

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

Otherwise, it is recognised in profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment loss.

3.18 Segment reporting

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

3.19 Non current assets held for sale

Non current assets are classified as assets held for sale if their carrying will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving disposal of an investment, the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.20 Recent pronouncements

Ministry of Corporate affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

4 Property, Plant and Equipment

Description	Site development	Buildings and shed	Plant and machinery	Office Equipment	ERP hardware	Furniture and fixtures	Motor vehicles*	Total
Gross block								
As at 1 April 2020	1,016.66	6,524.26	13,073.76	561.38	82.58	239.93	191.88	21,690.45
Add: Additions during the year	19.55	9.67	301.85	79.14	8.00	3.18	-	421.39
Less: Disposal/adjustments during the year	-	-	92.24	-	-	3.53	-	95.77
As at 31 March 2021	1,036.21	6,533.93	13,283.37	640.52	90.58	239.58	191.88	22,016.07
Add: Additions during the year	-	4.35	390.49	28.42	-	8.71	-	431.97
Less: Assets held for sale	4.82	465.59	358.23	19.23	1.97	31.51	0.78	882.13
Less: Disposal/adjustments during the year	-	-	985.82	14.04	-	6.97	-	1,006.83
As at 31 March 2022	1,031.39	6,072.69	12,329.81	635.67	88.61	209.81	191.10	20,559.08
Depreciation for the year								
As at 1 April 2020	101.15	711.19	4,519.57	318.06	82.58	124.96	86.69	5,944.20
Add: Depreciation for the year	35.80	239.08	1,385.16	86.16	0.89	18.50	21.06	1,786.65
Less: Depreciation on deletion	-	-	85.12	-	-	3.53	-	88.65
As at 31 March 2021	136.95	950.27	5,819.61	404.22	83.47	139.93	107.75	7,642.20
Add: Depreciation for the year	35.79	231.31	1,318.85	76.64	1.33	18.60	19.80	1,702.32
Less: Depreciation on deletion	-	-	953.29	13.58	-	6.90	-	973.77
Less: Depreciation on assets held for sale	2.45	227.73	270.03	18.26	1.97	31.26	0.76	552.46
As at 31 March 2022	170.29	953.85	5,915.14	449.02	82.83	120.37	126.79	7,818.29
Net block								
As at 31 March 2021	899.26	5,583.66	7,463.76	236.30	7.11	99.65	84.13	14,373.87
As at 31 March 2022	861.10	5,118.84	6,414.67	186.65	5.78	89.44	64.31	12,740.79

*Motor vehicles with a carrying amount of ₹ 64.33 lakhs as at 31 March 2022 (31 March 2021: ₹ 84.13 lakhs) are provided as security against loans taken.

With the expanded capacity at Patalganga plant, the company has decided to sale its assets at Taloja plant during the year ended 31 March, 2022. The company has offered for sale to a third party. The company expects to sale within one year from the balance sheet date.

Intangible assets				Right of use	
Description	ERP software	Licenses and software	Total	Description	Land
Gross block				Gross block	
As at 1 April 2020	250.40	91.69	342.09	As at 1 April 2020	2,033.43
Add: Additions during the year	77.39	20.29	97.68	Add: Additions during the year	-
As at 31 March 2021	327.79	111.98	439.77	As at 31 March 2021	2,033.43
Add: Additions during the year	-	105.90	105.90	Add: Additions during the year	-
As at 31 March 2022	327.79	217.88	545.67	Less: Assets held for sale	22.66
As at 1 April 2020	24.06	13.61	259.61	As at 31 March 2022	2,010.77
Amortisation for the year	12.36	9.11	21.47	Depreciation for the year	32.11
Add: Amortisation for the year	258.42	22.72	281.14	Add: Depreciation for the year	64.22
As at 31 March 2021	16.28	18.83	35.11	As at 31 March 2021	31.91
Add: Amortisation for the year	-	-	-	Add: Depreciation for the year	6.28
As at 31 March 2022	274.70	41.55	316.25	Less: Assets held for sale	-
Net block				Net block	
As at 31 March 2021	69.37	89.26	158.63	As at 31 March 2021	1,969.21
As at 31 March 2022	53.09	176.33	229.42	As at 31 March 2022	1,920.92

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

Other Intangible assets under development

Ageing for Other Intangible assets under development as at 31 March 2022 are as follows:-

Description	Amount in Other intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
	Projects in Progress	66.50	-	-	
Projects temporarily suspended	-	-	-	-	-
Total	66.50	-	-	-	66.50

Ageing for Other Intangible assets under development as at 31 March 2021 are as follows:-

Description	Amount in Other intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
	Projects in Progress	38.68	-	-	
Projects temporarily suspended	-	-	-	-	-
Total	38.68	-	-	-	38.68

5 Investment property

	31 March 2022	31 March 2021
Freehold land	2.73	2.73
(Fair value)		
As at 31 March 2022 - ₹ 62.70 lakhs		
As at 31 March 2021 - ₹ 53.61 lakhs		

Fair value hierarchy

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

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

Description of valuation technique used

The Company obtains Independent Valuations of its investment property as at the year end. The fair value of the investment property have been determined by registered valuer, who have considered the prevalent prices based on market enquiries for similar and comparable properties.

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

6 Investments

	31 March 2022	31 March 2021
Investments in Equity Instruments (fully paid up)		
Quoted equity shares at fair value through OCI		
800,000 (31 March 2021 : 800,000) equity shares of ₹ 1 each in Camlin Fine Sciences Limited	1,116.00	1,123.60
Unquoted equity shares		
2,150 (31 March 2021 : 2,150) Equity shares of ₹ 100/- each in Excella Pencils Limited at fair value through OCI	253.81	245.47
247,950 (31 March 2021 : 247,950) Equity shares of ₹ 10 each in ColArt Camlin Canvas Private Limited at fair value through OCI	24.80	24.80
Less: Provision for diminution in value of investment	(24.80)	(24.80)
	-	-
	1,369.81	1,369.07
Aggregate amount of quoted investments - at cost	9.73	9.73
Aggregate amount of quoted investments - at market value	1,116.00	1,123.60
Aggregate amount of unquoted investments - at cost	26.95	26.95
Aggregate amount of impairment in value of investment (Refer note no.46)	24.80	24.80

7 Other financial assets

	31 March 2022	31 March 2021
Security deposits	213.95	224.35
Interest accrued on deposits	8.55	7.25
Fixed Deposits with original maturity after twelve months *	43.19	72.92
	265.69	304.52

*Lodged as security with Government Departments ₹ 43.19 lakhs (31 March 2021 : ₹ 72.92 lakhs).

