

Date: 10<sup>th</sup> July, 2019

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

**The Manager  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (East)  
Mumbai - 400 051  
Scrip Code : KOKUYOCLN**

Sub: **Notice of 72<sup>nd</sup> Annual General Meeting and Annual Report for the year 2018-2019**

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 2018-19 along with the Notice of 72<sup>nd</sup> Annual General Meeting of the Company, which is being dispatched/ sent to the members of the Company by permitted mode(s).

The Notice and Annual Report of the Company are also available on the Company's website at [https://www.kokuyocamlin.com/uploads/annual\\_reports/Annual-Report-2018-19.pdf](https://www.kokuyocamlin.com/uploads/annual_reports/Annual-Report-2018-19.pdf).

Pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the 72<sup>nd</sup> Annual General Meeting of the Company has been scheduled to be held on Thursday, August 8, 2019 at 03.00 PM, at Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai - 400 020 and the Register of Members of the Company will be closed from Monday, August 5, 2019 to Thursday, August 8, 2019 (both days inclusive) for the aforesaid purpose. 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., Thursday, August 1, 2019, only shall be entitled to avail electronic voting facility.

The remote e-voting period commences from Monday, August 5, 2019 at 9.00 am and ends on Wednesday August 7, 2019 at 5.00 pm.

You are requested to take note of the above.

Thank you.

**For KOKUYO CAMLIN LIMITED**



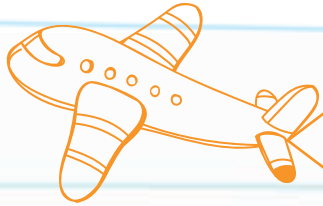
**RAVINDRA DAMLE  
VICE PRESIDENT (CORPORATE)  
& COMPANY SECRETARY**

Encl: A/a



**KOKUYO CAMLIN LIMITED**

72<sup>nd</sup> ANNUAL REPORT 2018-19



**Inspired by innovation.**  
**Driven by efficiency.**



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Please find our online version at [<https://www.kokuyocamlin.com/annual-reports.html>]  
Or simply scan to download



### 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's Discussion and Analysis of this Annual Report.



Technology and innovation are the catalysts for a better future. Over the years, it has been our constant endeavour to provide innovative products to our customers.

Managing innovation effectively and efficiently is the fundamental goal and at the forefront of Kokuyo Camlin's philosophy. For us innovation is at the heart of what we do. It drives outcomes which are relevant to our customers and create a meaningful difference. We continue to deliver value products which are stronger and sustainable.

We seek differentiation through efficiency and value creation. Our move towards this direction has helped us produce superior quality, high standard products which have generated a strong brand recall. Not only they command a higher market share but have also boosted effective financial growth for the Company. We continue to lead the way by leveraging our technological proficiency combined with integrated manufacturing capabilities to drive growth.

# Our Canvas

Kokuyo Camlin Limited ('KCL' or 'the Company') has come a long way to become India's leading stationery company. Built on a solid foundation of trust and tradition, the Kokuyo Camlin name is synonymous while considering stationery products.

KCL has a presence across several segments, which includes inks, colours, writing instruments, technical and drawing instruments, office stationery, markers, notebooks and scholastic and hobby art materials. We are backed by over 80 years of experience with our strong capabilities of design, innovation and manufacturing prowess. KCL has evolved itself to become a preferred stationery company through its concentrated focus on innovation, technology and value addition.

The Company's state-of-the-art, automated and integrated facility at Patalganga will drive the next leg of growth. The plant has helped to centralise the production of many products. The plant is equipped with Japanese technology which leads to manufacturing quality products with precision. Our granular focus on customer requirements, new markets, priority products is paving way to unlock our future growth potential.

## CORPORATE PHILOSOPHY

- **Customer First:** Committed to respond by delivering superior quality products to meet the diverse demands of customers across the globe.
- **Human Resources:** Promote equal employment opportunities to encourage professional excellence and strive to provide good working conditions.
- **Business Partners:** Strive for long-lasting association with all stakeholders to augment mutual co-operation and establish a bond of mutual trust.
- **Corporate Governance:** Taking leadership in nurturing corporate culture and implementing policies that promote ethical behaviour.
- **Transparency:** Maintain transparency and conduct business operations with utmost honesty and integrity.
- **Corporate Social Responsibility:** Embrace and contribute to sustainable development of the society and make consistent efforts to preserve and maintain harmony with the environment

## Patalganga Plant



### PRODUCTS MANUFACTURED

- STATIONERY PRODUCTS
- SCHOLASTIC PRODUCTS

### CERTIFICATION FROM TUV RHEINLAND

ISO 14001:2015  
ISO 45001:2018  
ISO 9001:2015



## Tarapur Plant



### PRODUCTS MANUFACTURED

- FINE ART AND HOBBY COLOURS
- SCHOLASTIC COLOURS
- STATIONERY PRODUCTS

### CERTIFICATION FROM TUV RHEINLAND

ISO 14001:2015  
 ISO 45001:2018  
 ISO 9001:2015

## Samba Plant



### PRODUCTS MANUFACTURED

- FINE ART AND HOBBY COLOURS

### CERTIFICATION FROM TUV RHEINLAND

ISO 14001:2015  
 ISO 45001:2018  
 ISO 9001:2015

# Our Business Model

## Inputs

### FINANCIAL CAPITAL

At Kokuyo Camlin, financial capital is crucial for sustaining growth and expansion in the longer term. Since inception, Kokuyo Camlin has disciplinarily been allocating the financial capital for shareholders' value creation. We stress on delivering strong financial performance through consistent revenue growth and sustained focus on cost efficiencies.

- Net worth: ₹24,887.98 Lakhs
- Total capital employed: ₹28,520 Lakhs
- Debt-to-equity ratio: 0.69 : 1

### INTELLECTUAL CAPITAL

Our intellectual capital comprises copyright on our innovative products. We constantly explore emerging technologies and invest in promising research. Our R&D experts dedicatedly develop new products with the aim to deliver innovative products for our customers.

### MANUFACTURING CAPITAL

It comprises our production facilities and equipment for designing, prototyping and manufacturing our products. It is the capital investment in our businesses to increase capacity and efficiency

### HUMAN CAPITAL

We believe our employees to be our greatest asset. We work towards attracting and retaining the best talent by offering them a highly motivating and rewarding experience. We continuously invest in learning and development, ensuring our employees work towards achieving the Company's business objectives.

### RELATIONSHIP CAPITAL & SOCIAL CAPITAL

At Kokuyo Camlin, strategic relations form one of the core assets of our business strategy. Our continuous engagement with key stakeholders helps us sustain and expand critical relationships for long term value creation. We are deeply committed towards creating a safe and secure world. We work on crafting sustainable initiatives in the areas of education and community welfare.

### NATURAL CAPITAL

It constitutes of renewable and non-renewable natural resources like land, water, air, fossil fuels and solar energy. Every organisation utilises natural capital in some form or the other.

## BUSINESS PROCESS

**Risk Management**



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**Growth Drivers**



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**Idea generation**

**Research and Innovation**

**Feasibility Test**

**Product Development (Test Launch)**



# Output and Outcomes

₹ 77,949.87 lakhs, + 10.76%

Revenues in 2018-19

₹ 5,211.09 lakhs, + 27%

EBIDTA in 2018-19

₹ 1,520.34 lakhs, + 55%

Net Profit (post tax) in 2018-19

Consistent market share and strong product portfolio

### New Products Launched in 2018-19



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### ISO Certifications



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### Automation Key to Efficiency



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### Strengthening Capacities



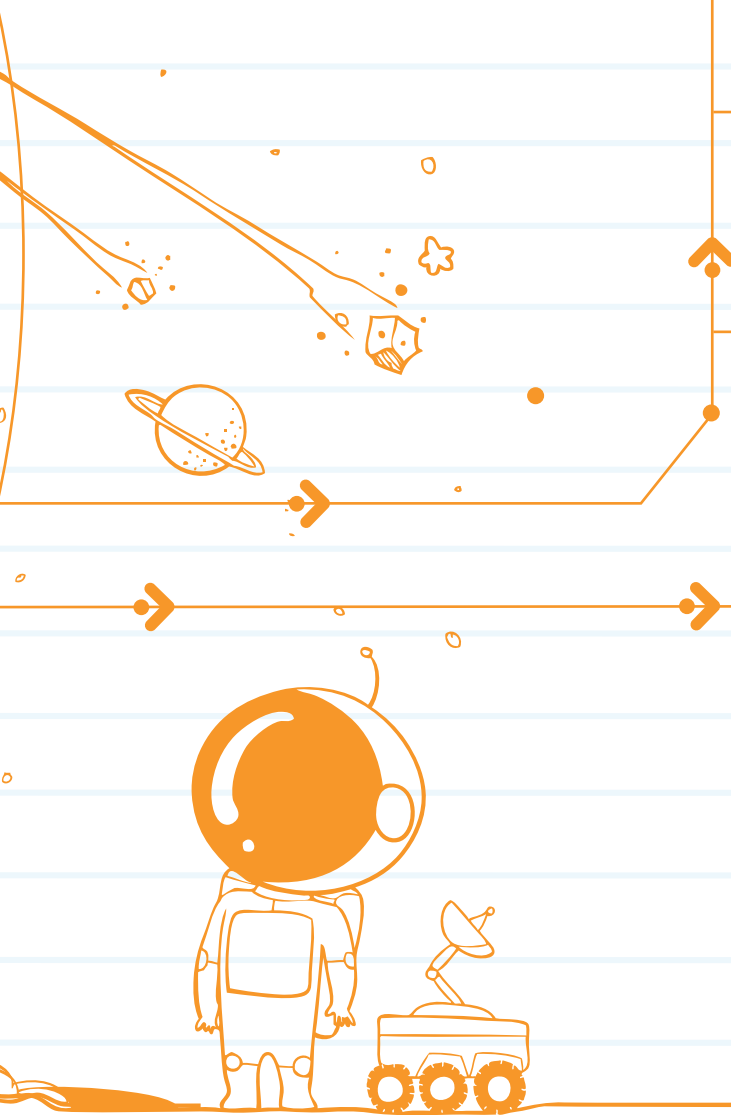
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### CSR Spends: ₹ 18.17 Lakhs

#### Our Causes

- Educate the girl child – Nanhi Kali
- Sanitation by making donation to Swachh Bharat Kosh
- Samabhavana Society- NPO for installing the Science Centre

**Zero Waste:** With the use of efficient process and advanced technologies there is zero waste emanating from the plants. Also, production output which doesn't meet the parameters are reprocessed





# Spirit of Innovation

Our focus on research and innovation-led approach have helped us cater to our customers more effectively. Our research and surveys have helped us in understanding the customer mindset and to act proactively. Over the last 2 years, we have launched 15 new products across various categories. During the year 2018-19, we launched two new innovative products:



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## 2 IN 1 GEOMETRY BOX:

It is ergonomically designed, sleek yet tough and transparent box. It is made from high-quality unbreakable plastic, with slots for pencils and geometry instruments, organized in separate compartments, while offering space for more components.

### Features:

- Space saver
- Reduces burden in the bags of carrying two boxes
- Transparent box ensures that there is no problem in carrying it for exams
- Affordable



## CHILD GRIP CRAYON:

It helps toddlers set free the creative side of their brain with its easy-to-hold design and attractive bright colours.

### Features:

- Strengthens control on grip
- Stimulates brain development
- Improves hand and eye coordination
- Improve handwriting skills in future
- Non-toxic



# CSR and Promotion of Art Activities

## EXTENDING PROGRESS TO COMMUNITIES

At Kokuyo Camlin, we believe that it is our duty and responsibility towards the society that has empowered them to achieve great heights. To us, social empowerment is not an option, but a business imperative. It consists our business objectives, our responsibility towards the society, the eco-sphere and efforts to enrich the lives. The Company also encourages its staff members to actively follow, understand and contribute to social causes, to remove indisputable social and developmental lacunae and to promote self and community development.

Over the years, the Company has supported various initiatives that provide free Education, Health and Sanitation, Skill Development, Women Empowerment and contribute towards Swachh Bharat, Swachh Bharat Kosh and Environment Conservation.



## PROMOTION OF ARTS AND EVENTS

Kokuyo Camlin, in association with J. J. School of Art and J. K. Academy of Art & Design, conducted two separate art workshops in October and December 2018 respectively.

More than 100 prominent artists from across the country attended these workshops and used the newly launched Artist Heavy Body Acrylic Colours and gave their valuable feedback on the product. The J. J. School of Art event was also attended by the Education Minister of Maharashtra, Mr. Vinod Tawde; while the J. K. Academy event was opened by Mr. Shriram Dandekar.

Both workshops were extremely successful as we got to promote our new products and also got real-time feedback from eminent artists!



# Corporate Information

## Chairman Emeritus

Mr. Subhash Dandekar

## Board of Directors

Mr. Dilip Dandekar (Chairman & Executive Director)

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

Mr. Shriram Dandekar (Vice Chairman & Executive Director)

Mr. Nobuchika Doi (Executive Director)

Mr. Takeo Iguchi (Executive Director)

Mr. Kazuo Kubo (Non-Executive Director)

## Independent Directors

Mr. Shishir Desai

Mr. Ramanathan Sriram

Mr. Devendra Kumar Arora

Mr. Hisamaro Garugu

Mr. Sriram Venkataraman

Ms. Nandini Chopra

## Chief Executive Officer

Mr. Satish Veerappa

## Chief Financial Officer

Mr. Chetan Badal

## Vice President (Corporate) & Company Secretary

Mr. Ravindra Damle

## Registered Office

Hilton House, 48/2, Central Road,

M.I.D.C., Andheri (East),

Mumbai - 400 093.

CIN : L24223MH1946PLC005434

## Works

**Patalganga** : Plot No. F/8,

Additional Patalganga MIDC,

Village - Chavane, Taluka - Panvel,

Dist. - Raigad - 410 220.

**Tarapur** : M.I.D.C., Boisar, Tarapur,

Dist.- Thane - 401 506.

**Taloja** : M.I.D.C., Taloja,

Navi Mumbai - 410 208.

**Jammu** : Industrial Growth Centre,

Samba Phase I, Jammu, J&K State.

101, Gangyal Industrial Area, Phase II,

Jammu - 180 004.

**Vasai** : Rajprabha Udyog Nagar, Walive,

Vasai (East), Dist - Thane 401308.

## Auditors

M/s. BSR & Co. LLP

Chartered Accountants

Mumbai

## Bankers

Mizuho Bank Ltd.

The Bank of Tokyo-Mitsubishi UFJ Ltd.

Sumitomo Mitsui Banking Corporation

## Registrar & Transfer Agents

Link Intime India Pvt Ltd.

C-101, 247 Park,

LBS Marg, Vikhroli (West),

Mumbai - 400 083.

Tel : 91-022-4918 6270

Fax : 91-022-4918 6060

Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## Audit Committee

Mr. Shishir Desai (Chairman)

Mr. Sriram Venkataraman (Member)

Mr. Ramanathan Sriram (Member)

Mr. Takuya Morikawa (Member)

## Stakeholders' Relationship Committee

Mr. Ramanathan Sriram (Chairman)

Mr. Hisamaro Garugu (Member)

Mr. Shriram Dandekar (Member)

## Remuneration & Nomination Committee

Mr. Shishir Desai (Chairman)

Mr. Devendra Kumar Arora (Member)

Mr. Dilip Dandekar (Member)

Ms. Nandini Chopra (Member)

## Corporate Social Responsibility Committee

Ms. Nandini Chopra (Chairperson)

Mr. Nobuchika Doi (Member)

Mr. Shriram Dandekar (Member)



# Notice

NOTICE is hereby given that the 72nd Annual General Meeting of the Members of Kokuyo Camlin Limited, will be held on Thursday the 8th August, 2019 at 3.00 p.m. at Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai – 400020, to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2019 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nobuchika Doi (DIN : 03599835), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Takeo Iguchi (DIN : 03599826), who retires by rotation and being eligible offers himself for re-appointment.