8 Other non-current assets

	31 March 2022	31 March 2021
Unsecured, considered good		
Capital advances	149.68	105.92
Unsecured, considered doubtful		
Capital advances	8.63	12.40
Provision for doubtful advances	(8.63)	(12.40)
	149.68	105.92

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

9 Inventories

	31 March 2022	31 March 2021
(At lower of cost and net realisable value)		
Raw materials (includes in transit ₹ 231.45 lakhs(31 March 2021: ₹ 25.76 lakhs))	2,217.45	2,071.92
Packing materials (includes in transit ₹ 19.24 lakhs (31 March 2021: ₹ 113.84 lakhs))	2,493.87	2,100.31
Spares and tools	131.36	152.75
Work-in-progress	1,968.10	1,636.76
Finished goods	3,574.88	4,265.26
Stock-in-trade	2,318.03	2,480.59
	12,703.69	12,707.59

During the year ended 31 March 2022, an amount of ₹ 305.02 lakhs (31 March 2021: ₹ 545.82 lakhs) was charged to the statement of profit and loss on account of write-down of inventories including damaged and slow moving inventory. The provision for inventory as on 31 March 2022 is ₹ 1744.83 lakhs (31 March 2021: ₹ 1,488.67 lakhs)

10 Trade receivables

	31 March 2022	31 March 2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	5,924.30	5,088.76
Trade receivables which have significant increase in credit risk	71.27	46.92
Trade receivables - credit impaired	454.95	525.85
	6,450.52	5,661.53
Provision for doubtful debts - credit impaired	(506.65)	(546.86)
	5,943.87	5,114.67

- (i) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 41

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

Trade Receivables ageing schedule as on 31 March 2022

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	5,740.38	175.37	7.63	0.64	0.20	0.08	5,924.30
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	40.56	19.95	10.76	71.27
(iii) Undisputed Trade receivables - credit impaired	-	8.94	25.55	208.06	82.32	3.68	328.55
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	4.67	10.99	17.78	92.96	126.40
Less: Provision for doubtful debts - credit impaired							(506.65)
Total	5,740.38	184.31	37.85	260.25	120.25	107.48	5,943.87

Trade Receivables ageing schedule as on 31 March 2021

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	4,780.58	264.39	42.32	0.56	0.02	0.89	5,088.76
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	33.08	5.93	7.91	46.92
(iii) Undisputed Trade receivables - credit impaired	-	8.66	255.64	140.29	11.63	16.34	432.56
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	2.59	1.93	5.55	11.83	71.39	93.29
Less: Provision for doubtful debts - credit impaired							(546.86)
Total	4,780.58	275.64	299.89	179.48	29.41	96.53	5,114.67

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

11 Cash and cash equivalents

	31 March 2022	31 March 2021
Balances with banks		
In current accounts	599.46	603.96
In EEFC accounts	34.55	29.54
Deposits with original maturity of less than three months *	65.42	34.14
Cash on hand	1.13	3.26
	700.56	670.90

*Lodged as security with Government Departments ₹ 65.42 lakhs (31 March 2021 : ₹ 34.14 lakhs).

12 Other bank balances

	31 March 2022	31 March 2021
Deposits with original maturity of more than three months but less than twelve months *	25.03	34.53
	25.03	34.53

*Lodged as security with Government Departments ₹ 25.03 lakhs (31 March 2021 : ₹ 34.53 lakhs).

14 Other current assets

	31 March 2022	31 March 2021
Unsecured		
Advances to related parties (refer note 40)	-	0.27
Advances to suppliers	344.90	493.35
Less : doubtful advances	(8.23)	(52.72)
	336.67	440.63
Prepaid expenses	182.61	277.04
Deposits, balances and input credits for other taxes and duties	1,114.34	819.45
Gratuity fund (refer note 39)	382.37	251.68
Other advances	19.86	34.89
	2,035.85	1,823.96

15 Equity Share Capital

	31 March 2022	31 March 2021
Authorised		
200,000,000 (31 March 2021 : 200,000,000) Equity Shares of ₹ 1/- each	2,000.00	2,000.00
Issued, Subscribed & Paid-up		
100,303,806 (31 March 2021 : 100,303,806) Equity Shares of ₹ 1/- each, fully paid	1,003.04	1,003.04

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	31 March 2022		31 March 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	100,303,806	1,003.04	100,303,806	1,003.04
Outstanding at the end of the year	100,303,806	1,003.04	100,303,806	1,003.04

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 shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to number of equity shares held by the shareholders.

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 March 2022		31 March 2021	
	No. of shares	% of holding	No. of shares	% of holding
KOKUYO CO., Limited. Japan (a company incorporated in Japan)	74,665,950	74.44%	74,665,950	74.44%

Details of shareholders holding more than 5% shares in the company

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

Details of shareholdings by the Promoter's of the Company:

As at 31 March 2022						
Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
Dilip Dandekar	Equity	200,000	0.20%	200,000	0.20%	-
Shriram Dandekar	Equity	250,000	0.25%	250,000	0.25%	-
Subhash Dandekar	Equity	100,000	0.10%	100,000	0.10%	-
KOKUYO CO., Limited	Equity	74,665,950	74.44%	74,665,950	74.44%	-
Total		75,215,950	74.99%	75,215,950	74.99%	

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

As at 31 March 2021

Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
Dilip Dandekar	Equity	200,000	0.20%	200,000	0.20%	-
Shriram Dandekar	Equity	250,000	0.25%	250,000	0.25%	-
Subhash Dandekar	Equity	100,000	0.10%	100,000	0.10%	-
KOKUYO CO., Limited	Equity	74,665,950	74.44%	74,665,950	74.44%	-
Total		75,215,950	74.99%	75,215,950	74.99%	-

16 Other Equity

	31 March 2022	31 March 2021
Capital reserve		
Balance, beginning and end of the year	52.70	52.70
Securities premium account		
Balance, beginning and end of the year	17,901.56	17,901.56
General reserve		
Balance, beginning and end of the year	1,966.30	1,966.30
Surplus in the statement of profit and loss		
Balance, beginning of the year	2,128.56	3,512.40
Add: Loss for the year	(472.85)	(1,461.84)
Add: Remeasurement of defined benefit plan during the year	57.20	78.00
Balance, end of the year	1,712.91	2,128.56
Other Comprehensive Income		
Balance, beginning of the year	1,302.80	483.96
Add: Fair value gain on equity instruments	0.74	818.84
Balance at the end of the year	1,303.54	1,302.80
	22,937.01	23,351.92

Capital reserve

Capital reserve represents the grant received from government for set up of plant in specific area.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer.

Retained earnings

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

Other comprehensive income

This Reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

Capital management

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves attributable to the equity holders.

The company monitors capital using debt-equity ratio, which is total debt less investments divided by total equality.

	31 March 2022	31 March 2021
Total Debt	7,047.19	7,823.76
Equity	23,940.05	24,354.96
Debt to equity (net)	0.29	0.32

17 Borrowings

	31 March 2022	31 March 2021
Non-current borrowings from bank		
Unsecured	592.97	1,339.93
Secured	0.00	2.83
Total non-current borrowings	592.97	1,342.76
Current maturities of non-current borrowings		
Unsecured	790.64	765.67
Secured	2.84	6.34
Total current borrowings	793.48	772.01
Total borrowings from bank	1,386.45	2,114.77
Less: Amount included under Borrowings (refer note 20)	(793.48)	(772.01)
	592.97	1,342.76

Long term borrowing comprise

- (a) External Commercial borrowing (ECB) in USD from Mizuho Bank, Ltd with carrying amount of ₹ 1,383.61 lakhs (31 March 2021 - ₹ 2,105.60 lakhs)

The terms of the loan are as follows:

- Rate of Interest is based on LIBOR plus agreed spread. Interest payable quarterly starting from 24 January 2019.
 - Repayable in 12 equal quarterly installments starting from 25 January 2021 with last installment payable on 24 October 2023.
- (b) The secured loan from HDFC bank is a vehicle loan with carrying amount of ₹ 2.84 lakhs (31 March 2021 - ₹ 9.17 lakhs)
- Rate of Interest is 8.50 %p.a.
 - Repayable in monthly installments starting from September 2017 with last installment payable on 5 August 2022.
 - Secured against hypothecation of vehicle.
- (Refer note no.46)

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

18 Other financial liabilities

	31 March 2022	31 March 2021
Derivative liabilities (refer note 41 (c) (vi))	2.31	112.62
	2.31	112.62

19 Provisions

	31 March 2022	31 March 2021
Compensated absences - (refer note no. 39)	564.55	557.06
	564.55	557.06

20 Borrowings

	31 March 2022	31 March 2021
Unsecured		
Loans repayable on demand		
From bank		
Overdraft/working capital demand loan	2,526.06	4,156.77
Bills payable*	3,134.68	1,552.22
Current maturities of long term borrowings - banks		
- Unsecured (refer note 17)	790.64	765.67
- Secured (refer note 17)	2.84	6.34
	6,454.22	6,481.00

* for discounting of trade payables

21 Trade payables

	31 March 2022	31 March 2021
total outstanding dues of micro enterprises and small enterprises	157.73	11.39
total outstanding dues of creditors other than micro enterprises and small enterprises	4,597.35	3,800.03
	4,755.08	3,811.42

The disclosures relating to Micro and Small Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act 2006" is given under note 34

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

Ageing for trade payables outstanding as at 31 March 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due dates of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME *	157.73	-	-	-	-	157.73
(ii) Others	3,206.84	1,081.79	-	-	-	4,288.63
(iii) Disputed dues - MSME *	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	3,364.57	1,081.79	-	-	-	4,446.36
Accrued Expenses						308.72
						4,755.08

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing for trade payables outstanding as at 31 March 2021 is as follows:

Particulars	Not due	Outstanding for following periods from due dates of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	11.39	-	-	-	-	11.39
(ii) Others	2,396.95	903.77	8.54	18.72	18.04	3,346.02
(iii) Disputed dues - MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	2,408.34	903.77	8.54	18.72	18.04	3,357.41
Accrued Expenses						454.01
						3,811.42

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

22 Others financial liabilities

	31 March 2022	31 March 2021
Employee dues	765.95	625.15
Security deposits	803.50	779.91
Capital creditors	3.36	21.36
Interest accrued but not due on bills payable	17.94	2.61
Payable to customers	116.58	126.03
	1,707.33	1,555.06

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

23 Other current liabilities

	31 March 2022	31 March 2021
Advance from customers	59.82	16.03
Statutory liabilities	202.77	287.87
Accrued expenses	453.65	314.32
Others	42.93	65.83
	759.17	684.05

24 Provisions

	31 March 2022	31 March 2021
Provisions for employee benefits		
Compensated absences - (Refer note 39)	89.45	128.78
	89.45	128.78

25 Revenue from operations

	31 March 2022	31 March 2021
Revenue from sale of products (refer note 3.01 and note 43)	54,621.01	43,751.53
Less: Discount on sales	(3,970.64)	(3,462.56)
Revenue from sale of products (refer note 3.01 and note 43)	50,650.37	40,288.97
Other operating revenues *	196.86	23.40
Total revenue from operations	50,847.23	40,312.37

* The other operating revenues includes Goods & Services tax rebate based on government notification amounting to ₹ 158.50 Lakhs (31st March, 2021 ₹ Nil)

26 Other income

	31 March 2022	31 March 2021
Interest income	20.66	20.79
Profit on sale of property, plant and equipment (net)	-	11.62
Miscellaneous receipts	0.03	0.10
Reversal of provision for doubtful debts	18.30	-
Reversal of provision for doubtful advances	32.22	-
	71.21	32.51

27 Cost of materials consumed

	31 March 2022	31 March 2021
Opening stock of materials	4,172.23	4,423.89
Add: Purchases	20,476.54	12,711.77
Less: Closing stock of materials	(4,711.32)	(4,172.23)
	19,937.45	12,963.43
Purchase of stock-in-trade		
Stationery items	10,787.65	5,278.42
	10,787.65	5,278.42

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

	31 March 2022	31 March 2021
Changes in the inventories of finished goods, work-in-process and stock-in-trade		
Stocks as at beginning of the year		
Work in process	1,636.76	1,801.48
Stock-in-trade	2,480.59	5,053.10
Finished goods	4,265.26	6,917.48
	8,382.61	13,772.06
Less :		
Closing stock as at year end		
Work in process	1,968.10	1,636.76
Stock-in-trade	2,318.03	2,480.59
Finished goods	3,574.88	4,265.26
	7,861.01	8,382.61
	521.60	5,389.45

28 Employee benefits expense

	31 March 2022	31 March 2021
Salaries, wages and bonus	7,172.85	6,518.59
Contribution to Provident, Gratuity and other funds (refer note 39)	516.77	565.75
Staff and labour welfare	322.44	221.73
	8,012.06	7,306.07

29 Finance costs

	31 March 2022	31 March 2021
Interest on bank borrowings	247.68	561.14
Interest on delayed payment of taxes	9.45	22.08
Other borrowing costs	168.33	309.61
Interest on lease liabilities	0.03	0.07
	425.49	892.90

30 Other expenses

	31 March 2022	31 March 2021
Power and fuel	647.89	451.70
Job work charges	1,574.18	1,201.69
Repairs		
- Building	4.09	3.15
- Machinery	179.82	125.44
- Others	327.80	251.10
Rent	1,564.81	1,364.44
Rates and taxes	61.12	55.95
Net losses in respect of translations of foreign currencies	133.27	136.12

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

	31 March 2022	31 March 2021
Insurance	123.45	130.48
Advertisement and sales promotion	455.58	598.56
Transport & forwarding charges	2,100.75	1,584.90
Commission and service charges on sales	679.90	522.78
Travelling & conveyance	634.31	518.93
Loss on sale/disposal of property, plant and equipment (net)	22.16	-
Provision for doubtful debts	-	452.45
Less: Bad debts written off	-	(61.25)
Provision for doubtful debts	-	391.20
Provision for doubtful advances	-	32.84
Payment to auditors*	31.26	26.34
Miscellaneous expenses (refer note 44)	1,397.31	1,095.05
	9,937.70	8,490.67
* Payment to auditors		
Audit fees (including quarterly limited review)	28.50	23.00
Tax audit fees	2.00	2.00
Expenses reimbursed	0.76	1.34
	31.26	26.34

31 Contingent liabilities and commitments (to the extent not provided for)

	31 March 2022	31 March 2021
a. Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	209.34	223.51
b. Claims against the Company not acknowledged as debts in respect of (to the extent not provided for)		
(i) Income tax	2,026.25	2,076.62
(ii) Indirect tax cases*	994.89	1,840.23
(iii) Other matters	20.43	20.43
* Tax paid under protest as at 31 March 2022: ₹ 36.37 lakhs (31 March 2021 - ₹ 36.22 lakh).		