## SPECIAL BUSINESS:

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 (1)(f) and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder (including any Statutory Modification(s) or re-enactment(s) thereof for the time being in force) hereinafter referred to as “Act” and Regulation 23 and other applicable provisions

of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the recommendation of the Audit Committee and Remuneration and Nomination Committee, the consent of the members of the Company be and is hereby accorded for the continuation of the appointment of Ms. Aditi D. Dighe, who is a relative of Mr. Dilip D. Dandekar, Chairman & Executive Director of the Company, as General Manager (Marketing), to hold an office or place of profit in the Company with effect from 1st April, 2019, at such revised remuneration and on the terms and conditions, as per the Explanatory Statement attached to this notice, with liberty to the Board of Directors to vary, amend or revise the remuneration in accordance with the provisions of the Act and other applicable regulations.

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

## Regd. Office:

Kokuyo Camlin Limited  
CIN: L24223MH1946PLC005434  
48/2, Hilton House,  
Central Road, M.I.D.C,  
Andheri (East),  
Mumbai-400 093.  
Dated: 8th May, 2019

## By Order of the Board

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



## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than 10% of total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for another person or shareholder.
3. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of the business referred to under Item No. 4 is annexed hereto.
5. The Register of Members and Share Transfer Books will remain closed from 5th August, 2019 to 8th August, 2019 (both days inclusive).
6. Members holding shares in physical form are requested to communicate any change in address immediately to Company's Registrars and Share Transfer (R&T) Agents M/s Link Intime India Private Limited.
7. In compliance with Section 125 of the Companies Act, 2013 the unclaimed dividend for the year ended 31st March, 2011, has been transferred to the "Investor Education and Protection Fund" (IEPF) established by the Central Government. Members are requested to claim the said unpaid dividend by making an application to IEPF Authority in Form IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
8. In compliance with Section 124 (6) of the Companies Act, 2013 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](http://www.iepf.gov.in).
9. 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](http://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](http://www.mca.gov.in))
10. As per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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.
11. Any Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
12. Members, who hold Shares in dematerialised form, are requested to bring their Client ID and DP ID. Nos. for easy identification of attendance at the meeting.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. 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.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013, and the rules framed thereunder and Regulation 44 of the Listing Regulations, the members are provided with the facility to cast their votes electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this notice. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the notice of AGM and holding shares as on the cut-off date 1st August, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). In order to enable its members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this notice, the Company is enclosing a ballot form with the notice. Instructions for voting through ballot and e-voting are given in the said forms. Resolution(s) passed by the members through ballot forms/ e-voting is/ are deemed to have been passed if they have been passed at the AGM.



## Notes: (Contd.)

15. The facility for voting through Ballot paper shall be made available at the AGM and the members attending the meeting, who have not cast their vote by remote e-voting or ballot form shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting or ballot form prior to the AGM may also attend the AGM but shall not be entitled to cast their vote.
16. The Annual Report 2018-19 along with the Notice is being sent by electronic mode to those members whose email addresses are registered with the depository participants/ Company's R&T Agent unless any member has specifically requested for a physical copy are been sent in the permitted mode. Further even after registering for e-communication, members are entitled to receive such communication in physical form upon making request for the same by post free of cost.
17. The Annual Report 2018-19 along with Notice of the 72nd AGM of the Company circulated to the Members of the Company will be made available on the Company's website [www.kokuyocamlin.com](http://www.kokuyocamlin.com) and also on the website of the respective Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on any working day upto the date of AGM. For any communication the members may also send request to the Company's investor relations email Id: [investorrelations@kokuyocamlin.com](mailto:investorrelations@kokuyocamlin.com).

**Regd. Office:**

Kokuyo Camlin Limited  
CIN :L24223MH1946PLC005434  
48/2, Hilton House,  
Central Road, M.I.D.C.,  
Andheri (East),  
Mumbai-400 093.  
Dated: 8th May, 2019

**By Order of the Board**

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



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

Name	Nobuchika Doi	Takeo Iguchi
Designation	Executive Director	Executive Director
Director Identification Number	03599835	03599826
Age	52 years	50 years
Date of first Appointment on the Board	19th October, 2011	19th October, 2011
Experience in Specific Functional Area	Business Strategy & Marketing, Planning, Research & Development, Production Technology and Distribution Management of Stationery Products	Production, Planning and Control in the stationery business
Qualifications	Bachelor of Economics	Bachelors of Arts
Terms and Conditions of Re- appointment	Liable to retire by rotation	Liable to retire by rotation
Details of remuneration sought to be paid	Not Applicable	Not Applicable
Last drawn remuneration	₹ 87.78 Lakhs	₹ 89.12 Lakhs
Relationship with other Directors and Key Managerial Personnel	Nil	Nil
Directorship in other Companies	Kokuyo Riddhi Paper Products Private Limited	Kokuyo Riddhi Paper Products Private Limited
Chairman/Member in the Committees of the Boards of other Listed companies	Nil	Nil
No. of Shares held in the Company	Nil	Nil
Number of meetings of the Board attended during the year	4	4



# Annexure Forming Part of The Notice

## Explanatory Statement

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

### Item No. 4:

Pursuant to the provisions of Section 188(1) of the Companies Act, 2013 read with Rule 15 (3) (b) of the Companies (Meetings of Board and It's Powers) Rules, 2014 hereinafter referred to as 'Act' that govern the related party transactions, it is necessary to obtain prior approval of the members for appointment of related party to any office or place of profit in the Company at the monthly remuneration exceeding two and a half lakh rupees.

Ms. Aditi D. Dighe was appointed as 'Brand Manager' (Colour Group) with effect from 1st September, 2006 by the members of the Company at the 59th Annual General Meeting held on 25th August, 2006. She was further appointed as General Manager (Marketing) with revised remuneration by the members of the Company at 63rd Annual General Meeting held on 29th June, 2010.

Ms. Aditi D. Dighe, Bachelor in Fine Arts (Mumbai University), Master in Communication Studies (Pune University) and Master in Fine Arts (San Francisco University, USA) has been actively involved in Marketing of Office & Scholastic, and Fine Art products. She has also marketed and publicized various promotional campaigns viz Camlin Art Foundation (CAF) and All India Camel Colour Contest (AICC).

Ms. Aditi D. Dighe is entitled to an annual increment as given to other regular employees of the Company. Taking into consideration her contributions towards the growth of the Company, her longer association with the Company is much needed. In order to retain her services, your Directors have approved, subject to the approval of members, the continuation of her employment with the Company with the increased remuneration, comparable more or less with the remuneration drawn by any other employee of the same category in the Company. Ms. Aditi Dighe is daughter of Mr. Dilip D. Dandekar, Chairman & Executive Director of the Company, hence, the continuation of the aforesaid appointment will be deemed to be holding an office or place of profit by a relative of a director within the meaning of Section 188 of the Companies Act, 2013, and accordingly the approval of the members by an ordinary resolution is being sought in terms of the requirements of the Act and the rules made there under in view of her proposed remuneration exceeding ₹ 2.50 Lakhs per month. The continuation of her appointment at an increased remuneration is duly recommended, by the Remuneration and Nomination Committee, Audit Committee and the Board of Directors at their Meeting held on 6th May, 2019 and

8th May, 2019 respectively, on the following terms and conditions which have been placed before the members of the Company for their consideration and approval viz.:

- 1) Salary: Comprising of fixed and maximum variable salary not exceeding ₹ 32,08,731/- (Rupees Thirty Two Lakhs Eight Thousand Seven Hundred Thirty One only) per annum and be broken into various components as per HR policy of the Company (including retirement benefits), with a provision for increase in salary of not more than 15% per annum over the previous year and to be decided by Remuneration and Nomination Committee and the Audit Committee.
- 2) Perquisites and other benefits: In addition to the above, she shall be entitled to other perquisites and benefits in accordance with the rules of the Company such as car with driver, petrol expenses, maintainance expenses etc. The monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962, not exceeding ₹ 3.00 Lakhs per annum with a provision for increase of not more than 15% per annum over the previous year and to be decided by Remuneration and Nomination Committee and the Audit Committee.
- 3) She shall also be entitled to Leave Encashment at the end of the tenure as per Company's policy.

The Board shall have the authority from time to time to make applicable to Ms. Aditi Dighe such revisions in the aforesaid salary scale or grade together with revisions in such allowances, benefits, amenities, facilities and other perquisites as are introduced from time to time in respect of employees of the Company in equivalent salary scale or grade; and to promote her to any higher position/designation or salary scale or grade in due course together with such allowances.

None of the Directors/ Key Managerial Personnel (KMP) of the Company and their relatives other than Mr. Dilip D. Dandekar and his relatives are concerned or interested in the resolution.

Directors recommend the Ordinary resolution at Item No. 4 for your approval.

### Regd. Office:

Kokuyo Camlin Limited  
CIN :L24223MH1946PLC005434  
48/2, Hilton House,  
Central Road, M.I.D.C.,  
Andheri (East), Mumbai-400 093.  
Dated: 8th May, 2019

### By Order of the Board

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



# Directors' Report

To,

The Shareholders of Kokuyo Camlin Limited

Your Directors have pleasure in presenting the 72nd Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2019.

## FINANCIAL RESULTS (STANDALONE):

Particulars	₹ In Lakhs)	
	2018-2019	2017-2018
Gross Sales/Income from Business	77949.87	70375.45
Less: Discount on Sales	9072.67	6534.65
Net sales	68877.20	63840.80
Other Income	76.70	284.99
Total Income	68953.90	64125.79
Profit Before Interest and Depreciation	5211.09	4101.57
Less: Interest	1149.76	960.57
Less: Depreciation	1787.19	1650.51
Profit Before Tax	2274.14	1490.49
Less: Provision for Tax		
- Current	476.03	255.91
- Deferred	275.62	252.41
- Prior Years (Net)	2.15	-
Net Profit after Tax	1520.34	982.17
Balance carried to Balance Sheet	1520.34	982.17
Earnings per share (Basic)	1.52	0.98
Earnings per share (Diluted)	1.52	0.98

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

During the year the Company reported on standalone basis gross sale/ income of ₹ 77949.87 Lakhs as compared to ₹ 70375.45 Lakhs for the last year representing a growth of 10.76% over the corresponding period of the previous year. The profit before tax was higher at ₹ 2274.14 Lakhs against ₹ 1490.49 Lakhs for the corresponding period of the previous year.

## DIVIDEND:

Given the growth requirements of the business, your Directors do not recommend any dividend on equity shares for the financial year 2018-2019.

## TRANSFER TO RESERVE:

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

## MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis forms an integral part of this report and is presented separately. It gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's operations and their adequacy, risk management systems and other material developments during the financial year 2018-19.

## 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, 2019 was ₹ 1003.04 Lakhs.

## CONSOLIDATED FINANCIAL STATEMENTS:

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

## 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.

As mentioned in our Report for the previous year 2017-2018, M/s. Camlin International Limited, wholly owned subsidiary of Kokuyo Camlin Limited had made an application on 30th March, 2018 to the Registrar of Companies for striking off the Company by removal of name from the Register of Companies. The Registrar of Companies, Ministry of Corporate Affairs, vide its Notice in Form STK-7 dated 5 December, 2018 has struck off the name of the Company Camlin International Limited from the Register of Companies. Thus, Camlin International Limited has been dissolved and thereby ceased to be the wholly owned subsidiary of our Company.





## Directors' Report (Contd.)

Further, during the year the Company has transferred 2,74,050 equity shares held in its Associate Company M/s. Colart Camlin Canvas Pvt. Ltd. ("Colart") whereby the stake held by the Company in Colart has fallen below 20% and thus, Colart is no longer the Associate Company of our Company.

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

In accordance with the section 136 of the Companies Act, 2013, the Audited Financial Statements and related information of the Company are available on the website [www.kokuyocamlin.com](http://www.kokuyocamlin.com).

### DEPOSITS:

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

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

There have been no Material changes and Commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company, to which the financial statement relate (i.e. 31st March, 2019) and the date of the report. There has been no change in the nature of 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, 2019.

### RELATED PARTY TRANSACTIONS:

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

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

The details of transaction with related parties are provided in the accompanying financial statements. The policy on Related Party Transactions as amended and as approved by the Board is uploaded on the Company's website at <https://www.kokuyocamlin.com/company-policies.html>

Ms Aditi D. Dighe, daughter of Mr Dilip D. Dandekar, Chairman & Executive Director of the Company, is an employee of the Company presently receiving monthly remuneration not exceeding two and a half Lakhs rupees. She is entitled to an annual increment as given to other regular employees of the Company and her remuneration after such increment would exceed the prescribed limit of ₹ 30.00 Lakhs per annum (i.e. ₹ 2.50 Lakhs per month) The Board of Directors on the recommendation of Remuneration and Nomination Committee at their meeting held on 8th May, 2019 has revised the monthly remuneration effective from 1 April, 2019 of Ms Aditi D. Dighe exceeding the limit of ₹ 2.50 Lakhs per month subject to approval of members in the ensuing General Meeting by way of passing an Ordinary resolution. The details of remuneration payable to Ms Aditi Dighe is given in the Explanatory Statement forming part of the Notice.

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

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

## Directors' Report (Contd.)

During the year, the Company had appointed Mr Satish Veerappa as a Key Managerial Person (KMP) designated as 'Chief Executive Officer' effective from 9th May, 2018. The Board of Directors at its meeting held on 26th October, 2018 appointed Mr Satish Veerappa as Manager designated as Chief Executive Officer (CEO) of the Company for the period of 3 years effective from 1st November, 2018 to 31st October, 2021. In lieu of his appointment as Manager, the Board of Directors re-designated Mr Nobuchika Doi from 'Managing Director' to 'Executive Director' for the remaining period of his tenure of two (2) years effective from 1st November, 2018 to 31st October, 2020.

Further, the Board of Directors at its meeting held on 24th January, 2019 approved the re-appointment of Mr Dilip D. Dandekar as 'Chairman & Executive Director' and Mr Shriram S. Dandekar as 'Vice-Chairman & Executive Director', whose term expired on 31st January 2019, for the further period of one (1) year with effect from 1st February, 2019. In the said meeting, the Board also approved the re-appointment of the Independent Directors namely, Mr Ramanathan Sriram, Mr Shishir B. Desai, Mr Hisamaro Garugu, Mr Devendra Kumar Arora and Mr Sriram Venkataraman, whose term was expiring on 31st March, 2019, for the second term of five consecutive years effective from 1st April, 2019 to 31st March, 2024.

All the aforesaid appointments of Manager and Directors and re-designation of Mr Nobuchika Doi were approved by the members by passing special resolutions through Postal Ballot on 20th March, 2019.

The profile of Directors seeking re- appointment forms integral part of the Notice.

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

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

1. Mr Chetan Badal - Chief Financial Officer
2. Mr Ravindra Damle – Vice President (Corporate) & Company Secretary
3. Mr Satish Veerappa – Manager designated as Chief Executive Officer (with effect from 1 November, 2018)

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

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

### MEETINGS OF BOARD:

During the financial year 2018-19 four Board Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### 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 familiarisation programme are explained in the Corporate Governance Report. The same is also available on the website of the company and can be accessed by web link <https://www.kokuyocamlin.com/company-policies>.

### PERFORMANCE EVALUATION OF THE DIRECTORS:

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

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

### DECLARATION OF INDEPENDENCE:

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

### REMUNERATION POLICY:

The Board has, on the recommendation of the Remuneration and Nomination Committee framed a policy for selection, appointment and remuneration of Directors and KMPs. During the year under review, the Company has revised the Remuneration and Nomination Policy in accordance with the amendments to Section 178 of the Companies Act, 2013 and the Listing Regulations. 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' Report (Contd.)

### DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) That in the preparation of the annual accounts for the financial year ended 31st March, 2019, 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, 2019 and of the Profit of the Company for the year ended on that date.
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) That the Directors had prepared the annual accounts on a going concern basis; and
- e) That the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### AUDITORS & AUDITORS REPORT: STATUTORY AUDITORS:

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

### AUDITORS REPORT:

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

The Auditors Report to the members on the Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2019 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 Companies Act, 2013 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 2018-19 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR-3 is attached as "Annexure – E" and forms part of this report.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Secretarial Audit/ Compliance Report issued by them for the financial year 2018-19.