The Company's pending litigations comprise of proceedings pending with direct tax authorities (pertaining to disallowance of additional depreciation, expenses, etc.) and indirect tax authorities (pertaining to non submission of form 'C' and form 'F', input tax disallowance, misclassification of goods etc.). The Company has reviewed all its pending litigations and proceedings and believes that these claims are not tenable against the Company and hence, no provision is considered necessary. It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings, as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.

c. Bank Guarantees

Bank guarantees as on 31 March 2022 is ₹ 51.33 lakhs (31 March 2021: ₹ 51.33 lakhs)

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

32 Excise remission and budgetary support at Jammu :

The Jammu and Kashmir High Court delivered a judgement dated 23 December 2010, quashing the Excise Notification No19/2008-CE & 34/2008-CE applicable to the undertakings set up in Jammu which restricted the quantum of excise duty remission, at prescribed value addition percentage, and upheld the entitlement of total exemption from excise duty. Based on the grounds laid down in the said judgement, by the Hon'ble High Court, rebate of excise duty, being the duty on assessable value of goods, net of Cenvat Credit was recognized in the books till 31 January 2013.

Pending final disposal, in January 2013, the Hon'ble High Court directed the department to release 50% of the amount due to manufacturers subject to approval of the jurisdictional commissioner for manufacturer's solvency. Post such order the company has claimed excise rebate as per the then quashed notification from February 2013 to June 2017.

The validity of the said notification, previously quashed by High Court, has subsequently been upheld by the Supreme Court in its judgement dated 22 April 2020. As per the said notification, units having higher value addition than the prescribed percentage are entitled to a special rate fixation for excise duty remission. The Company's application for determination of Special Rate for the year FY 2008-09 was rejected by the authorities in the year 2010 and is currently sub-judice with Division Bench 1 CESTAT Chandigarh. Pending adjudication, the subsequent applications for the years FY 2009-10 to FY 2017-18 is held in abeyance by the authorities. The net gain which shall accrue to the company on account of additional remission due to special rate fixation for the period February 2013 to June 2017 as offset by net loss due to excess credit, if any, availed until 31 January 2013 is not presently ascertainable.

33 Expenditure on Research and Development :

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

Sr. No.		31 March 2022	31 March 2021
1	Employee cost	488.80	393.18
2	Cost of materials	0.00	0.00
3	Other expenses	28.06	9.07
		516.86	402.25

34 Dues to micro, small and medium enterprises

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 has been made in the financial statements based on information received and available with the Company.

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

Sr. No.		31 March 2022	31 March 2021
1	the amounts remaining unpaid to micro, small and medium suppliers as at the end of the year		
	- Principal	157.73	11.39
	- Interest	Nil	Nil
2	the amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	1.33	6.56
3	the amounts of the payments made to the suppliers beyond the appointed day during each accounting year;	19.10	74.27
4	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	0.10	0.27
5	the amount of interest accrued and remaining unpaid at the end of each accounting year;	0.27	1.60
6	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006;	Nil	Nil

35 Tax expense

(a) Amounts recognised in profit and loss

	31 March 2022	31 March 2021
I. Current income tax expense		
Current year	-	-
Tax adjustments relating to prior years	-	(2.87)
	-	(2.87)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	-	(518.55)
Effect of changes in tax rates (refer note 36)	-	166.97
Tax adjustments relating to prior years	-	-
Deferred tax - (credit) / charge	-	(351.58)
Tax expense for the year	-	(354.45)

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

(b) Amounts recognised in other comprehensive income

	31 March 2022			31 March 2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	57.20	(4.33)	52.87	78.00	-	78.00
Fair value changes on equity instruments	0.74	4.33	5.07	821.03	(2.19)	818.84
	57.94	-	57.94	899.03	(2.19)	896.84

(c) Reconciliation of effective tax rate

	31 March 2022	31 March 2021
Loss before tax	(472.85)	(1,816.29)
Company's domestic tax rate %	33.38	33.38
Tax using the Company's domestic tax rate (Current year 33.38% and Previous Year 33.38%)	(157.86)	(606.35)
Non-deductible tax expenses	34.72	22.33
Adjustment for deferred taxes (previous period)	(173.76)	-
Effect of reversal of deferred taxes due to tax rate changes	-	166.97
Prior year tax (Income)/expense	-	(2.87)
Others	1.78	4.29
Deferred tax asset not recognised	295.12	61.18
	0.00	(354.45)

The Company's effective tax rates for the year ended 31 March 2022 is NIL and for year ended 31 March 2021 is 19.52% respectively.

36 Deferred Taxes :

Deferred Tax Assets	Deferred Tax Assets / (liabilities) 1 April 2021	Recognised in Statement of Profit and Loss	Recognised in OCI	Net deferred tax assets/ (liabilities) 31 March 2022
Expenses allowed on payment basis	159.21	(6.57)	-	152.64
Others	440.96	(329.44)	-	111.52
Provision for doubtful debts/advances	224.20	(15.61)	-	208.59
Indexation benefit on investment property	1.21	(2.44)	-	(1.23)
MAT Credit entitlement	130.51	29.01	-	159.52
Unabsorbed Depreciation	88.90	(182.35)	-	(271.25)
Deferred Tax Assets	1,044.99	(142.70)	-	902.29
Deferred Tax Liabilities				
Tangible and intangible assets	(990.58)	142.70	-	(847.88)
Fair valuation of investments	(54.41)	-	-	(54.41)
	(1,044.99)	142.70	-	(902.29)
Net deferred tax assets / (liability)	-	-	-	-

Notes to the financial statements for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

The Company has evaluated the option of lower tax rates allowed under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Considering the MAT credit available, the Company has elected not to exercise the option permitted under Section 115 BAA for the current year. However, the Company has applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to be realised or settled in the future period when the Company may be subjected to lower tax rate.

As at March 31, 2022, unrecognised deferred tax assets amounts to INR 356.30 lakhs. (31st March 2021 ₹ 61.18 Lakh) These relate to depreciation carry forwards, which can be carried forward indefinitely. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

Deferred Tax Assets	Deferred Tax Assets / (Liability) 1 April 2020	Recognised in Statement of Profit and Loss	Recognised in OCI	Net deferred tax assets/ (liabilities) 31 March 2021
Expenses allowed on payment basis	159.21	-	-	159.21
Others	337.01	103.95	-	440.96
Provision for doubtful debts/advances	83.19	141.01	-	224.20
Indexation benefit on investment property	1.21	-	-	1.21
MAT Credit entitlement	130.51	-	-	130.51
Unabsorbed Depreciation	-	88.90	-	88.90
Deferred Tax Assets	711.13	333.86	-	1,044.99
Deferred Tax Liabilities				
Tangible and intangible assets	(1,008.30)	17.72	-	(990.58)
Fair valuation of investments	(52.22)	-	(2.19)	(54.41)
	(1,060.52)	17.72	(2.19)	(1,044.99)
Net deferred tax assets / (liability)	(349.39)	351.58	(2.19)	-

37 Leases:

As a Lessee (Ind AS 116)

- (a) Lease expenses recognized in Statement of Profit and loss, not included in the measurement of lease liabilities :

Particulars	31 March 2022	31 March 2021
Expenses related to short term leases	1,564.81	1,364.44

- (b) Maturity analysis of lease liabilities-contract undiscounted cash flows:

Particulars	31 March 2022	31 March 2021
Less than one year	0.14	0.14
One to five years	0.56	0.70
More than five years	0.28	0.28
Total undiscounted lease liabilities	0.98	1.12
Discounted lease liabilities included in the statement of financial position	0.77	0.86
Current lease liability	0.05	0.08
Non-Current lease liability	0.72	0.78

- (c) Interest on lease liabilities for the year ended 31 March 2022 ₹ 0.06 lakhs (31 March 2021: ₹ 0.07 lakhs)

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

- (d) The total cash outflow for leases for the year ended 31 March 2022 including short term leases is ₹ 1,564.93 lakhs (31 March 2021: ₹ 1,364.65 lakhs).