### RECONCILIATION OF SHARE CAPITAL AUDIT:

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

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

The Companies Act, 2013 re-emphasises 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, 2019.

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

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

The Company had transferred a sum of ₹ 2.54 Lakhs during the financial year to the Investor Education and Protection Fund established by the Central Government (IEPF). The said amount represents Unclaimed Dividend for the year 2010-2011 with the Company for a period of 7 years from their respective due dates of payment.

## Directors' Report (Contd.)

### TRANSFER OF SHARES TO IEPF

As required under Section 124 of the Companies Act, 2013, 1,96,995 Equity shares, in respect of which dividend has not been claimed by the members for Seven (7) consecutive years have been transferred by the Company to IEPF during the financial year 2018-19. Details of shares transferred 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 Sexual Harassment Committee comprising management staff has been set up at office and factory locations, which includes three women to redress complaints relating to sexual harassment. The Committee also includes an outside woman representative from an NGO. During the year under review no case was reported under the said policy.

### SIGNIFICANT AND MATERIAL 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 Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules 2014 as amended and in accordance with the CSR Policy the Company has spent above 2% of the average net profits of the Company during the three immediately preceding financial years. The details are provided in the Annual Report on CSR activities has been appended as "Annexure – D" which forms an integral part of this report. The CSR Policy of the Company is also available on the website of the Company <https://www.kokuyocamlin.com/pdf/CSR-Policy.pdf>

Key Initiatives which the Company engaged are:-

#### Educate the Girl Child

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

### Swachh Bharat Kosh

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

### Setting up a Mini Science Center

Your Company has contributed for setting up a Mini Science Center at three Zilla Parishad Schools near our factory located at Patalganga.

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

### CODE OF ETHICS AND VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

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

The Company has taken steps to establish Vigil Mechanism for Directors and Employees of the Company. The details of the Policy are posted on the website of the Company at [www.kokuyocamlin.com](http://www.kokuyocamlin.com). During the year under review, the policy was suitably amended to include reporting of instances relating to leak of Unpublished Price Sensitive Information.

### 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. The Board of Directors has adopted the amended Code of Conduct pursuant to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which is effective from 1st April, 2019.

### INSURANCE:

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



## Directors' Report (Contd.)

### 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. 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 Enterprise Risk Management Policy as part of the ERM framework that covers key business functions, processes and units. 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 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 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.

### GREEN INITIATIVE IN CORPORATE GOVERNANCE:

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

The Company is providing e voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to section 108 of the Companies

Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are provided in the Notice.

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

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

### EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT- 9 is placed on the website of the Company at [www.kokuyocamlin.com](http://www.kokuyocamlin.com) under the Investor Relations Section and is set out as "Annexure - B" to the report.

### PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 of Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of Companies Act, 2013 the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

### ACKNOWLEDGEMENT:

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

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

**For & on behalf of the Board**

Place : Mumbai  
Dated: 8th May, 2019

**Dilip D. Dandekar**  
**Chairman & 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:

- Usage of Servo motors in Machines.
- Installed and commissioned 564 KWP Solar Power Plant at Patalganaga plant.
- Installation of energy savers on air conditioners.
- Use of Solar Energy for process water heating.
- Install Turbo ventilator on Roofs operated on wind to reduce heat and also improve shop floor ventilation.
- In all factories we are not discharging treated effluents from ETP but it is recycled and reused, resulting in saving of 20% of water
- Use of gravity in some process has reduced electricity for transfer of material.
- Use of LED lights across all factory locations.
- Usage of natural lights in manufacturing area to reduce power consumption.

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

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

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

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

### B) TECHNOLOGY ABSORPTION:

#### RESEARCH AND DEVELOPMENT (R & D):

1.	Specific areas in which R & D Carried out by the Company	: New product development, process development.
2.	Benefits derived as a Result of the above R & D	: Cost reduction, quality up gradation, development of new markets.

3.	Future plan of action	: Future plan of action envisages acceleration in the process of development already set in motion and undertaking more process development work for achieving cost reduction, and improvement in quality.
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(₹ In Lakhs)

4.	Expenditure on R&D	2018-2019	2017-2018
a)	Capital	-	-
b)	Recurring	436.93	365.97
	<b>Total</b>	<b>436.93</b>	<b>365.97</b>
	<b>Total R&amp;D Expenditure as a Percentage of total turnover</b>	<b>0.63</b>	<b>0.57</b>

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1.	Efforts made towards Technology Absorption, Adaptation and Innovation	: The Company's R&D Laboratory is recognised 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



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

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Major countries of export are SAARC Countries, Middle East and Japan.

(b) Total Foreign Exchange used and earned:

	(₹ In Lakhs)	
	2018-2019	2017-2018
Foreign exchange used	5306.96	5649.89
Foreign exchange earned	1663.85	1073.91

**For & on behalf of the Board**

Place : Mumbai

Dated: 8th May, 2019

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



# Annexure 'B' to the Board's Report

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2019

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

#### I. REGISTRATION AND OTHER DETAIL:

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

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product/service	% to total turnover of the company
1	Artists Colours	303.60	48.50

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Kokuyo Co., Ltd.		Holding	74.44	2(46)
2	ColArt Camlin Canvas Pvt. Ltd*	U17290MH2005PTC155976	Associate	19.00	2 (6)

\*Associate upto 29th March, 2019 with 40.00% of shares held

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

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(1) Indian</b>									
Individuals/ HUF	550000	-	550000	0.55	550000	-	550000	0.55	-
Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-





## Annexure 'B' to the Board's Report(Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
Bodies Corp	-	-	-	-	-	-	-	-	-
Banks/ FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>SubTotal(A)(1)</b>	<b>550000</b>	<b>-</b>	<b>550000</b>	<b>0.55</b>	<b>550000</b>	<b>-</b>	<b>550000</b>	<b>0.55</b>	<b>-</b>
<b>(2) Foreign</b>									
NRIs- Individuals	-	-	-	-	-	-	-	-	-
Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp	74665950	-	74665950	74.44	74665950	-	74665950	74.44	-
Banks/ FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>SubTotal(A)(2)</b>	<b>74665950</b>	<b>-</b>	<b>74665950</b>	<b>74.44</b>	<b>74665950</b>	<b>-</b>	<b>74665950</b>	<b>74.44</b>	<b>-</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>75215950</b>	<b>-</b>	<b>75215950</b>	<b>74.99</b>	<b>75215950</b>	<b>-</b>	<b>75215950</b>	<b>74.99</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks/ FI	49756	3000	52756	0.05	72338	2000	74338	0.07	0.02
Central Govt – Investor Education and Protection Fund (IEPF)	540599	-	540599	0.54	737594	-	737594	0.74	0.20
State Govt(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	75000	-	75000	0.07	75000	-	75000	0.07	0.07
<b>SubTotal (B)(1)</b>	<b>665355</b>	<b>3000</b>	<b>668355</b>	<b>0.66</b>	<b>884932</b>	<b>2000</b>	<b>886932</b>	<b>0.89</b>	<b>0.23</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	3629673	-	3629673	3.62	2892314	-	2892314	2.88	(0.74)
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 2 lakhs	13495634	1623922	15119556	15.07	13646295	1287251	14933546	14.89	(0.18)

## Annexure 'B' to the Board's Report(Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	3098890	-	3098890	3.09	3843823	-	3843823	3.83	0.74
c) NBFCs Registered with RBI	-	-	-	-	27772	-	27772	0.03	0.03
c) Others (Specify)									
i) NRI (Non-Rep)	374847	-	374847	0.37	432735	-	432735	0.43	0.06
ii) NRI (Rep)	1387879	-	1387879	1.38	1297876	-	1297876	1.29	(0.09)
iii) Trust	2000	-	2000	-	2000	-	2000	-	-
iv) Foreign Portfolio Investor(Individual)	-	-	-	-	-	-	-	-	-
v. Hindu undivided Family	599184	-	599184	0.60	616218	-	616218	0.61	0.01
vi. Clearing Member	207472	-	207472	0.21	99639	-	99639	0.10	(0.11)
vii. Unclaimed Shares	-	-	-	-	55001	-	55001	0.05	0.05
<b>SubTotal(B)(2)</b>	<b>22795579</b>	<b>1623922</b>	<b>24419501</b>	<b>24.34</b>	<b>22913673</b>	<b>1287251</b>	<b>24200924</b>	<b>24.11</b>	<b>(0.23)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>23460934</b>	<b>1626922</b>	<b>25087856</b>	<b>25.01</b>	<b>23798605</b>	<b>1289251</b>	<b>25087856</b>	<b>25.01</b>	<b>-</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>98676884</b>	<b>1626922</b>	<b>100303806</b>	<b>100</b>	<b>99014555</b>	<b>1289251</b>	<b>100303806</b>	<b>100</b>	<b>-</b>

### (ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Kokuyo Company Limited	74665950	74.44	-	74665950	74.44	-	-
2.	Shriram Sharad Dandekar	250000	0.25	-	250000	0.25	-	-
3.	Dilip Digambar Dandekar	200000	0.20	-	200000	0.20	-	-
4.	Subhash Digambar Dandekar	100000	0.10	-	100000	0.10	-	-
<b>TOTAL</b>		<b>75215950</b>	<b>74.99</b>	<b>-</b>	<b>75215950</b>	<b>74.99</b>	<b>-</b>	<b>-</b>



## Annexure 'B' to the Board's Report(Contd.)

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

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	<b>Kokuyo Co. Ltd.</b>				
	At the beginning of the year	74665950	74.44	74665950	74.44
	Purchase/Sale during the year	-	-	74665950	74.44
	At the end of the year	-	-	74665950	74.44
2.	<b>Shriram Sharad Dandekar</b>				
	At the beginning of the year	250000	0.25	250000	0.25
	Purchase/ Sale during the year	-	-	250000	0.25
	At the end of the year	-	-	250000	0.25
3.	<b>Dilip Digambar Dandekar</b>				
	At the beginning of the year	200000	0.20	200000	0.20
	Purchase/ Sale during the year	-	-	200000	0.20
	At the end of the year	-	-	200000	0.20
4.	<b>Subhash Digambar Dandekar</b>				
	At the beginning of the year	100000	0.10	100000	0.10
	Purchase/ Sale during the year	-	-	100000	0.10
	At the end of the year	-	-	100000	0.10

During the year 2018-19, there is no change in Promoters' Shareholding.

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

Sl. No	Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	<b>Vijay Kishanlal Kedia</b>				
	At the beginning of the year	-	-	-	-
	Increase/ Decrease upto 31st March, 2019	1010000	1.01	1010000	1.01
	At the end of the year	1010000	1.01	1010000	1.01
2.	<b>Shree Capital Services Limited</b>				
	At the beginning of the year	345430	0.34	345430	0.34
	Increase/ Decrease upto 31st March, 2019	305067	0.30	650497	0.64
	At the end of the year	650497	0.64	650497	0.64
3.	<b>Girish S. Apte</b>				
	At the beginning of the year	843873	0.84	843873	0.84
	Increase/ Decrease upto 31st March, 2019	(1350)	-	842523	0.84
	At the end of the year	842523	0.84	842523	0.84
4.	<b>Ramesh Damani</b>				
	At the beginning of the year	375000	0.37	375000	0.37
	Increase/ Decrease upto 31st March, 2019	-	-	375000	0.37
	At the end of the year			375000	0.37
5.	<b>Benu Gopal Bangur</b>				
	At the beginning of the year	372600	0.37	372600	0.37
	Increase/ Decrease upto 31st March, 2019	-	-	372600	0.37
	At the end of the year	-	-	372600	0.37

## Annexure 'B' to the Board's Report(Contd.)

Sl. No	Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
6.	<b>Nalini N. Sekhsaria</b>				
	At the beginning of the year	350000	0.35	350000	0.35
	Increase/ Decrease upto 31st March, 2019	-	-	350000	0.35
	At the end of the year	-	-	350000	0.35
7.	<b>Harimohan Bangur</b>				
	At the beginning of the year	263500	0.26	263500	0.26
	Increase/ Decrease upto 31st March, 2019	69200	0.07	332700	0.33
	At the end of the year	332700	0.33	332700	0.33
8.	<b>Ganesh Srinivasan</b>				
	At the beginning of the year	300000	0.30	300000	0.30
	Increase/ Decrease upto 31st March, 2019	-	-	300000	0.30
	At the end of the year	-	-	300000	0.30
9.	<b>Vijay V. Wadhwa</b>				
	At the beginning of the year	261000	0.26	261000	0.26
	Increase/ Decrease upto 31st March, 2019	-	-	261000	0.26
	At the end of the year	-	-	261000	0.26
10.	<b>Elsamma Joseph</b>				
	At the beginning of the year	230000	0.23	230000	0.23
	Increase/ Decrease upto 31st March, 2019	-	-	230000	0.23
	At the end of the year	-	-	230000	0.23

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

Sl. No	Name of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	<b>Mr. Dilip D. Dandekar</b>				
	At the beginning of the year	200000	0.20	200000	0.20
	increase/ decrease in shareholding during the year	-	-	200000	0.20
	At the end of the year	-	-	200000	0.20
2.	<b>Mr. Shriram S. Dandekar</b>				
	At the beginning of the year	250000	0.25	250000	0.25
	increase/ decrease in shareholding during the year	-	-	250000	0.25
	At the end of the year	-	-	250000	0.25
3.	<b>Mr. Takuya Morikawa</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
4.	<b>Mr. Nobuchika Doi</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
5.	<b>Mr. Takeo Iguchi</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-



## Annexure 'B' to the Board's Report(Contd.)

Sl. No	Name of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
6.	<b>Mr. Shishir B. Desai</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7.	<b>Mr. Ramanathan Sriram</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
8.	<b>Mr. Hisamaro Garugu</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
9.	<b>Mr. Devendra Kumar Arora</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
10.	<b>Mr. Sriram Venkataraman</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
11.	<b>Ms. Nandini Chopra</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
12.	<b>Mr. Kazuo Kubo</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
13.	<b>Mr. Satish Veerappa</b>				
	At the beginning of the year	-	-	-	-
	increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
14.	<b>Mr. Chetan Badal</b>				
	At the beginning of the year	23030	0.02	23030	0.02
	increase/ decrease in shareholding during the year	-	-	23030	0.02
	At the end of the year	-	-	23030	0.02
15.	<b>Mr. Ravindra V. Damle</b>				
	At the beginning of the year	28677	0.03	28677	0.03
	increase/ decrease in shareholding during the year	-	-	28677	0.03
	At the end of the year	-	-	28677	0.03

### V. INDEBTEDNESS:

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial Year</b>				
i) Principal Amount	31.43	13793.17	1012.39	14836.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>31.43</b>	<b>13793.17</b>	<b>1012.39</b>	<b>14836.99</b>
<b>Change in Indebtedness during the financial year</b>				

## Annexure 'B' to the Board's Report(Contd.)

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Addition	-	3529.38	118.22	3647.60
Reduction	8.48	-	221.27	229.75
<b>Net Change</b>	<b>(8.48)</b>	<b>3529.38</b>	<b>(103.05)</b>	<b>3417.85</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	22.95	17322.55	909.34	18254.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>22.95</b>	<b>17322.55</b>	<b>909.34</b>	<b>18254.84</b>

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

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

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		Dilip D. Dandekar	Shriram S. Dandekar	Nobuchika Doi	Takeo Iguchi	Satish Veerappa	
1.	Gross salary						
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	115.25	97.32	46.99	46.99	154.03	460.58
(b)	Value of perquisites u/s. 17(2) of the Income-tax Act, 1961	47.30	39.85	40.79	42.13	29.26	199.33
(c)	Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission	-	-	-	-	-	-
	- as % of profit						
	- others, specify...						
	Others	-	-	-	-	-	-
	<b>Total (A)</b>	<b>162.55</b>	<b>137.17</b>	<b>87.78</b>	<b>89.12</b>	<b>183.29</b>	<b>659.91</b>

#### B. Remuneration to other directors:

##### 1. Independent Directors:

(₹ in Lakhs)

Particulars of Remuneration	Name of Directors						Total Amount
	Ramanathan Sriram	Hisamaro Garugu	Shishir Desai	Nandini Chopra	Devendra Kumar Arora	Sriram Venkataraman	
Fee for attending board/ committee meetings	4.80	2.10	4.80	3.40	0.70	3.00	18.80
Commission	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total (1)</b>	<b>4.80</b>	<b>2.10</b>	<b>4.80</b>	<b>3.40</b>	<b>0.70</b>	<b>3.00</b>	<b>18.80</b>



## Annexure 'B' to the Board's Report(Contd.)

### 2. Other Non-Executive Directors:

Particulars of Remuneration	Name of Directors		Total Amount
	Takuya Morikawa	Kazuo Kubo	
Fee for attending board/ committee meetings	-	-	-
Commission	-	-	-
Others	-	-	-
<b>Total (2)</b>	-	-	-
<b>TOTAL B = (1+2)</b>	-	-	<b>678.70</b>

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

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		Ravindra Damle VP (Corporate) & CS	Chetan Badal CFO	Total
1.	Gross salary			
(a)	Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961	35.68	64.58	100.26
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	17.67	27.45	45.12
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others	-	-	-
	<b>Total</b>	<b>53.35</b>	<b>92.03</b>	<b>145.38</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For & on behalf of the Board

Place : Mumbai

Dated: 8th May, 2019

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



## ANNEXURE - C

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

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

Name of the Director	Designation	Ratio to median remuneration
Mr. Dilip Dandekar	Chairman and Executive Director	63.50
Mr. Shriram Dandekar	Vice Chairman and Executive Director	53.58
Mr. Nobuchika Doi	Executive Director	34.29
Mr. Takeo Iguchi	Executive Director	34.81

- The median remuneration of employees of the Company was ₹ 2.56Lakhs.
- For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.