38 Earnings per share (basic and diluted):

	31 March 2022	31 March 2021
Net loss available for equity shareholders	(472.85)	(1,461.84)
1. Number of equity shares outstanding at the beginning of the year	100,303,806	100,303,806
2. Number of shares issued during the year	-	-
Weighted average of numbers of equity shares outstanding at the end of the year (Nos.)	100,303,806	100,303,806
Earnings per equity share (Face value of ₹ 1/- each)- Basic	(0.47)	(1.46)
Earnings per equity share (Face value of ₹ 1/- each)- Diluted	(0.47)	(1.46)

39 Employee Benefits :

Defined Contribution Plans

Company's contributions paid/payable during the year to provident fund, ESIC and superannuation fund are recognised in the statement of profit and loss. The contributions charged to the statement of profit and loss is ₹ 437.12 lakhs (31 March 2021 ₹ 455.56 lakhs)

Defined Benefit Plans

Company's liabilities towards gratuity and leave encashment are determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measure each unit separately to build up the final obligation. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Description of the Plan

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

a. Actuarial assumptions:

	31 March 2022	31 March 2021
Discount rate	7.23%	6.85%
Rate of increase in salary	5.00%	5.00%
Expected return on plan assets	7.23%	6.85%
Attrition rate	For Service 4 years and below- 20%, 5 years and above - 2.5%	For Service 4 years and below- 20%, 5 years and above - 2.5%

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

b. Reconciliation of benefit obligation:

	31 March 2022	31 March 2021
Present value of benefit obligations at the beginning of the year	1,599.95	1,619.91
Interest cost	109.71	110.64
Current service cost	96.05	105.09
Benefit paid from the fund	(402.55)	(160.89)
Actuarial gain on obligations recognized in other comprehensive income	(104.01)	(74.80)
Present value of defined benefit obligation at the end of the year	1,299.15	1,599.95

As at 31 March 2022, the weighted average duration of defined benefit obligation was 8 years. (31 March 2021 : 7 years)

c. Reconciliation of fair value of plan assets:

	31 March 2022	31 March 2021
Fair value of plan assets at the beginning of the year	1,851.60	1,545.23
Expected return on plan assets	126.98	105.53
Contributions by the employer	152.30	358.53
Benefit Paid	(402.55)	(160.89)
Actuarial (loss)/gain on plan assets recognized in other comprehensive income	(46.81)	3.20
Fair Value of Plan Assets at the end of the year	1,681.52	1,851.60

Expected Contribution

The expected contribution for defined benefit plan for the next financial year will be in line with the contribution for the period and is expected by the management to be ₹ 200.00 lakhs (31 March 2021: ₹ 258.60 lakhs)

d. Balance sheet reconciliation

	31 March 2022	31 March 2021
Opening net (asset) / liability	(251.68)	74.66
Expenses recognized in the Statement of Profit and Loss	78.81	110.19
Income recognized in Other Comprehensive Income	(57.20)	(78.00)
Employer's contribution	(152.30)	(358.53)
Net asset recognised in Balance sheet	(382.37)	(251.68)

e. Expenses recognized in the Statement of profit and loss under the head employee benefits expenses

	31 March 2022	31 March 2021
Current service cost	96.05	105.09
Net interest cost	(17.24)	5.10
Expenses recognized in the Statement of profit and loss	78.81	110.19

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

f. Income recognised in Other Comprehensive Income for the year

	31 March 2022	31 March 2021
Actuarial gain on obligation for the year	(104.01)	(74.80)
Actuarial loss/(gain) on plan assets	46.81	(3.20)
Income recognized in the other comprehensive income	(57.20)	(78.00)

g. Sensitivity Analysis

	31 March 2022	31 March 2021
Defined Benefit Obligation		
Discount Rate		
a. Discount Rate - 100 basis points	94.79	101.04
b. Discount Rate + 100 basis points	(83.48)	(88.57)
Salary Increase Rate (considered taking into account inflation, seniority, promotion and other relevant factors)		
a. Rate - 100 basis points	(85.91)	(90.84)
b. Rate + 100 basis points	95.97	101.90
Employee Turnover		
a. Rate - 100 basis points	(15.30)	(13.48)
b. Rate + 100 basis points	13.69	12.00

Note on Sensitivity Analysis

- Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is shown in the table above.
- The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

h. Expected future cash flows

The expected future cash flows in respect of gratuity as at Balance Sheet dates will be as follows :

Projected benefits payable in future years from the date of reporting	31 March 2022	31 March 2021
1st following year	143.24	427.80
2nd following year	100.87	92.59
3rd following year	99.47	110.79
4th following year	117.59	98.08
5th following year	132.35	114.45
Sum of years 6 to 10	738.38	597.56
Sum of years 11 and above	1,090.60	1,272.82

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

Other long term employee benefit - Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and actuarial gains and losses are charged to the Statement of profit and loss. The following table provides details in relation to compensated absences.

	31 March 2022	31 March 2021
Expense for the year	81.50	53.41
Closing balance	654.00	685.84

40 Related parties:

Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below :

a Name of related parties and nature of relationship

1 Kokuyo Co. Limited Holding Company

b Name of related parties with whom there were transactions during the year

Fellow Subsidiary

2 Kokuyo Vietnam Trading Co. Limited
 3 Kokuyo Riddhi Paper Products Private Limited
 4 Kokuyo Vietnam Co. Limited

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

5 Excella Pencils Limited
 6 Camlin Fine Sciences Limited
 7 Nilmac Packaging Industries Private Limited

c Key Management Personnel and their Relatives

Name of the Person	Nature of Relationship
Key Management Personnel	
Mr. Dilip Dandekar *	Chairman & Non Executive Director (C & Non ED)
Mr. Shriram Dandekar	Vice Chairman & Executive Director (VC & ED)
Mr. Nobuchika Doi **	Non-Executive Director
Mr. Satish Veerrappa	Chief Executive Officer
Mr. Chetan Badal	Chief Financial Officer
Mr. Ravindra Damle ***	V.P. (Corporate) & Company Secretary
Ms. Hinal Chheda ****	Company Secretary & Compliance Officer
Relatives	
Mr. Subhash Dandekar	Chairman Emeritus and brother of C & Non ED
Mrs. Aditi Dighe	General Manager and daughter of C & Non ED
Mr. Rahul Dandekar	General Manager and son of C & Non ED