2. The percentage increase in remuneration of each Director, Chief 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 Executive Director	0.17
Mr. Shriram Dandekar	Vice Chairman and Executive Director	0.21
Mr. Nobuchika Doi	Executive Director	0.03
Mr. Takeo Iguchi	Executive Director	3.17
Mr. Chetan Badal	Chief Financial Officer	32.23
Mr. Ravindra Damle	Vice President(Corporate) & Company Secretary	28.90

Mr. Satish Veerappa, Chief Executive Officer was appointed with effect from 9th May, 2018. Hence, there was no % increase in his remuneration during the financial year 2018-2019.

- 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: 11.30%
4. The number of permanent employees on the rolls of company: 1047
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 12.62% for Employees other than Managerial Personnel and 11.57% for Managerial Personnel.

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

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

**For & on behalf of the Board**

Place : Mumbai  
Dated: 8th May, 2019

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



# ANNEXURE - D

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

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

Kokuyo Camlin Limited CSR Policy weblink:- <http://www.kokuyocamlin.com/pdf/CSR-Policy.pdf>

2. The Composition of the CSR Committee:

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

3. Average net profit of the company for last three financial years: ₹ **908.36 Lakhs**
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ **18.17 Lakhs**
5. Details of CSR spent during the financial year 2018-19.
  - (a) Total amount to be spent for the financial year : ₹ **18.17 Lakhs**
  - (b) Amount unspent, if any; **Nil**

## ANNEXURE - D (Contd.)

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

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SR. NO.	CSR Project or activity Identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the state or district where the Projects or programs under taken	Amount outlay spent on Project or Program wise (In ₹)	Amount Spent on Project/ Programmes (In ₹)	Cumulative expenditure up to the reporting period (In ₹)	Amount Spent: Direct or through implementing Agency
1	K. C. Mahindra Foundation Trust A/c. Nanhi Kali	EDUCATION	Maharashtra	6.00	6.00	6.00	IMPLEMENTING AGENCY
2	Swachh Bharat Kosh	SANITATION	-	2.00	2.00	2.00	DIRECT
3	Samabhavana Society	EDUCATION	Maharashtra (Local Area)	10.44	10.44	10.44	IMPLEMENTING AGENCY
<b>Total</b>				<b>18.44</b>	<b>18.44</b>	<b>18.44</b>	

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

**Not Applicable**

### 7. DETAILS OF CSR PROGRAMMES:

#### Educate the Girl Child:

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

#### Swachh Bharat Kosh:

Your company also contributed to the Swachh Bharat Kosh set-up by the Central government for promotion of sanitation through donation to above said fund.

#### Samabhavana Society

Your Company has contributed to Samabhavana Society, a non profit organisation for installing science centres at three Zilla Parishad schools near our factory location at Patalganga. These mini science centres are stepping stones for the dreams of under privileged children, which give them hands on experience for exploring science in practical and fun way.

### 8. CSR Committee Responsibility Statement:

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

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

**Mr. Dilip Dandekar – Chairman & Executive Director**

Place : Mumbai

Dated: 8th May, 2019





# ANNEXURE - E

## Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2019

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

The Members,

Kokuyo Camlin Limited

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

Andheri (East) Mumbai 400093

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019, 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, 2019 according to the provisions of: -

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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 (Not applicable to the Company during audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during audit period);

## ANNEXURE - E (Contd.)

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

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, barring an instance of delayed filing of one e-form with Registrar of Companies, the Company 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 atleast seven days is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views (if any) are captured and recorded as part of the minutes.

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

**For JHR & Associates  
Company Secretaries**

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

**FCS: 4317, CP: 2520**

Place : Thane

Dated: 07th May, 2019



## ANNEXURE - E (Contd.)

The Members,

Kokuyo Camlin Limited

48/2, Hilton house, Central Road, M.I.D.C

Andheri (East), Mumbai - 400093

Our Secretarial Audit Report of even date for the Financial Year 2018-19 is to be read along with this letter.

### Management's Responsibility

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

### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

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

**For JHR & Associates  
Company Secretaries**

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

**FCS: 4317, CP: 2520**

Place : Thane

Dated: 07th May, 2019

# Management Discussion and Analysis

## Global Economy

The global economic growth is estimated to have softened to 3.6% in 2018 owing to confluence of several factors across the major economies (Source: IMF). Economic confidence and sentiment indicators in the USA are near to historical highs, despite the wide range of tariff hikes and the build-up of trade tensions that intensified over the course of 2018. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking, environmental concerns and an increase in trade tensions with the United States. The Euro zone lost momentum as consumer and business confidence weakened. This was coupled with disruption in the Germany's auto segment amidst the introduction of new emission standards and stressed macro-economic scenario in the Italian region. The unforeseen natural disasters like earthquakes, typhoons, heat waves and weakening of private consumption led to a lower than expected growth in Japan.

The growth in the emerging markets is expected to have remained stable at around 4.5% in 2018 with a room for further improvement over the medium term. The emerging and developing Asia is expected to have recorded an average GDP growth of around 6.5%. This was largely driven by the Indian GDP growth acceleration, offsetting the Chinese slowdown.

## Outlook

The global economic growth is expected to soften further to 3.3% in 2019, before returning to 3.6% in 2020. The growth in the US is expected to remain flat owing to the fading impact of the fiscal stimulus. Other advanced economies will witness growth firm up in second half of 2019 on the back of recovery of financial stress. The UK's economy is expected to slow down by 200 bps to 1.2% in the 2019 owing to low business confidence following uncertainties amidst the ongoing Brexit negotiations. In the case of a disorderly exit of the United Kingdom of Great Britain and Northern Ireland from the European Union (EU) from Brexit, the British economy runs the risk of larger domestic disruptions because of the lack of a broad legal framework.

With declining growth in the advanced economies, the projected pick-up in global growth in 2019 and 2020 is entirely dependent upon projected improvement for the emerging market and developing economy group. China's economic growth is expected to remain moderate due to weak exports, tightening regulation in financial sector and trade tension with the US. The growth in Asia Pacific's developing economies is expected to remain solid as it continues its pace across the region, despite the squabble between the US and its trading partners. India continues to remain

the major growth driver, backed by improvement in domestic demand and several policy reforms.

## Indian Economy

The Indian economy reported a healthy 8.2% growth in the first quarter of 2018-19, on the back of domestic resilience and positive impact of the reforms. However, the subsequent quarter saw the growth easing out to 7% levels on the back several challenging macro-economic issues. These include rising global volatility, trade disputes between US and China, depreciating rupee, higher crude oil prices and capital outflows. The overall growth during the year remained broad based with industrial and agricultural segments reporting satisfactory outcomes. On the demand side, domestic consumption remained the primary growth driver with subdued and controlled inflation dynamics.

Despite turbulent backdrop, India continued to remain resilient and retained its positioning as 'the fastest growing major economy in the world'. According to IMF's April 2018 Economy Outlook, India is anticipated to have achieved 7.1% growth in 2018-19. The country moved up by 23 places in the World Bank's Ease of Doing Business Index 2018 and got 77th rank. The Indian economic fundamentals have strengthened since 2015 with the combined impact of strong Government reforms such as demonetisation, implementation of Goods and Services Tax (GST), the inflation-targeting monetary policy framework, the Insolvency and Bankruptcy Code (IBC) and liberalised foreign direct investments. Besides, ambitious projects like 'Make in India' has further given a boost to the country's manufacturing segment.

## Key Governmental Initiatives and their Impact on the Economy

### The Goods and Services Tax (GST)

The GST revenue collections witnessed a figure of ₹ 106,577 crores in March 2019. It was marked as the highest monthly collection since the introduction of GST, as per the Ministry of Finance. The data as on March 31, 2019 also showed that the overall GST collections for the whole year stood ₹ 1,177,369 crores.

The steep increase in the GST collections is quite a welcome outcome for the economy. Some major reasons for the growth could be reconciliation of outward and inward supplies, intelligent data analytics, related tax leakage detections and consequent GST payment by businesses. The initial inhibitions and worries around GST have settled down and in the long run, it will only help corporates as a single tax window.



## Management Discussion and Analysis (Contd.)

### Introduction of e-way bill

The Government has successfully rolled out the E-way bill system for tracking inter-state movement of goods under the GST from April 1, 2018. Earlier, e-way bills were subject to state-specific rules and had to be generated through different state-specific portals.

Under GST, E-way bill is governed by a uniform set of rules applicable throughout the country. It is generated electronically on the e-way bill portal. This has led to seamless and faster movement of goods within a state and across different state borders, leading to speedy movement of goods across the country with lower delivery time and costs.

### Outlook

According to World Bank estimates, India's GDP growth is expected to accelerate moderately to 7.5% in 2019-20. The growth will be driven by continued investment-strengthening initiatives, with a greater focus on infrastructure development, improved export performances and sustained rise in consumption. India has already surpassed France to become the sixth largest economy. According to the PwC report, India in 2019 is likely to become the fifth largest economy surpassing the UK. The country is enroute achieving upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms. Together, these augur well for a healthy growth path for the economy.

### Industry Overview

#### Indian Stationery Industry

When it comes to stationery, it can be classified into paper products, writing instruments, computer stationery, school stationery and office stationery. It is used for both formal and personal correspondence. The Indian stationery industry is worth around ₹ 20,000 crores and has been on an upward trajectory owing to rise in per capita expenditure on education as well as increasing demand from corporates and enterprises. The industry has firmly put its feet into the market with constant innovation and customer-centric offerings. There has been a strong emphasis in the research and development initiatives towards developing new products and cost-effective offerings.

The Indian stationery market was largely scattered and greatly dominated by the unorganised sector. However, the recent Government reforms has brought several unorganised players under the organised ambit. This will benefit the industry and consumers over the coming years. According to 6Wresearch, India Stationery Market revenues are projected to grow at a CAGR of 10.5% during 2018-24.

#### Different type of stationery offerings

School	Office	Writing instruments	Computer
It includes popular stationery products like notebooks, erasers, pencils, rulers, sharpeners, writing boards, exam boards, graph book, pencil boxes, geometry boxes, notebooks cover, glue sticks, maps, children paper clips and binders, pencil grippers, calculators and many more.	It includes products such as white board markers, paint markers, permanent markers correction products, book/ magazine racks, business organisers, card holders, cash boxes, clip boards, dampers, desk calendars, desk organisers, document holders, glues, glue sticks, letter openers, message pads, stick ups, plastic paper clips, paper trays, paper weights, pen holders, trays, stands, pen holders, cases, pocket planners, punches, rubber bands, scales, rulers, scissors, stamp pad inks, stamp pads, staple removers, staple pins, staplers, tapes and dispensers, telephone diaries and many more.	This category includes ball pens, correction fluids, pens, tapes, synthetic, PVC Erasers, fountain pens, gel pens, highlighters, inks, markers, pencils, micro tip pens, pen refills, pen sets, pencil leads, roller pens, sharpeners, marking pens.	It comprises printer toners, computer CDs, computer paper, printer ink, printer cartridges, CD covers.



## Management Discussion and Analysis (Contd.)

### Growth drivers

**Large student base:** The Indian Stationery market holds tremendous growth potential as the country has nearly 22-24 crores students studying and requiring notebooks and other stationery materials.

**Growing importance of education:** India is one of the fastest growing markets with rising per capita expenditure on education. Besides, the Government has also been laying equal importance towards spend in this segment.

**Emergence of start-ups:** Several start-ups have emerged across the nation, leading to a considerable increase in demand for office stationery.

**Improvement in literacy rates:** Continuous improvement of literacy rates coupled with development of distribution channel in rural areas marks great opportunity for the segment.

**Changing demographics and consumer preferences:** Growing urbanisation, economic growth, improving living standards coupled with shift in consumer preference towards superior quality products will drive the growth for Indian stationeries.

### Government Initiatives to Boost Education in India

The Indian Government has initiated several steps to enhance the education quality of the young and growing population of India. It aims to achieve a 30% gross enrollment ratio - the number of students enrolled in a higher level of education as a proportion of all those of the eligible official age over the near term.

Some of the notable initiatives such as National Policy on Education and Sarva Shiksha Abhiyan promotes low cost and qualitative compulsory education for all. Further, the overall funding for school and higher education has gone up by 10% to ₹ 93,847.64 crores. In addition, the allocation for the National Education Mission is being increased from ₹ 32,334 crores in 2018-19 to ₹ 38,572 crores in 2019-20.

The Union Budget, 2018-19, proposed to treat school education holistically without segmentation from pre-nursery to Class 12. Samagra Shiksha - an overarching program for the school education sector extending from pre-school to class 12 has been, prepared with the broader goal of improving school effectiveness measured in terms of equal opportunities for schooling and equitable learning outcomes. It subsumes the three Schemes of Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Teacher Education (TE).

### Outlook

Stationery is such a product segment which is required by everyone from schools to organisations. With the increasing number of schools being built, the education sector is rapidly becoming an important target group. Also, with companies expanding their presence, it is essential that they provide their workforce with the proper tools to make their jobs easier. Right from providing them with desk organisers, document holders, planners and stick notes to pens and highlighters, permanent markers and other stationery products to suit their requirement and aid in improving their efficiency. It is important to ensure that products are of good quality and priced competitively. The industry is in brand creation era whereby competition will turn from pure price competition to multi-faceted brand competition consisting of service, management and shopping environment.

With majority of the market moving from the un-branded to the branded segment coupled with the Government's initiatives, the outlook for the stationery industry in India continues to remain positive and the total market share of the organised players are expected to rise substantially in the years ahead. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is also estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Price water house Coopers. This will further lead to a huge value migration play in the distant future.

### Business overview

In the Indian stationery market, the name CAMLIN is like a synonym for stationery. With its strong-rooted existence of over eight decades, the Company has touched across households and generations in India. Over the years, it has been identical with quality products for schools, offices and art market. The Company has two of the most recognised brands in the country – CAMEL and CAMLIN.

In 2011, Kokuyo Co Ltd, a leading stationery manufacturer from Japan acquired majority stake in Camlin Ltd and it was re-christened as Kokuyo Camlin Ltd.

It operates with its plants across various locations such as Patalganga, Tarapur, Jammu and Taloja. The fully integrated state-of-the-art manufacturing plant at Patalganga, spread across 14 acres was built with an investment of approximately Rs 100 crores. It happens to be one of the biggest stationery plants in the Kokuyo Group, with producing over 150 SKUs annually.