* Mr. Dilip Dandekar ceased to be executive director with effect from 01 September 2021

** Mr. Nobuchika Doi ceased to be executive director with effect from 01 February 2021

*** Mr. Ravindra Damle ceased to be Company Secretary and KMP with effect from 01 March 2022

**** Ms. Hinal Chheda appointed as Company Secretary with effect from 01 March 2022

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

d Transactions with Holding Company

Particulars		31 March 2022	31 March 2021
Purchase of goods	Kokuyo Co. Limited	228.54	164.97
	Total	228.54	164.97
Sale of goods	Kokuyo Co. Limited	1,042.94	641.21
	Total	1,042.94	641.21
Reimbursement of expenses paid	Kokuyo Co. Limited	2.12	-
	Total	2.12	-
Reimbursement of expenses received	Kokuyo Co. Limited	-	13.24
	Total	-	13.24
Balances with Holding Company			
		31 March 2022	31 March 2021
Net amount receivable	Kokuyo Co. Limited	252.03	127.04
	Total	252.03	127.04

e Transactions with Fellow subsidiary company

Particulars	Name of entity	31 March 2022	31 March 2021
Purchase of goods	Kokuyo Vietnam Co. Limited	3.79	6.83
	Kokuyo Riddhi Paper Products Pvt. Ltd.	-	117.77
	Total	3.79	124.60
	Kokuyo Vietnam Trading Co. Limited	13.70	2.62
Sale of goods	Kokuyo Commerce Shanghai	0.61	-
	Total	14.31	2.62
Balances with Fellow subsidiary company			
		31 March 2022	31 March 2021
Net amount receivable	Kokuyo Vietnam Trading Co. Limited	9.90	2.62
	Total	9.90	2.62

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

f Transactions with entities over which KMPs / directors and/or their relatives are able to exercise significant influence

Particulars	Name of entity	31 March 2022	31 March 2021
Receiving services	Nilmac Packaging Industries Private Limited	111.09	293.06
	Excella Pencils Limited	758.23	777.89
	Total	869.32	1,070.95
Reimbursement of expenses	Excella Pencils Limited	12.57	17.89
	Nilmac Packaging Industries Private Limited	-	20.73
	Camlin Fine Sciences Limited	-	0.14
	Total	12.57	38.76

Balances with entities over which KMPs/directors and/or their relatives are able to exercise significant influence

Particulars	Name of entity	31 March 2022	31 March 2021
Net amount payable	Excella Pencils Limited	9.26	22.68
	Nilmac Packaging Industries Private Limited	-	3.36
	Total	9.26	26.04
Net amount receivable	Camlin Fine Sciences Limited	-	0.27
	Total	-	0.27

g Remuneration to Key Management Personnel and their relatives

		31 March 2022	31 March 2021
Remuneration	Mr. Dilip Dandekar *	96.58	129.49
	Mr. Shriram Dandekar	134.95	109.80
	Mr. Nobuchika Doi**	-	45.71
	Mr. Satish Veerappa	208.98	88.45
	Mr. Chetan Badal	90.63	70.22
	Mr. Ravindra Damle ***	49.83	43.25
	Ms. Hinal Chheda ****	1.86	-
	Ms. Aditi Dighe	28.69	24.60
	Mr. Rahul Dandekar	27.39	22.10
	Total	638.91	533.62

* Mr. Dilip Dandekar ceased to be executive director with effect from 01 September 2021

** Mr. Nobuchika Doi ceased to be executive director with effect from 01 February 2021

*** Mr. Ravindra Damle ceased to be Company Secretary and KMP with effect from 01 March 2022

**** Ms. Hinal Chheda appointed as Company Secretary with effect from 01 March 2022

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

41 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2022	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current								
(i) Investments	1,369.81	-	-	1,369.81	1,116.00	-	253.81	1,369.81
(ii) Other financial assets	-	-	265.69	265.69	-	-	-	-
Current								
(iii) Trade receivables	-	-	5,943.87	5,943.87	-	-	-	-
(iv) Cash and cash equivalents	-	-	700.56	700.56	-	-	-	-
(v) Bank balances other than (iv) above	-	-	25.03	25.03	-	-	-	-
	1,369.81	-	6,935.15	8,304.96	1,116.00	-	253.81	1,369.81
Financial liabilities								
Non-Current								
(i) Borrowings	-	-	592.97	592.97	-	-	-	-
(ii) Other financial liabilities	-	2.31	0.72	3.03	-	2.31	-	2.31
Current								
(i) Short term borrowings	-	-	6,454.22	6,454.22	-	-	-	-
(ii) Trade payables	-	-	4,755.08	4,755.08	-	-	-	-
(iii) Other financial liabilities	-	-	1,707.33	1,707.33	-	-	-	-
	-	2.31	13,510.32	13,512.63	-	2.31	-	2.31
31 March 2021								
31 March 2021	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current								
(i) Investments	1,369.07	-	-	1,369.07	1,123.60	-	245.47	1,369.07
(ii) Other financial assets	-	-	304.52	304.52	-	-	-	-
Current								
(iii) Trade receivables	-	-	5,114.67	5,114.67	-	-	-	-
(iv) Cash and cash equivalents	-	-	670.90	670.90	-	-	-	-
(v) Bank balances other than (iv) above	-	-	34.53	34.53	-	-	-	-
	1,369.07	-	6,124.62	7,493.69	1,123.60	-	245.47	1,369.07
Financial liabilities								
Non-Current								
(i) Borrowings	-	-	1,342.76	1,342.76	-	-	-	-
(ii) Other financial liabilities	-	112.62	0.78	113.40	-	112.62	-	112.62

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

31 March 2021	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Current								
(i) Short term borrowings	-	-	6,481.00	6,481.00	-	-	-	-
(ii) Trade payables	-	-	3,811.42	3,811.42	-	-	-	-
(iii) Other financial liabilities	-	-	1,555.06	1,555.06	-	-	-	-
	-	112.62	13,191.02	13,303.64	-	112.62	-	112.62

B. Measurement of fair values

Fair value hierarchy/Valuation technique

No financial instruments are recognised and measured at fair value, except derivative contracts which are measured at fair value through Statement of profit and loss and certain investments in equity instruments which are measured at fair value through OCI. These derivative contracts are currency and interest rate swap contracts that are not traded in an active market. Their fair valuation is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates and quotes received from the banks. Since all significant inputs required to fair value these derivative contracts are observable, the instruments are classified as level 2.

For all the financial assets and liabilities referred above that are measured at amortised cost, their carrying amounts are reasonable approximations of their fair values. The carrying amounts of loans, trade receivables, trade payables, cash and cash equivalents, other bank balances, other financial assets, other financial liabilities are considered to be the same as their fair values due to their short term nature.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Investments in quoted equity shares are measured at fair value through other comprehensive income using quoted market price as at reporting date. These instruments are classified as level 1. For investments in non quoted equity shares the Company obtained Independent Valuations of underlying assets of the entity to determine the fair value of Land and Building and arrived at fair value of its investments. These instruments are classified as level 3.