## Management Discussion and Analysis (Contd.)

The wide range of products manufactured and marketed by the Company include inks, colours, writing instruments, technical and drawing instruments, office stationery, markers, notebooks and scholastic and hobby art materials.

### Key Developments during the Year

#### Automation the key to efficiency

Kokuyo Camlin is known for its superior quality products. The Company is consistently investing in developing state-of-the-art machinery, automation of processes and building on special purpose machines at its Patalganga plant.

The Patalganga plant, is already equipped with latest Japanese machineries. Apart from that a lot of investments are focused towards further automation which will lead to almost error free products with precision and improved quality. Kokuyo is also investing time and capital towards making the facility equipped with latest safety measures creating a conducive, safe and healthy environment for its people.

#### Strengthening capacities

Nurtured on the strong foundation of its corporate philosophy, customer comes first at Kokuyo Camlin. In order to serve them better with newer offerings, the Company has continuously focused in improving and upgrading its manufacturing facilities. The 60-year old Tarapur plant is being renovated with new layout and structural changes. It will infuse new life in the factory which will help boost production and efficiencies.

#### Cost control measures implemented

The Company has put a lot of emphasis on cost control initiatives through one i) maintaining input costs ii) centralisation of production of certain products. The Company has a strong dedicated team and internal processes which controls the SG&A overheads. The Company took a conscious call to shift manufacturing of certain products across different plants under one Patalganga plant. This has led to optimisation of resources, better efficiencies and lowered costs.

#### ISO Certification

The Company also received a recommendation letter for ISO certification for all its facilities under revised standards. The recommendation is in itself a big achievement for the Company. The ISO certification means the Company has met the requirements of Quality Management System. ISO is focused on meeting customer expectations and delivering customer satisfaction. It also guarantees that the products are safer and reliable to use.

### Fresh ideas, focused Management

The year under review saw the appointment of the new CEO Mr. Satish Veerappa. New leadership symbolizes new ideas, initiatives and infusion of fresh energy which will drive the organisation to the next level. Mr. Satish Veerappa is very much inclined towards strengthening the pillars of performance, deliver outcomes on innovation. Delivering value through stronger innovation coupled with significantly enhancing operational efficiency will be the thrust areas in the near future.

#### Innovation at every step

Innovation means invention of completely new products or processes. New breakthroughs in different areas. At Kokuyo Camlin innovation is an essential element and forms the core. . The Company's main priority has been to focus on creating value for the customers and in turn, create a sustainable growth for all its stakeholders. In order to improve the overall profitability, emphasis was given on innovation and efficiency. This had led to creation of innovative products like 2 in 1 geometry box, brush pens and child grip crayons among others, creating more value and fetching high margins. Such products will drive margins and help encounter threats of the unorganised segment. They will also help in strengthening the brand equity of Camlin in the long run.

Some of these innovative and high-quality products include:

**2-in-1 geometry box:** A unique geometry box is an ergonomically designed, sleek yet tough and transparent box. It is made from high quality unbreakable plastic, with slot for pencils and geometry instruments, organised in separate compartments, while offering space for more components. With this product children need not carry two boxes – pencil box and geometry box separately. A result of two years of rigorous work by R&D, marketing and other functions to understand the unmet needs of consumers and develop a product which aims at reducing the burden of heavy school bags and making learning process more fun for school children .

**Child grip crayons:** These are specially designed crayons for toddlers to improve their fine motor skills and enhance grip development, while they enjoy the colouring experience. These washable crayons are going to create a new segment for the youngest consumers of Camlin as it will help them in developing perfect grip something parents would value a lot.

**Finger crayons:** They fit snugly into the toddler's fingers and helps in the development of finger muscles while they enjoy colouring. Another extension of grip development category is this crayon will help little consumers have maximum fun with colouring.

## Management Discussion and Analysis (Contd.)

**Brush pens:** It is combination of colours, brush, water and palette, all in one convenient product, making colouring easier and fun. On the back of outstanding response received from the consumers the Company is expanding the number of shades under this product category and is extending the same under the artist segment.

**Adult colouring book:** It is a stress-buster therapy to discover the creative and expressive side of each individual through these books. Besides, it also helps to unplug from daily routine and pursue it as a hobby.

**Triangular Colour Pencils** – Based on consumer understanding of the perfect grip and smooth colouring experience, Camlin launched yet another innovative product. These are new colour pencils in triangular shape and superior colour effect leading to a unmatched colour experience to the consumer.

### Marketing measures

The year was marked by granular focus of Kokuyo Camlin in widening its market reach, consumer reach and product portfolio. During the year, the Company had launched several innovative, value-added products for the customers. This was communicated largely through social media channels to reach out to the right audience targeted. As social media helps in precise targeting, engaging the right customers as well as it was cost-effective, generating higher returns. In addition, on social media we have given emphasis on user-generated content which is co-creation. This helps us have stronger connect with the consumers making content far more effective and meaningful. There were several other initiatives taken on the social media front. Recently, the Company achieved a milestone of one million fans on their Facebook page, through its sustained efforts. Also, the Company tried to provide brand experience to the end users – the kids, through Kidzania and other in-shop activities.

### Strategies adopted

- Created better value by understanding the real needs of the consumers
- Conducted good quality market research
- Enhanced the packing of the products for the visual appeal
- Capitalised the strength of social media
- Benchmarked with the international products to achieve the highest quality

### Performance Review

The Company's focused approach towards its product offerings, customers, markets, innovations, market penetration and efficiency has helped it achieve the best performance in their journey so far. With continuous focus on high margin and high-quality products the Company recorded robust sales growth accompanied by improvement in gross profit and operating margins. The Company also deployed various solutions for inventory management which led to improved inventory handling timely delivery, and adequate inventory levels at any given point of time. This has not only improved the inventory cycles and working capital but also helped in preventing loss of sale due to low inventory levels.

### Financial Review

The Company continued to emphasis on improving the overall efficiency, maintaining ideal level of inventory and reducing cost across the organisation. The analysis of major items of the financial statements is shown below:

#### Revenue from operations

	(₹ In Lakhs)		
	FY2019	FY2018	Change %
Revenue from operations	68,877.20	63,840.80	7.89%
Foreign exchange earned	1,663.85	1073.91	54.93%

Increase in Revenue is mainly due to volume growth in Sales across various product categories.

#### Other Income

	(₹ In Lakhs)		
	FY2019	FY2018	Change %
Other Income	76.70	284.99	-73.09%

The Change in % since last year there was a maturity of Key Man Insurance Policy amounting to ₹ 244.50 Lakhs

#### Cost of Material

	(₹ In Lakhs)		
	FY2019	FY2018	Change %
Cost of Material	26,262.51	23,676.41	10.92%

#### Employee benefit expenses

	(₹ In Lakhs)		
	FY2019	FY2018	Change %
Employee benefit expenses	9,316.00	8,019.13	16.17%

Increase in expense is due to annual increment, one-time expense for leave valuation and labour charges due to change in Maharashtra Shops & Establishment Act, 1948.



## Management Discussion and Analysis (Contd.)

### Finance cost

(₹ In Lakhs)			
	FY2019	FY2018	Change %
Finance cost	1,149.76	960.57	19.70%

Increase in the finance cost is mainly due to interest on ECB borrowed for financing the capital expenditure.

### Depreciation and Amortisation Expenses

(₹ In Lakhs)			
	FY2019	FY2018	Change %
Depreciation	1,787.19	1,650.51	8.28%

Higher depreciation is on account of capital expenditure incurred during the past few quarters.

### Other Expense

(₹ In Lakhs)			
	FY2019	FY2018	Change %
Other Expenses	13,651.58	13,099.89	4.21%

### Outlook

Going forward, there will be a lot of focus and investment towards the new product development and upgrading the existing ones. This will help in strengthening the brand further in the stationery space. With Patalganga plant being functional and fully automated, it will help in enhancing the quality of the products and reduce the cost. The 60-year old Tarapur facility, is being refurbished with new layout and structural changes. This will infuse new life in the factory which will help boost production and efficiencies.

Going forward, the focus will be on incremental growth by tapping markets that were not doing so well. Also, the Company will aim at the states across the country that have scope for robust growth opportunities. There will be continuous efforts to add value for the consumers by offering them premium quality products.

### Risks and Concerns

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

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

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

**Mitigation:** The Company is one of the largest manufacturers and seller of stationery products in India. With a rich industry experience of over 80 years, the Company has successfully positioned itself as a one-stop shop for one's all office and school stationery related needs by adding a number of products under its brand name. Also, cross functional team is being created to get direction on products that are unprofitable and obsolete for phasing them out.

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

**Mitigation:** we have started the process of multiple vendor development and also Improve inventory management to ensure lean inventory and also create backup suppliers for key raw materials

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

**Mitigation:** With an industry presence of more than 80 years, the Company has been highly successful in creating a strong brand image for itself and today the name "Camlin" is household name to office and school stationery product. The Company growing market share over the years is an apt example of its growing brand image. Company will plan to launch virgin, new and challenger brand for new age products.

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

## Management Discussion and Analysis (Contd.)

can hamper the brand name of the Company.

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

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

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

### Internal Control Systems

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

### Human Resources

In a dynamic business environment, every element of business is getting transformed. Successful transformation can be achieved only with the help of the employees of the organisation. The Company has a strong Performance Management System in place which helps in identifying the training needs of the employees at regular intervals. We have taken various initiatives towards empowering and incentivising our people, which include the following:

**i) Rewards & Recognition Program:** To recognise and felicitate employees making significant contribution towards innovation and productivity

**ii) Building Values through Customer Insights:** We conducted workshops for the R&D team. This workshop was designed to train the teams to develop strategies and processes of generating consumer insights with consumer interaction

**iii) Supervisory Development Program:** Self introspection program for a better understanding of self and the work culture around. This resulted in positive behavioural change and paved way for enhancing competitiveness.

**iv) 7QC Tools & Problem-Solving Techniques:** This workshop was designed to orient employees to resolve problems and conduct root cause analysis in a scientific way.

This year we also conducted a survey to identify the employee needs from three different analytical perspectives: a) how to engage employees, b) employees' perception of the Company: their work experience and c) what is driving engagement.

The survey has given a great success imparting great insights for our senior leadership team towards the way ahead in building competencies and leveraging strengths.

As on 31st March, 2019, your Company had a total strength of 1,183 employees.

### Cautionary Statement

*Estimate and expectations stated in this Management Discussion and Analysis may be 'forward-looking statements' within the meaning of applicable securities, 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.*



# REPORT ON CORPORATE GOVERNANCE :

Your Director's present the Company's report on Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the year ended 31st March, 2019.

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

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

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

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

## 2. BOARD OF DIRECTORS:

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

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

The Composition of the Board as on 31st March, 2019 is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013. The Board of Directors is chaired by Executive Promoter Chairman and has an optimum combination of Executive, Non - Executive and Independent Directors.

None of the 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/company-policies.html>

None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosures of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

## 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, 2019 are given as follows:

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 & Executive Director (00846901)	ED(P)	4	10	1. Camlin Fine Sciences Limited Chairperson, NED  2. Datamatics Global Services Limited - NED (I)	Yes	Nil	1

## REPORT ON CORPORATE GOVERNANCE : (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. Takuya Morikawa Sr. Vice Chairman (03599830)	NED	4	1	Nil	Yes	Nil	Nil
Mr. Shriram S. Dandekar Vice Chairman & Executive Director (01056318)	ED (P)	4	1	Nil	Yes	Nil	Nil
Mr. Nobuchika Doi Executive Director (03599835)	ED	4	1	Nil	Yes	Nil	Nil
Mr. Takeo Iguchi Executive Director (03599826)	ED	4	1	Nil	Yes	Nil	Nil
Mr. Shishir B. Desai (01453410)*	NED (I)	4	3	1. Paramount Cosmetics (India) Limited - NED (I)	Yes	Nil	Nil
Mr. Ramanathan Sriram (00065069)*	NED (I)	4	Nil	Nil	Yes	Nil	Nil
Mr. Hisamaro Garugu (00579089)*	NED (I)	3	2	Nil	No	Nil	Nil
Mr. Devendra Kumar Arora (05160734)*	NED (I)	1	Nil	Nil	No	Nil	Nil
Mr. Sriram Venkataraman (06790179)*	NED (I)	3	1	Nil	Yes	Nil	Nil
Ms. Nandini Chopra (07891312)	NED (I)	4	Nil	Nil	Yes	Nil	Nil
Mr. Kazuo Kubo (08125242)**	NED	4	2	Nil	Yes	Nil	Nil

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

\*Appointed as Non-Executive Independent Directors for the second term with effect from 1st April, 2019 to 31st March, 2024 by the shareholders of the Company.

\*\*Appointed with effect from 9th May, 2018

+ Includes Directorship in Private Limited Companies, Companies under section 8 and Foreign Companies. As on 31st March 2019, none of the Directors are related inter-se.

The Non-Executive/ Independent Directors are not holding any shares of the Company as on 31st March, 2019.



## REPORT ON CORPORATE GOVERNANCE : (Contd.)

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

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.

### NUMBER OF BOARD MEETINGS:

During the financial year 2018-19, 4 (Four) Meetings were held and details are given below and the maximum gap between two meetings did not exceed one hundred and twenty days:

Sr.No	Date of Meeting	Board Strength	No. of Directors present
1.	9th May, 2018	12	11
2.	8th August, 2018	12	10
3.	26th October, 2018	12	11
4.	24th January, 2019	12	11

### CODE OF CONDUCT:

The Board has laid down a Code of Conduct for all Board members and Senior Managerial personnel of the Company. The Code of Conduct is available on the website of the Company at [www.kokuyocamlin.com](http://www.kokuyocamlin.com).

All the Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct and a declaration to that effect signed by the Chief Executive Officer has been obtained.

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

#### i. Mr. Nobuchika Doi

Mr. Nobuchika Doi aged 52 years is an Executive Director of the Company. He has a degree of Bachelor of Economics from Kawansei Gakuin University. He is associated with the Kokuyo Group since 1989. He has a wide experience in the field of Business Strategy & Marketing, Planning, Research

& Development, Production Technology and Distribution Management of Stationery Products. Presently he looks after all business aspects of Strategy, Planning & Execution of the Company.

#### Other Directorship – 1

Name Of Company	Position
Kokuyo Riddhi Paper Products Limited	Director

Chairman/Member in the Committees of other Boards - Nil

Shareholding in the Company - Nil

#### ii. Mr. Takeo Iguchi

Mr. Takeo Iguchi, aged 50 years is an Executive Director of the Company. He has degree in Bachelors of Arts from the Meiji University, Tokyo, Japan. He joined Kokuyo Co., Ltd., Japan in the year 1991 and was the department manager of business planning department of Kokuyo S&T, Asia Pacific Marketing Division. He has approximately 25 years of work experience in the field of Production, Planning and Control in the stationery business. He has been instrumental in setting up stationery manufacturing plants of Kokuyo S&T in Vietnam and China as well as expanding the existing stationery manufacturing operations in Thailand. Mr. Iguchi looks after the business aspects with respect to production, planning and Control and R&D of the Company.

#### Other Directorship-1

Name Of Company	Position
Kokuyo Riddhi Paper Products Private Limited	Director

Chairman/Member in the Committees of other Boards - Nil

Shareholding in the Company - Nil

### INDUCTION AND FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

The Company organizes an induction programme for new Directors and an ongoing 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.

As an ongoing process, the Board of Directors are updated on a quarterly basis on overall economic trends, business performance



## REPORT ON CORPORATE GOVERNANCE : (Contd.)

and the initiatives taken/ proposed to be taken to bring about an overall improvement in the performance of the Company. Further, training programmes are held and presentations are given to the Directors, updating them with statutory changes and compliances applicable to the Company.

The details of the familiarisation program can be accessed from the website [www.kokuyocamlin.com](http://www.kokuyocamlin.com).