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (For example, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

Valuation techniques and significant unobservable inputs (for level 2 and level 3 instruments)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Un-quoted investments	Valuation of underlying assets of the entity	Market rate used for valuation	10% increase (decrease) would result in increase (decrease) in fair value by ₹ 25.38 lakhs
Other financial liabilities Derivative Liabilities	The fair value of currency swap is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies, interest rate curves and an appropriate discount factor. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves and an appropriate discount factor.	Not applicable	Not applicable

Reconciliation of fair value measurement of investment in unquoted equity instrument classified as FVTOCI (Level 3):

The following table shows a reconciliation from the opening balances to closing balances for Level 3 fair value.

	31 March 2022	31 March 2021
Opening balances	245.47	236.04
Remeasurement recognised in OCI	8.34	9.43
Closing balances	253.81	245.47

C Financial risk management

Risk management framework

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risks. The Company's senior management and key management personnel have the ultimate responsibility for managing these risks. The Company has a process to identify and analyse the risks faced by the Company, to set appropriate risk limits and to control and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

i Management of the credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Notes to the financial statements for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large. All trade receivables are reviewed and assessed for default on a regular basis. The historical experience of collecting receivables, supported by the level of default, is that the credit risk is low.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. The Company assesses and manages credit risk based on the Company's credit policy. Under the Company's credit policy, each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company's trade receivables are geographically dispersed. The Management do not believe there are any particular customers or group of customers that would subject the Company to any significant credit risks in the collection of accounts receivable.

The carrying amount of trade receivables represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 5,943.87 lakhs and ₹ 5,114.67 lakhs as at 31 March 2022 and 31 March 2021, respectively.

Following is the movement in Provision for Expected credit loss on trade receivables:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	546.86	216.91
(Reversal of impairment loss) / Impairment loss recognised	(18.30)	391.20
Amounts written off	(21.90)	(61.25)
Closing balance	506.65	546.86

Cash and cash equivalents

The Company is also exposed to credit risks arising on cash and cash equivalents and term deposits with banks. The Company believes that its credit risk in respect of cash and cash equivalents and term deposits is insignificant as funds are invested in term deposits at pre-determined interest rates for specified period of time. For cash and cash equivalents and other bank balances, only high rated banks are accepted.

Other Financial Assets:

The Company periodically monitors the recoverability and credit risks of its other financial assets including employee loans, deposits and other receivables. The Company evaluates 12 month expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

Following is the movement in Provision for Expected credit loss on Other non-current and current assets:

	Year ended 31 March 2022	Year ended 31 March 2021
Loss allowance at the beginning of the year	65.12	32.28
Changes in allowance during the year	(48.27)	32.84
Loss allowance as at the end of the year	16.85	65.12

ii Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Company maintains a cautious funding strategy. This is the result of cash generated from the business. Cash flow from operating activities provides the funds to service the working capital requirement. The Company also has adequate borrowings limits/funding from long term/short term sources. Accordingly, low liquidity risk is perceived.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Carrying amount	Contractual cash flows			
		Total	Less than 1 year	1- 5 years	More than 5 years
As at 31 March 2022					
Non-derivative financial liabilities					
Term Loans (including current maturities)	1,386.45	1,386.45	793.48	592.97	-
Short term borrowings	5,660.74	5,660.74	5,660.74	-	-
Trade payables	4,755.08	4,755.08	4,755.08	-	-
Other financial liabilities	1707.33	1707.33	1707.33	-	-
Lease liabilities	0.77	0.98	0.14	0.56	0.28
Derivative financial liabilities					
Currency and interest rate swap contracts	2.31	2.31	-	2.31	-
As at 31 March 2021					
Non-derivative financial liabilities					
Term Loans (including current maturities)	2,114.77	2,114.77	772.01	1,342.76	-
Short term borrowings	5,708.99	5,708.99	5,708.99	-	-
Trade payables	3,811.42	3,811.42	3,811.42	-	-
Other financial liabilities	1,555.06	1,555.06	1,555.06	-	-
Lease liabilities	0.86	0.98	0.14	0.70	0.28
Derivative financial liabilities					
Currency and interest rate swap contracts	112.62	112.62	-	112.62	-

iii Market risk - Currency risk

The Company's operations result in it being exposed to foreign currency risk on account of trade receivables, trade payables and borrowings. The foreign currency risk may affect the Company's income and expenses, or its financial position and cash flows. The objective of the Company's management of foreign currency risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of these risks is explained below:

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

The Company's exposure to foreign currency risk at the end of the reporting period expressed in lakhs, are as follows:

	31 March 2022		31 March 2021	
	Foreign currency Amount	Amount in ₹	Foreign currency Amount	Amount in ₹
Loan from - Banks (Unsecured and Hedged)				
USD	18.23	1,383.61	28.65	2,105.60
Less: Currency swap		1,383.61		2,105.60
Net exposure		-		-
Receivables				
USD	2.80	212.22	4.72	346.94
YEN	453.03	281.57	272.52	180.84
Payables				
YEN	671.63	417.44	271.98	180.49
USD	3.19	241.78	-	-
GBP	0.05	4.97	-	-
	31 March 2022		31 March 2021	
	Foreign currency	Amount in ₹	Foreign currency	Amount in ₹
Net exposure				
USD	(0.39)	(29.56)	4.72	346.94
YEN	(218.60)	(135.87)	0.54	0.36
GBP	(0.05)	(4.97)		

A 10% strengthening/weakening of the respective foreign currencies with respect to functional currency of the Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in ₹	Profit or (loss)/ Equity	
	31 March 2022	31 March 2021
Currencies (increase in rate by 10%)		
USD	(2.96)	34.69
YEN	(13.59)	0.04
GBP	(0.50)	-
	(17.04)	34.73

If the rate is decreased by 10% then there will be increase in profit and equity of ₹ 17.04 lakhs for the year ended 31 March 2022 and decrease in profit and equity of ₹ 34.73 lakhs for the year ended 31 March 2021.

iv Market risk - Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowings (excluding commercial paper) with floating interest rates. For

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

all long-term borrowings with floating rates, which are in foreign currency, the risk of variation in the interest rates is mitigated through interest rate swaps and hence, considered fixed rate borrowings. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Interest rate exposure:

	Total borrowings	Floating rate borrowings	Fixed rate borrowings
Term loan and short term borrowings	5,663.58	5,660.74	2.84
External Commercial borrowings	1,383.61	-	1,383.61
Total as at 31 March 2022	7,047.19	5,660.74	1,386.45
Term loan and short term borrowings	5,718.16	5,708.99	9.17
External Commercial borrowings	2,105.60	-	2,105.60
Total as at 31 March 2021	7,823.76	5,708.99	2,114.77

Interest rate sensitivities for unhedged exposure (impact on profit on increase of interest rate by 100 bps):

Particulars	31 March 2022	31 March 2021
Term loan and short term borrowings	(56.61)	(57.09)
External commercial borrowings (hedged against interest rate swap)	-	-

If the rate is decreased by 100 bps profit will increase by an equal amount. Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

v Market risk - Other market price risks

The Company is exposed to equity price risk, which arises from Fair Value through Other Comprehensive Income (FVOCI) equity securities which are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. For such investments, classified as FVOCI, a 2% increase in the BSE index at 31 March 2022 would have increased equity by ₹ 22.32 lakhs (31 March 2021 : ₹ 22.37 Lakhs); an equal change in the opposite direction would have decreased equity by ₹ 22.32 lakhs (31 March 2021 : ₹ 22.37 lakhs).

vi Derivative instruments :

Currency and Interest Rates Swaps Contracts:

Derivatives for hedging currency and interest rates, outstanding are as under:

	Purpose	Currency	31 March 2022	31 March 2021	Cross Currency
Currency and interest rate swaps	ECB*	USD	18.23	28.65	₹
*External Commercial Borrowings					

Mark-to-market on above derivative contracts ₹ 2.31 Lakhs (31 March 2021 : ₹ 112.62 lakhs) is recognised as derivative liability under 'Other financial liabilities' in the balance sheet.