### 3. COMMITTEES OF THE BOARD:

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

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

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

Kokuyo Camlin has the following Board Level Committees:

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

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

#### A. AUDIT COMMITTEE

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

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

Committee are placed and discussed in the next meeting of the Board.

The composition of the Audit Committee along with the details of the meetings held and attended during the financial year as on 31st March, 2019, are given below.

#### Meetings, Members and Attendance

During the financial year 2018-19 the Audit Committee held 4 (four) meetings on 9th May, 2018, 8th August, 2018, 26th October, 2018 and 24th January, 2019. 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 Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Shishir Desai	NED (I)	Chairman	4	4
Mr. Sriram Venkataraman	NED (I)	Member	4	3
Mr. Ramanathan Sriram	NED (I)	Member	4	4
Mr. Takuya Morikawa	NED	Member	4	4

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

Members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the AGM held on 8th August, 2018 to answer the shareholders' queries.

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

#### Terms of reference:

The terms of reference to this committee, inter alia 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



## REPORT ON CORPORATE GOVERNANCE : (Contd.)

Audit plan for committee, (iii) risk management framework concerning critical operations of the Company, (iv) discussion on quarterly, half yearly and Annual financial statements and the auditor's report, (v) interaction with statutory, internal auditors to ascertain their independence and effectiveness of audit process, (vi) recommendation for appointment, remuneration and terms of appointment of auditors (vii) related party transactions. The Audit Committee has also powers interalia to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

### B. REMUNERATION AND NOMINATION COMMITTEE:

As on 31st March, 2019 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 2018-19, the Remuneration & Nomination Committee held 4 (Four) meetings on 7th May, 2018, 8th August, 2018, 24th October, 2018 and 21st January, 2019.

The details of attendance of the Members are as under:

Name of Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Shishir Desai	NED (I)	Chairman	4	4
Ms. Nandini Chopra	NED (I)	Member	4	4
Mr. Dilip Dandekar	ED	Member	4	4
Mr. Devendra Kumar Arora	NED (I)	Member	4	2

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

#### Terms of reference:

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

- 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 made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- The Remuneration and Nomination Committee shall make such recommendation to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing/ Whole-time Directors.

##### 2. Remuneration to Non-Executive/ Independent Directors:

- 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

## REPORT ON CORPORATE GOVERNANCE : (Contd.)

Remuneration and Nomination Committee and approved by the Board of Directors.

- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Remuneration and Nomination Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i. The Services are rendered by such Director in his capacity as the professional; and
  - ii. In the opinion of the Committee, the director

possesses the requisite qualification for the practice of that profession.

### 3. Remuneration to key managerial personnel:

- a) The Remuneration to Key Managerial Personnel shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time in accordance with the Company's Policy.
- c) The incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel, to be decided annually or at such intervals as may be considered appropriate.

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

#### A. Directors:

Name of Director	Sitting Fees	Salary Including HRA*	Perquisite#	(₹ In Lakhs)
				Total
Mr. Dilip Dandekar	N.A.	115.25	47.30	162.55
Mr. Shriram Dandekar	N.A.	97.32	39.85	137.17
Mr. Nobuchika Doi	N.A.	46.99	40.79	87.78
Mr. Takeo Iguchi	N.A.	46.99	42.13	89.12
Mr. Shishir Desai	4.80	N.A.	N.A.	4.80
Mr. Hisamaro Garugu	2.10	N.A.	N.A.	2.10
Mr. Devendra Kumar Arora	0.70	N.A.	N.A.	0.70
Mr. Ramanathan Sriram	4.80	N.A.	N.A.	4.80
Mr. Sriram Venkataraman	3.00	N.A.	N.A.	3.00
Ms. Nandini Chopra	3.40	N.A.	N.A.	3.40

\*salary including HRA.



## REPORT ON CORPORATE GOVERNANCE : (Contd.)

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

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

During the year, the Company had appointed Mr. Satish Veerappa as a Key Managerial Person (KMP) designated as 'Chief Executive Officer' effective from 9th May, 2018. The Board of Directors at its meeting held on 26th October, 2018 appointed Mr. Satish Veerappa as Manager designated as Chief Executive Officer (CEO) of the Company for the period of 3 years from 1st November, 2018 to 31st October, 2021. In lieu of his appointment as Manager, the Board of Directors re-designated Mr. Nobuchika Doi from 'Managing Director' to 'Executive Director' for the remaining period of his tenure of two (2) years effective from 1st November, 2018 to 31st October, 2020.

The Board of Directors at their meeting held on 24th January, 2019 have re-appointed Mr. Dilip D. Dandekar as Director in Whole-time employment designated as "Chairman and Executive Director" and Mr. Shriram S. Dandekar as Director in Whole-time employment designated as "Vice-Chairman and Executive Director" for a further period of 1 (One) year with effect from 1st February, 2019. The necessary agreements have been executed with Mr. Dilip D. Dandekar, Mr. Shriram S. Dandekar, Mr. Nobuchika Doi and Mr. Satish Veerappa.

The aforesaid appointments and re-designation were approved by the members by way of passing special resolutions through Postal ballot on 20th March, 2019.

The Company had paid legal fees of ₹ 1,45,540 for the financial year 2018-19 to M/s Desai & Chinoy, a firm of Solicitors & Advocates in which Mr. Shishir Desai is a partner. The services provided by his firm are purely of professional nature. The aforesaid professional fees paid to M/s Desai & Chinoy does not form a significant portion of the revenue of M/s Desai & Chinoy and thus is not considered material enough to impinge upon the independence of Mr. Shishir Desai. Accordingly, there are no pecuniary relationship or transactions of Independent Director vis-a-vis the Company which has potential conflict with the interest of the Company at large.

### B. Manager

Mr. Satish Veerappa, Manager designated as Chief Executive Officer was paid a remuneration of ₹ 87.48 Lakhs for the period 1st November, 2018 to 31st March, 2019. Agreement for a period of three years has been executed for his appointment and remuneration with effect from 1st November, 2018 on the recommendation of the Remuneration and Nomination Committee and approval of the Board of Directors. The approval of members was also sought for his appointment and remuneration by way of passing special resolution through postal ballot on 20th March, 2019.

### C. STAKEHOLDER RELATIONSHIP COMMITTEE:

#### Terms of reference:

The terms of reference to this committee, interalia 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.

SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 has enhanced the scope of the Committee to specifically look into the various aspects of interest of shareholders, debenture holders and other security holders. Accordingly, the Board of Directors has approved the enhanced scope to bring in line with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

#### Meetings, Members and Attendance

During the Financial Year 2018-19 the Committee held 4 (four) meetings on 9th May, 2018, 8th August, 2018, 26th October, 2018 and 24th January, 2019

The details of attendance of Members are as under:

Name of Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Ramanathan Sriram	NED (I)	Chairman	4	4
Mr. Shriram Dandekar	ED (P)	Member	4	4
Mr. Hisamaro Garugu	NED (I)	Member	4	3

## REPORT ON CORPORATE GOVERNANCE : (Contd.)

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

### Complaints received and redressed by the Company during the financial year 2018-19.

During the financial year 2018-19, four complaints were received from the shareholders and the same were redressed by the Company.

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

##### Meetings, Members and Attendance

During the Financial Year 2018-19 the Committee held 3 (three) meetings on 8th August, 2018, 24th October, 2018 and 21st January, 2019.

The details of attendance of Members are given below:

Name of Member	Category	Status	No. of Meetings	
			Held	Attended
Ms. Nandini Chopra	NED (I)	Chairperson	3	3
Mr. Nobuchika Doi	ED	Member	3	2
Mr. Shriram Dandekar	ED (P)	Member	3	3

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

##### Terms of Reference:

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

#### E. INDEPENDENT DIRECTORS MEETING:

In accordance with provisions of the Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors of the Company was held on 29th March, 2019 without the attendance of Non Independent Directors and Members of the Management.

#### 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
2017-18	Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai-400 020	8th August, 2018 at 3.00 p.m.	<p>1. Appointment of Mr. Dilip D. Dandekar (DIN: 00846901), as a Director in Whole-time employment designated as 'Chairman &amp; Executive Director' for a period of one (1) year effective from 1st February, 2018 and remuneration payable to him.</p> <p>2. Appointment of Mr. Shriram S. Dandekar (DIN: 01056318), as a Director in Whole-time employment designated as 'Vice Chairman &amp; Executive Director' for a period of one (1) year effective from 1st February, 2018 and remuneration payable to him.</p>



## REPORT ON CORPORATE GOVERNANCE : (Contd.)

FINANCIAL YEAR	VENUE	DATE & TIME	DETAILS OF SPECIAL RESOLUTION PASSED
2016-17	Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai-400 020	28th June, 2017 at 3.00 p.m	Appointment of Mr. Nobuchika Doi (DIN: 03599835), as Managing Director designated as 'Chief Executive Officer & Executive Director' for the period from 1st April, 2017 to 31st October, 2017.
2015-16	Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai-400 020	29th July, 2016 at 3:00 p.m.	Keeping Register and Return at the place of M/s Link Intime India Pvt. Ltd. (Registrar and Transfer Agent)

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

During the year 2018-19, the Company successfully completed the process of obtaining the approval of members by way of postal ballot in respect of the following special resolutions:

1. Re-designation of Mr. Nobuchika Doi (DIN: 03599835) as 'Executive Director' for the remaining period of his tenure of two (2) years effective from 1st November, 2018 to 31st October, 2020.
2. Appointment of Mr. Satish Veerappa as 'Manager' designated as 'Chief Executive Officer' for a period of three (3) years effective from 1st November, 2018 to 31st October, 2021 and remuneration payable to him.
3. Appointment of Mr. Dilip D. Dandekar (DIN: 00846901) as Director in Whole-time employment designated as 'Chairman & Executive Director' for a period of one (1) year effective from 1st February, 2019 to 31st January, 2020 and remuneration payable to him.
4. Appointment of Mr. Shriram S. Dandekar (DIN: 01056318) as Director in Whole-time employment designated as 'Vice- Chairman & Executive Director' for a period of one (1) year effective from 1st February, 2019 to 31st January, 2020 and remuneration payable to him.
5. Re-appointment of Mr. Ramanathan Sriram (DIN: 00065069) as an Independent Non-Executive Director to hold office for a period of five (5) consecutive years effective from 1st April, 2019 to 31st March, 2024.
6. Re-appointment of Mr. Shishir B. Desai (DIN: 01453410) as an Independent Non-Executive Director to hold office for a period of five (5) consecutive years effective from 1st April, 2019 to 31st March, 2024.
7. Re-appointment of Mr. Hisamaro Garugu (DIN: 00579089) as an Independent Non-Executive Director to hold office for a period of five (5) consecutive years effective from 1st April, 2019 to 31st March, 2024.
8. Re-appointment of Mr. Devendra Kumar Arora (DIN: 05160734) as an Independent Non-Executive Director to hold office for a period of five (5) consecutive years effective from 1st April, 2019 to 31st March, 2024.
9. Re-appointment of Mr. Sriram Venkataraman (DIN: 06790179) as an Independent Non-Executive Director to hold office for a period of five (5) consecutive years effective from 1st April, 2019 to 31st March, 2024.

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

Mr. Shriram S. Dandekar, Vice-Chairman & Executive Director announced the Postal Ballot results as per the scrutinizers report on 22nd March, 2019 and the results were displayed at the Registered Office of the Company, intimated to the Stock Exchanges where the Company's shares are listed and displayed along with the Scrutiniser's report on the Company's website, [www.kokuyocamlin.com](http://www.kokuyocamlin.com).

## REPORT ON CORPORATE GOVERNANCE : (Contd.)

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

Resolution Required : (Special)			1. Re-designation of Mr. Nobuchika Doi (DIN: 03599835) as 'Executive Director' for the remaining period of his tenure of two (2) years effective from 1st November, 2018 to 31st October, 2020.					
Whether promoter/ promoter group are interested in the agenda / resolution?			NO					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3] = {[2]/[1]}*100	[4]	[5]	[6] = {[4]/[2]}*100	[7] = {[5]/[2]}*100
Promoter and Promoter Group	E-Voting	75215950	74665950	99.27	74665950	0	100	0
	Poll		0	0	0	0	0	0
	Postal Ballot		550000	0.73	550000	0	100	0
	<b>Total</b>		<b>75215950</b>	<b>100</b>	<b>75215950</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public Institutions	E-Voting	145806	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public Non Institutions	E-Voting	24942050	78658	0.32	77209	1449	98.16	1.84
	Poll		0	0	0	0	0	0
	Postal Ballot		1028378	4.12	1026322	2056	99.80	0.20
	<b>Total</b>		<b>1107036</b>	<b>4.44</b>	<b>1103531</b>	<b>3505</b>	<b>99.68</b>	<b>0.32</b>
<b>Total</b>		<b>100303806</b>	<b>76322986</b>	<b>76.09</b>	<b>76319481</b>	<b>3505</b>	<b>99.99</b>	<b>0.01</b>

Resolution Required : (Special)			2. Appointment of Mr. Satish Veerappa as 'Manager' designated as 'Chief Executive Officer' for a period of three (3) years effective from 1st November, 2018 to 31st October, 2021 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	74665950	99.27	74665950	0	100	0
	Poll		0	0	0	0	0	0
	Postal Ballot		550000	0.73	550000	0	100	0
	<b>Total</b>		<b>75215950</b>	<b>100</b>	<b>75215950</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public Institutions	E-Voting	145806	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public Non Institutions	E-Voting	24942050	78433	0.31	76974	1459	98.14	1.86
	Poll		0	0	0	0	0	0
	Postal Ballot		1026742	4.12	1022572	4170	99.59	0.41
	<b>Total</b>		<b>1105175</b>	<b>4.43</b>	<b>1099546</b>	<b>5629</b>	<b>99.49</b>	<b>0.51</b>
<b>Total</b>		<b>100303806</b>	<b>76321125</b>	<b>76.09</b>	<b>76315496</b>	<b>5629</b>	<b>99.99</b>	<b>0.01</b>

**REPORT ON CORPORATE GOVERNANCE : (Contd.)**

Resolution Required : (Special)			3. Appointment of Mr. Dilip D. Dandekar (DIN: 00846901) as Director in Whole-time employment designated as 'Chairman & Executive Director' for a period of one (1) year effective from 1st February, 2019 to 31st January, 2020 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
		<b>[1]</b>	<b>[2]</b>	<b>[3] = {[2]/[1]}*100</b>	<b>[4]</b>	<b>[5]</b>	<b>[6] = {[4]/[2]}*100</b>	<b>[7] = {[5]/[2]}*100</b>
Promoter and Promoter Group	E-Voting	75215950	74665950	99.27	74665950	0	100	0
	Poll		0	0	0	0	0	0
	Postal Ballot		550000	0.73	550000	0	100	0
	<b>Total</b>		<b>75215950</b>	<b>100</b>	<b>75215950</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public Institutions	E-Voting	145806	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public Non Institutions	E-Voting	24942050	78457	0.32	75185	3272	95.83	4.17
	Poll		0	0	0	0	0	0
	Postal Ballot		1027742	4.12	1024336	3406	99.67	0.33
	<b>Total</b>		<b>1106199</b>	<b>4.44</b>	<b>1099521</b>	<b>6678</b>	<b>99.40</b>	<b>0.60</b>
<b>Total</b>		<b>100303806</b>						

Resolution Required : (Special)			4. Appointment of Mr. Shriram S. Dandekar (DIN: 01056318) as Director in Whole-time employment designated as 'Vice- Chairman & Executive Director' for a period of one (1) year effective from 1st February, 2019 to 31st January, 2020 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
		<b>[1]</b>	<b>[2]</b>	<b>[3] = {[2]/[1]}*100</b>	<b>[4]</b>	<b>[5]</b>	<b>[6] = {[4]/[2]}*100</b>	<b>[7] = {[5]/[2]}*100</b>
Promoter and Promoter Group	E-Voting	75215950	74665950	99.27	74665950	0	100	0
	Poll		0	0	0	0	0	0
	Postal Ballot		550000	0.73	550000	0	100	0
	<b>Total</b>		<b>75215950</b>	<b>100</b>	<b>75215950</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public Institutions	E-Voting	145806	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public Non Institutions	E-Voting	24942050	77981	0.31	71563	6418	91.77	8.23
	Poll		0	0	0	0	0	0
	Postal Ballot		1027742	4.12	1024374	3368	99.67	0.33
	<b>Total</b>		<b>1105723</b>	<b>4.43</b>	<b>1095937</b>	<b>9786</b>	<b>99.11</b>	<b>0.89</b>
<b>Total</b>		<b>100303806</b>	<b>76321673</b>	<b>76.09</b>	<b>76311887</b>	<b>9786</b>	<b>99.99</b>	<b>0.01</b>