42 Segment Reporting

The Company is in the business of manufacturing, trading and selling of stationery. It manufactures art material, marker pens, inks, pencils and others stationery products. The Management is of the view that the risks and returns for these products are not significantly different. Accordingly, the Company has a single reportable segment i.e. 'Consumer products' as per Ind AS 108 'Operating Segments' which is reviewed by Chief Operating Decision Maker (CODM). Further, export sales are not significant and there is no reportable secondary segment.

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

43 Ind AS 115 – Revenue from Contracts with Customers

(A) The Company is in the business of manufacturing, trading and selling of stationery. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery depending on the contractual terms with the customers. Accruals for discounts/incentives are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established and the Company does not give significant credit period resulting in no significant financing component.

(B) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

	31 March 2022	31 March 2021
Revenue from contracts with customer as per Contract price	54,842.31	44,691.66
Less: Discounts, incentives, rebates	3,970.64	3,462.56
Less:- Sales Returns /Credits /Reversals	221.30	940.13
Revenue from contracts with customer as per statement of profit and loss	50,650.37	40,288.97
Disaggregation of revenue from contract with customers		
	31 March 2022	31 March 2021
Geography		
Domestic	48,515.42	38,629.25
Exports	2,134.95	1,659.72
Total	50,650.37	40,288.97
Sales channel		
Distributors or dealers(including exports)	47,534.27	37,360.37
Modern trade	3,116.10	2,928.60
	50,650.37	40,288.97

(C) Contract liability (advance from customers)

	31 March 2022	31 March 2021
Advance from customers	59.82	16.03

44 Corporate social responsibility expenditure

As per Section 135 of the Companies Act 2013, the Company has formed a Corporate Social Responsibility (CSR) Committee. The CSR Committee approved CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, have been identified to incur CSR expenditure.

	31 March 2022	31 March 2021
(a) Gross amount required to be spent by the Company during the year	12.72	32.69
(b) Actual amount spent by the Company during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
Contribution to NGOs	-	28.98
Contribution to Company's own projects	7.32	-
Contribution to PM Cares Fund	6.00	5.00
Total amount spent in cash	13.32	33.98
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Not applicable	Not applicable

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

45 Financial ratios

Particulars	Numerator	Denominator	31 March 2022	31 March 2021	% of variance	Explanation for change in the ratio by more than 25%
Liquidity Ratio						
Current Ratio (times)	Current Assets	Current Liabilities	1.58	1.61	(1.68%)	
Solvency Ratio						
Debt-Equity Ratio (times)	Total Debt	Shareholder's Equity	0.29	0.32	(8.36%)	
Debt Service Coverage Ratio (times)	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Interest + Lease Payments + Principal Repayments	1.40	0.24	497%	The Company's net loss for 2021-22 reduced by 74% over 2020-21 coupled with strict control over Company's working capital. The reduction in losses and interest cost has led to improvement in Debt Service Coverage ratio.
Profitability ratio						
Net Profit Ratio (%)	Profit After Tax	Total Sales	(0.93)	(3.63)	(74.4%)	The Company's turnover for 2021-22 witnessed a growth of 25 % over 2020-21 coupled with strict control over Company's expenditure. This has led to a significant decline in Company's losses as compared to the previous year. Simultaneously the Company also witnessed marked improvement in the management of working capital constituents such as receivable and inventories, which led to reduction in working capital borrowing. The composite effect of improved profitability and reduced borrowing has led to improvement in three profitability ratio.
Return on Equity Ratio (%)	Profit After Tax - Preference Div. (if any)	Average Shareholder's Equity	(1.96)	(5.93)	(67.00%)	
Return on Capital employed (%)	Earning before interest and tax	Net worth + total debts	(0.15)	(2.87)	(94.7%)	
Return on Investment (%)	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	(0.02)	(0.06)	(67.4%)	
Utilization Ratio						
Trade Receivables turnover ratio (times)	Net Credit Sales	Average Trade Receivables	9.20	6.37	44.5%	For the year 2020-21, the opening receivables as at 1st April 2020 were very high since collection from customers were severely impacted by the lockdown imposed by Government. The higher opening balance has adversely impacted the ratio in 2020-21.
Inventory turnover ratio (times)	Cost of goods sold or Sales	Average Inventory	2.46	1.52	61.7%	The Company enjoys peak sales during the school season of March-June of any year. In anticipation of peak sales, the Company had built higher inventories as at 1st April 2020. However, due to onset of Covid 19 pandemic, the schools were closed and the season sale did not materialize. The composite effect of high inventories and reduced turnover 2020-21 has adversely affected the inventory turnover ratio of that year. As the situation improved in 2021-22, the inventories turnover ratio has also improved.

Notes to the financial statements

for the year ended 31 March 2022 (Contd.)

(Currency: Indian rupees in lakhs)

Particulars	Numerator	Denominator	31 March 2022	31 March 2021	% of variance	Explanation for change in the ratio by more than 25%	
Trade payables turnover ratio (times)	Net Credit Purchases	Average Trade Payables	7.30	3.30	121%	For the year 2020-21, the opening payable as at 1 April 2020 were very high since payment to suppliers were adversely affected due to lockdown imposed by Government. The higher opening balance has adversely impacted the ratio in 2020-21.	
Net capital turnover ratio (times)	Net Sales	Average Capital	Working	6.49	4.90	32.3%	Due to Covid 19 pandemic, there was a significant decline in sales turnover during the year 2020-21. However, the Company had built up inventories as at 1 April 2020 for the coming school season. Due to lockdown, the schools were closed and such huge inventories took time to get liquidated. Similarly, due to lockdown, the collection were also impacted during 2020-21. The composite effect of high receivables and inventories during 2020-21 has led to lower net capital turnover ratio 2020-21. Since the situation improved in 2021-22, the net capital turnover ratio has also improved.

46 Disclosure of Intermediaries

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

47 Previous period figures have been reclassified to comply with changes in Schedule III to the Companies Act, 2013.

As per our report of even date attached

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

Vijay Mathur
Partner
Membership No: 046476

Mumbai
06 May 2022

Satish Veerappa
Chief Executive Officer

Shishir B. Desai
Director
(DIN-01453410)

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

Chetan Badal
Chief Financial Officer

Hinal Chheda
Company Secretary
& Compliance Officer

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

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



KOKUYO CAMLIN LIMITED

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