## REPORT ON CORPORATE GOVERNANCE : (Contd.)

Resolution Required : (Special)			5. Re-appointment of Mr. Ramanathan Sriram (DIN: 00065069) as an Independent Non-Executive Director to hold office for a period of five (5) consecutive years effective from 1st April, 2019 to 31st March, 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	74665950	99.27	74665950	0	100	0
	Poll		0	0	0	0	0	0
	Postal Ballot		550000	0.73	550000	0	100	0
	<b>Total</b>		<b>75215950</b>	<b>100</b>	<b>75215950</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public Institutions	E-Voting	145806	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public Non Institutions	E-Voting	24942050	78357	0.31	73043	5314	93.22	6.78
	Poll		0	0	0	0	0	0
	Postal Ballot		1026742	4.12	1026434	308	99.97	0.03
	<b>Total</b>		<b>1105099</b>	<b>4.43</b>	<b>1099477</b>	<b>5622</b>	<b>99.49</b>	<b>0.51</b>
<b>Total</b>		<b>100303806</b>	<b>76321049</b>	<b>76.09</b>	<b>76315427</b>	<b>5622</b>	<b>99.99</b>	<b>0.01</b>

Resolution Required : (Special)			6. Re-appointment of Mr. Shishir B. Desai (DIN: 01453410) as an Independent Non-Executive Director to hold office for a period of five (5) consecutive years effective from 1st April, 2019 to 31st March, 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]}*
Promoter and Promoter Group	E-Voting	75215950	74665950	99.27	74665950	0	100	0
	Poll		0	0	0	0	0	0
	Postal Ballot		550000	0.73	550000	0	100	0
	<b>Total</b>		<b>75215950</b>	<b>100</b>	<b>75215950</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public Institutions	E-Voting	145806	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public Non Institutions	E-Voting	24942050	78057	0.31	72969	5088	93.48	6.52
	Poll		0	0	0	0	0	0
	Postal Ballot		1026742	4.12	1026474	268	99.97	0.03
	<b>Total</b>		<b>1104799</b>	<b>4.43</b>	<b>1099443</b>	<b>5356</b>	<b>99.52</b>	<b>0.48</b>
<b>Total</b>		<b>100303806</b>	<b>76320749</b>	<b>76.09</b>	<b>76315393</b>	<b>5356</b>	<b>99.99</b>	<b>0.01</b>

**REPORT ON CORPORATE GOVERNANCE : (Contd.)**

Resolution Required : (Special)			7. Re-appointment of Mr. Hisamaro Garugu (DIN: 00579089) as an Independent Non-Executive Director to hold office for a period of five (5) consecutive years effective from 1st April, 2019 to 31st March, 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	74665950	99.27	74665950	0	100	0
	Poll		0	0	0	0	0	0
	Postal Ballot		550000	0.73	550000	0	100	0
	<b>Total</b>		<b>75215950</b>	<b>100</b>	<b>75215950</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public Institutions	E-Voting	145806	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public Non Institutions	E-Voting	24942050	78457	0.31	73034	5423	93.09	6.91
	Poll		0	0	0	0	0	0
	Postal Ballot		1026742	4.12	1021572	5170	99.50	0.50
	<b>Total</b>		<b>1105199</b>	<b>4.43</b>	<b>1094606</b>	<b>10593</b>	<b>99.04</b>	<b>0.96</b>
<b>Total</b>		<b>100303806</b>	<b>76321149</b>	<b>76.09</b>	<b>76310556</b>	<b>10593</b>	<b>99.99</b>	<b>0.01</b>

Resolution Required : (Special)			8. Re-appointment of Mr. Devendra Kumar Arora (DIN: 05160734) as an Independent Non-Executive Director to hold office for a period of five (5) consecutive years effective from 1st April, 2019 to 31st March, 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	74665950	99.27	74665950	0	100	0
	Poll		0	0	0	0	0	0
	Postal Ballot		550000	0.73	550000	0	100	0
	<b>Total</b>		<b>75215950</b>	<b>100</b>	<b>75215950</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public Institutions	E-Voting	145806	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public Non Institutions	E-Voting	24942050	78357	0.31	72793	5564	92.90	7.10
	Poll		0	0	0	0	0	0
	Postal Ballot		1026742	4.12	1019410	7332	99.29	0.71
	<b>Total</b>		<b>1105099</b>	<b>4.43</b>	<b>1092203</b>	<b>12896</b>	<b>98.83</b>	<b>1.17</b>
<b>Total</b>		<b>100303806</b>	<b>76321049</b>	<b>76.09</b>	<b>76308153</b>	<b>12896</b>	<b>99.98</b>	<b>0.02</b>

## REPORT ON CORPORATE GOVERNANCE : (Contd.)

Resolution Required : (Special)			9. Re-appointment of Mr. Sriram Venkataraman (DIN: 06790179) as an Independent Non-Executive Director to hold office for a period of five (5) consecutive years effective from 1st April, 2019 to 31st March, 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	74665950	99.27	74665950	0	100	0
	Poll		0	0	0	0	0	0
	Postal Ballot		550000	0.73	550000	0	100	0
	<b>Total</b>		<b>75215950</b>	<b>100</b>	<b>75215950</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public Institutions	E-Voting	145806	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public Non Institutions	E-Voting	24942050	78658	0.31	73515	5143	93.46	6.54
	Poll		0	0	0	0	0	0
	Postal Ballot		1026742	4.12	1024584	2158	99.79	0.21
	<b>Total</b>		<b>1105400</b>	<b>4.43</b>	<b>1098099</b>	<b>7301</b>	<b>99.34</b>	<b>0.66</b>
<b>Total</b>		<b>100303806</b>	<b>76321350</b>	<b>76.09</b>	<b>76314049</b>	<b>7301</b>	<b>99.99</b>	<b>0.01</b>

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

### Procedure for Postal Ballot:

After receiving the approval of the Board of Directors, the Postal Ballot notice and form along with the explanatory statement, self-addressed business reply envelope were dispatched to the members on 14th February, 2019 to enable them to vote within a period of 30 days, starting from Monday, 18th February, 2019 at 9:00 a.m. (IST) to Wednesday, 20th March, 2019 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 20th March, 2019. Thereafter, the result of Postal Ballot was declared by the Vice-Chairman on 22nd March, 2019 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.

- i. **WEBSITE:** The Company's website [www.kokuyocamlin.com](http://www.kokuyocamlin.com) contains a separate section "Investor" for use of

investors. The Quarterly, half yearly and Annual Financial Results are promptly and prominently displayed on website. Notices, Annual Report, Quarterly Shareholding Pattern and other Communication are also available on the website.

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

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

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



## REPORT ON CORPORATE GOVERNANCE : (Contd.)

- iv. **CORPORATE FILING:** Announcements, Quarterly Results, Shareholding Pattern etc of the Company are regularly filed by the Company with BSE Ltd. and National Stock Exchange of India Ltd. and are also available on the website of the Company.
- v. There were no presentations made to the institutional investor analysts during the year.

### 6. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting (Day, Date, Time and Venue)	Thursday, 8th August 2019, 3:00 p.m at Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai-400 020
Financial Year	1st April, 2018 – 31st March, 2019
Date of Book Closure	5th August, 2019 to 8th August, 2019 (both days inclusive)
Financial Results Calendar	First Quarter Results: by 14th August, 2019 Second Quarter Results: by 14th November, 2019 Third Quarter Results: by 14th February, 2020. Fourth Quarter Results: by 30th May, 2020
Listing on Stock Exchanges	BSE Ltd. (Scrip Code: 523207) National Stock Exchange of India Ltd. (Symbol: KOKUYOCLN)
International Securities Identification Number (ISIN)	INE760A01029
Corporate Identification Number (CIN)	L24223MH1946PLC005434

**Note:** The Annual Listing Fees for the year 2019-20 has been paid to BSE & NSE.

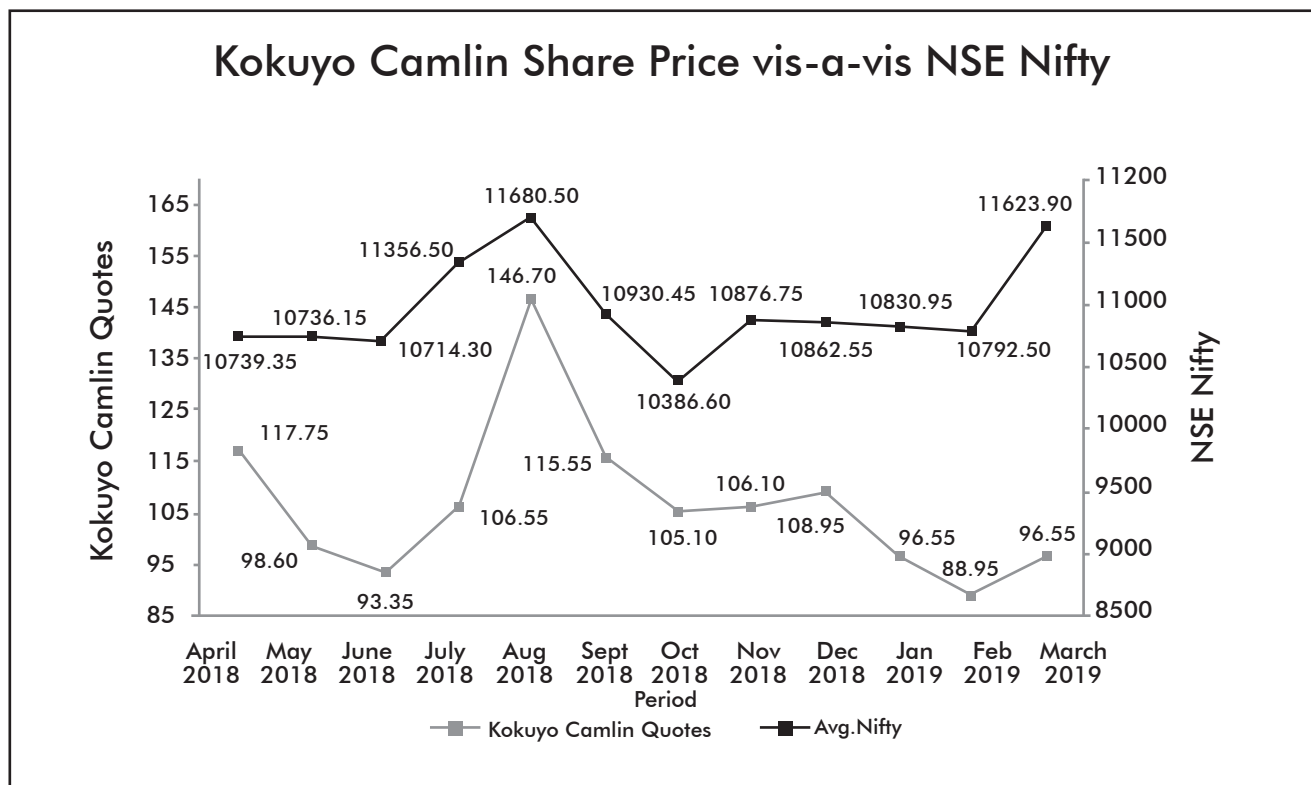
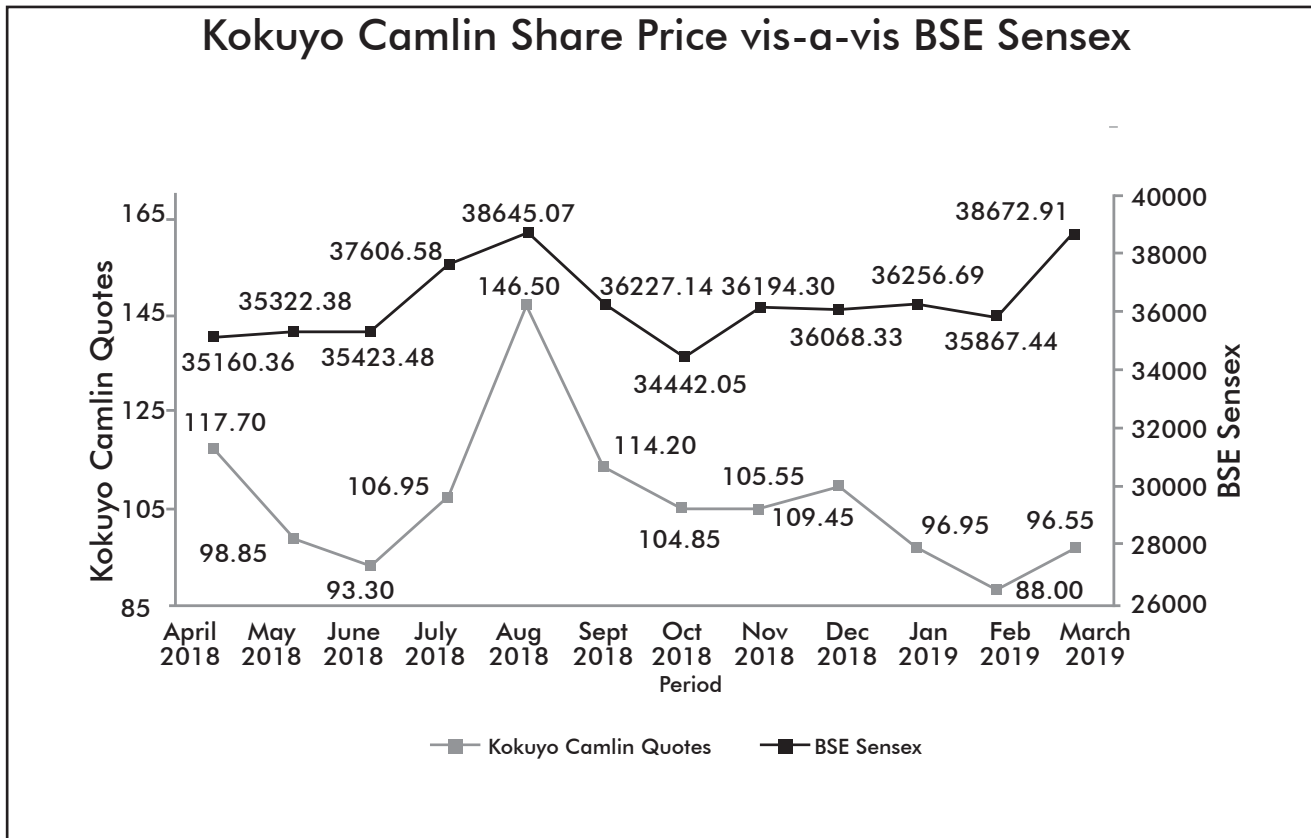
### 7. STOCK MARKET DATA:

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

Month	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
April 2018	125.50	115.85	124.95	115.10
May 2018	122.00	97.20	122.80	97.50
June 2018	111.40	92.05	111.50	92.00
July 2018	108.80	88.50	108.80	88.00
August, 2018	154.00	104.40	154.20	104.10
September, 2018	151.90	108.40	151.00	109.55
October, 2018	125.20	101.35	125.40	101.00
November, 2018	117.55	102.00	116.00	102.20
December, 2018	114.80	98.40	114.40	98.75
January, 2019	113.85	95.05	113.00	93.95
February, 2019	99.05	83.20	99.75	83.05
March, 2019	103.50	90.80	103.60	89.05

## REPORT ON CORPORATE GOVERNANCE : (Contd.)

### 8. STOCK PERFORMANCE:





## REPORT ON CORPORATE GOVERNANCE : (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. However for the convenience of shareholders, documents relating to shares received by the Company are forwarded to the RTA for necessary actions thereon.

### 10. SHARE TRANSFER SYSTEM:

The Share Transfers which were received in physical form were processed by the Registrars and Share Transfer Agents (RTA) and approved by the Committee of Directors in their meeting which normally meets twice in a month and the share certificates were returned within a stipulated time from the date of lodgment, subject to the transfer instrument being valid and complete in all respects.

The Company has discontinued to accept request for physical share transfer from 1st April, 2019 as per SEBI Circular No. SEBI/LAD-NRO-GN/2018/24 dated 8th June, 2018.

### 11. RECONCILIATION 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, 2019:

No. of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
Up to 5000	17559	96.94	10193390	10.16
5001-10000	294	1.62	2173494	2.17
10001-20000	136	0.75	1896393	1.89
20001-30000	45	0.25	1131578	1.13
30001-40000	21	0.12	739952	0.74
40001-50000	14	0.08	635382	0.63
50001-100000	19	0.10	1314525	1.31
100001 and above	26	0.14	82219092	81.97
<b>Total</b>	<b>18114</b>	<b>100.00</b>	<b>100303806</b>	100.00

### 13. Category of Shareholding as per 31st March,2019:

Category of Shareholder	Total No. of Shares	Percentage of Total Shares
Promoter and Promoter Group (A)	75215950	74.99
Public Shareholding (B)		
Financial Institutions / Banks	74338	0.07
Foreign Portfolio Investors (Individual)	75000	0.08
Investor Education and Protection Fund	737594	0.74
Bodies Corporate	2892314	2.88
Clearing Member	99639	0.10
Individuals	18777369	18.72
Non – Resident (Non-Rep.)	432735	0.43
Non – Resident (Rep.)	1297876	1.29
Hindu Undivided Family	616218	0.61
Trust	2000	-
Unclaimed Shares	55001	0.06
NBFCs registered with RBI	27772	0.03
Total Public Shareholding (B)	25087856	25.01
Total Shareholding = (A) + (B)	100303806	100.00

## REPORT ON CORPORATE GOVERNANCE : (Contd.)

### 14. Dematerialisation of Shares:

The Company's Equity Shares are held in dematerialised form by National Securities Depository Ltd. (NSDL) and Central Depository Services India Ltd. (CDSL) under ISIN No. INE 760A01029. As on 31st March, 2019, 98.72% 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. The shares of the company are regularly traded at the National Stock Exchange of India Limited and the BSE Limited.

### 15. UNCLAIMED SUSPENSE ACCOUNT:

Shares which were issued by the Company pursuant to rights Issue or any other issues, which remained unclaimed were transferred to a demat suspense account pursuant to Regulation 39 (4) and corresponding Schedule VI of the Listing Regulations. The Company has already sent three reminders to the shareholders for claiming those shares at their latest available address(es) with the Company or Depository, as the case may be.

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.

Details as required under Schedule V Clause D of the Listing Regulations are as under:

Particulars		No. of shareholders	No. of Equity Shares
Opening Balance	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 1st April, 2018	--	-
Add	No. of Shareholders whose shares got transferred during the year and No. of shares transferred	31	55001

Particulars		No. of shareholders	No. of Equity Shares
Less	Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	-	-
Less	Number of shareholders whose shares got transferred from suspense account to IEPF during the year	0	0
Closing Balance	Aggregate number of shareholders and outstanding shares lying in the suspense account as on 31st March, 2019	31	55001

### 16. SUBSIDIARY COMPANY:

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

As mentioned in our Report for the previous year 2017-2018, M/s. Camlin International Limited, wholly owned subsidiary of Kokuyo Camlin Limited had made an application on 30th March, 2018 to the Registrar of Companies for striking off the Company by removal of name from the Register of Companies. The Registrar of Companies, Ministry of Corporate Affairs, vide its Notice in Form STK-7 dated 5th December, 2018 has struck off the name of the Company Camlin International Limited from the Register of Companies. Thus, Camlin International Limited has been dissolved and thereby ceased to be the wholly owned subsidiary of our Company.

### 17. 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, 2019. The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1 and A respectively. There was no revision in the said ratings during the year under review.



## REPORT ON CORPORATE GOVERNANCE : (Contd.)

### 18. 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
Taloja	: M.I.D.C., Taloja, Navi Mumbai - 410 208.
Jammu	: Industrial Growth Center, Samba PhaseI, Jammu , J&K State.
	: 101, Gangyal Industrial Area, Phase II, Jammu – 180 004.
Vasai	: Rajprabha Udyog Nagar, Walive, Vasai (East), Dist-Thane 401 308.

### 19. 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

### 20. Secretarial Department:

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

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

### 21. DISCLOSURES:

#### i. Strictures and Penalties:

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

#### ii. Compliance with Accounting Standards:

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

#### iii. CEO/ CFO Certification:

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

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

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

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

#### v. Related Party Transactions:

The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large. The related party transactions entered into with the related parties as defined under the Companies Act, 2013 and as per Listing Regulations during the financial year were in the ordinary course of business and the same have been approved by the Audit Committee/ Board of Directors. Transactions with the related parties are disclosed under Schedule 42 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](http://www.kokuyocamlin.com).

During the year under review, the Board of Directors suitably amended the policy on dealing with the related party transactions as deemed necessary to bring it in line with the recent amendments to the Listing Regulations and Companies Act, 2013.

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

There were no instances during the financial year 2018-19, 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 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



## REPORT ON CORPORATE GOVERNANCE : (Contd.)

selection of most suited risk management strategies to manage principal risks effectively. The Board has approved the Enterprise Risk Management Policy as part of the ERM framework that covers key business functions, processes and units. 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 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 Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

All employees have been provided direct access to the Audit committee. During the year under review, the policy was suitably amended to include reporting of instances relating to leak of Unpublished Price Sensitive Information. Further, the details of the policy are also posted on the website of the Company [www.kokuyocamlin.com](http://www.kokuyocamlin.com).

### ix. Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24 (A) of the Listing Regulations directed listed entities to conduct annual secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report under Form MR-3 and is

required to be submitted to the Stock Exchanges within 60 days of the end of the financial year.

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 this certification and the said certificate was placed before the Board of Directors at their meeting held on 8th May 2019.

### 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 8th May, 2019.

### xi. Total fees paid to the Statutory Auditor

Total fees of ₹ 26.07 Lakhs during the financial year 2018-19, for all the services was paid by the Company and its subsidiaries on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part.

### xii. 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. SEBI notified several amendments to the said Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from 1st April, 2019.

Accordingly, the Board of Directors has approved on 25th March, 2019, formulation/amendments to the aforesaid Code of Conduct.

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

The Corporate Governance Report of the Company for the year ended 31st March, 2019 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 Chairman of the Company is the Executive Chairman and hence, this provision is not applicable.

- **Shareholders Rights:**

Extract of the Quarterly, Half Yearly and Annual Financial Results of the Company are published in the Newspaper and are also posted on Company's corporate website [www.kokuyocamlin.com](http://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, 2019 does not contain any modified Audit opinion.

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

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

- **Reporting of Internal Auditor:**

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

Place: Mumbai

Date: 8th May 2019

**For & on behalf of the Board**  
**Dilip D. Dandekar**  
**Chairman & Executive Director**

## 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, 2019.

**For Kokuyo Camlin Limited**

Place: Mumbai  
Date: 8th May, 2019

**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, 2019, 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, alongwith 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 an employee having significant role in the Company's Internal Control System.

**SATISH VEERAPPA**  
**CHIEF EXECUTIVE OFFICER**

**CHETAN BADAL**  
**CHIEF FINANCIAL OFFICER**

Place: Mumbai  
Date: 8th May, 2019





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

The Members of **KOKUYO CAMLIN LIMITED**

We have examined the compliance of conditions of Corporate Governance by Kokuyo Camlin Limited ('the Company') for the year ended on 31st March, 2019 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 have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Registrar and Transfer Agents and reviewed by the Stakeholders Relationship Committee.

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

**For JHR & Associates  
Company Secretaries  
J. H. Ranade  
Partner  
(FCS: 4317, CP: 2520)**

Place: Thane

Date: 07th May, 2019

# Independent Auditors' Report

To the Members of

Kokuyo Camlin Limited

## Report on the Audit of the Standalone Financial Statements Opinion

We have audited the standalone financial statements of Kokuyo Camlin Limited("the Company"),which comprise the standalone balance sheet as at 31 March 2019,and the standalone statement of profit and loss(including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended,and notes to the standalone 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 standalone 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 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### 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 Standalone 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 standalone 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.

### Key Audit Matters

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

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p><b>Revenue recognition:</b></p> <p>As disclosed in note 3.01 to the standalone financial statements, revenue from the sale of goods is recognised when the control of the goods has passed, which is on dispatch/delivery of the goods. There is a risk that revenue may be overstated to achieve performance targets at the reporting period end.</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 material 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 at the reporting period end.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Accounting policies: Assessing the appropriateness of the Company's accounting policy with respect to revenue recognition and accounting estimates for schemes and discounts and comparing with applicable accounting standards.</li> <li>Control testing: Testing the effectiveness of the Company's controls over recognizing revenue and controls over estimating and recording the amount of provisions for schemes and discounts.</li> <li>Tests of details: Inspecting underlying documentation/records for sales transactions recorded either side of the year end to determine whether revenue has been recognised in the correct period. Inspecting underlying documents/records to determine accounting of schemes and claims.</li> </ul>
	<ul style="list-style-type: none"> <li>Assessing manual journals posted to revenue to identify unusual or irregular items.</li> <li>Performing ageing analysis of various schemes issued in earlier/current year. Comparing earlier year's scheme provisions vis-à-vis claims settled and paid during the current year.</li> <li>Considering the adequacy of the Company's disclosure in respect of revenue.</li> </ul>



## Independent Auditors' Report (contd.)

The key audit matter	How the matter was addressed in our audit
<p><b>Provisioning for slow moving inventory</b></p> <p>The Company makes provisions for slow moving / non-moving inventories based on certain specific percentages assigned to the inventory ageing exceeding 2 years. The Company also makes specific provisions for slow moving items ageing upto 2 years. Due to the significant number of stock keeping units (SKUs) falling under various categories of inventories, significant judgment is required by the management in determining the inventory provisioning. There is a risk that the inventory may be overstated on account of improper provisioning for non-moving inventories.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <p>Accounting policies: Assessing the appropriateness of the Company's inventory provisioning policies</p> <ul style="list-style-type: none"> <li>Control testing: Testing the effectiveness of the Company's controls over the calculation and recording of slow moving inventory provision.</li> <li>Tests of details:</li> </ul> <p>Attending physical stock take as at the period end to identify slow moving stocks. Checking the sales of slow moving inventory during the period and discussing with management their plans for disposal of such stocks.</p> <p>Testing the estimated future sales values, less estimated costs to sell against the carrying value of the inventories.</p> <p>Assessed the historical accuracy of management's estimates against actual outcomes to evaluate the impact and tested the inventory written off against the provisions recorded</p> <p>Assessing manual journals posted to inventory to identify unusual or irregular items</p>

### 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 standalone financial statements and our auditors' report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the state of affairs, profit 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 management 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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

## Independent Auditors' Report (contd.)

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 standalone 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 standalone 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 standalone 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 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone 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

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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.

- (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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 1 April 2019 taken on record by the



## Independent Auditors' Report (contd.)

Board of Directors, none of the directors is disqualified as on 31 March 2019 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 standalone 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:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer note 33 and 34 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

- (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

Mumbai  
8 May 2019



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

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a programme designed to cover all the items over one year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified all its property, plant and equipment and investment properties during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and buildings and investment properties as disclosed in note 4 and note 5 of the standalone financial statements, are held in the name of the Company.
- ii. The inventories, except goods in transit and stocks lying with third parties, have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, subsequent goods receipt have been verified.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with the provisions of section 186 of the Act with respect to investments made. The Company has not granted any loans or provided any guarantees or security covered under section 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the directives issued by the Reserve Bank of India or the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account relating to manufacture of stationery items maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same with a view to determine whether they are complete or accurate.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, duty of customs, Goods and Service Tax, Income Tax, Cess, Professional tax, Labor welfare fund and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, duty of customs, Goods and Service Tax, Income Tax, Cess, Professional tax, Labor welfare fund and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable. Also, refer note 33(d).
- (c) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of customs, duty of excise, Goods and Service tax and Value added tax which have not been deposited with the appropriate authorities on account of any dispute, except as follows:

Name of the Statute	Nature of dues	Amount Demanded Rs. in lakhs	Amount Paid Rs. in lakhs	Period to which the amount relates	Forum where dispute is pending
The Income tax Act, 1961	Income tax	122.22	-	Assessment year 2006-07 and AY 2014-15	Income Tax Appellate Tribunal
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)	59.02	3.41	1990 -91, 1997-98 and 2012-13	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)



## Annexure A to the Independent Auditors' Report on standalone financial statements (contd.)

Name of the Statute	Nature of dues	Amount Demanded Rs. in lakhs	Amount Paid Rs. in lakhs	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	2.31	-	2002-03	Commissioner of Central Excise (Appeal)
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	510.73	165.55	1995-96, 1998-99 to 2001-02, 2004-05 to 2005-06, 2007-08, 2009-10 to 2013-14, 2015-16	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 to 1998 and 2000-2001 to 2008-09	Sales Tax- Tribunal

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank during the year. The Company did not have any loans or borrowings during the year from debenture holders or from the government.
- ix. According to the information and explanations given to us, the Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose which they were raised except for funds amounting to Rs. 650 lakhs which pending utilisation have been temporarily invested in fixed deposits with banks.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Chartered Accountants

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

**Vijay Mathur**

Partner

Membership No: 046476

Mumbai

8 May 2019

## Annexure B to the Independent Auditors' Report on standalone financial statements

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

**(Referred to in paragraph 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 over standalone financial statements of Kokuyo Camlin Limited ('the Company') as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal controls with reference to standalone 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 standalone 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").

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

### Meaning of Internal Financial controls with Reference to standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance



## Annexure B to the Independent Auditors' Report on standalone financial statements (contd.)

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

### **Inherent Limitations of Internal Financial controls with Reference to standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial

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

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

Chartered Accountants

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

**Vijay Mathur**

Partner

Membership No: 046476

Mumbai

8 May 2019

# Standalone Balance Sheet

As at 31 March, 2019

(₹ in Lakhs)

Particulars	Note	31 March, 2019	31 March, 2018
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	16,368.43	15,702.25
(b) Investment property	5	2.73	2.73
(c) Other intangible assets	4	118.25	150.38
(d) Financial assets			
(i) Investments	6	638.23	1,053.55
(ii) Loans	7	209.64	194.36
(iii) Other financial assets	8	46.64	45.99
(e) Deferred tax assets (net)	38	-	162.25
(f) Income tax assets (net)		132.13	-
(g) Other non-current assets	9	2,462.49	2,277.01
<b>Total non - current assets (A)</b>		<b>19,978.54</b>	<b>19,588.52</b>
<b>Current assets</b>			
(a) Inventories	10	19,920.60	15,875.53
(b) Financial assets			
(i) Trade receivables	11	11,751.04	10,950.65
(ii) Cash and cash equivalents	12	500.70	438.67
(iii) Bank balances other than (ii) above	13	548.97	16.67
(iv) Loans	14	25.38	10.62
(c) Other current assets	15	2,745.85	1,622.22
<b>Total current assets (B)</b>		<b>35,492.54</b>	<b>28,914.36</b>
<b>TOTAL ASSETS (A + B)</b>		<b>55,471.08</b>	<b>48,502.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	1,003.04	1,003.04
(b) Other equity	17	23,884.94	22,826.99
<b>Total equity (C)</b>		<b>24,887.98</b>	<b>23,830.03</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	2,730.97	1,044.10
(ii) Other financial liabilities	19	310.34	137.34
(b) Provisions	20	492.48	236.50
(c) Deferred tax liabilities (net)	38	98.52	-
(d) Income tax liabilities (net)		-	176.66
<b>Total Non - current liabilities (D)</b>		<b>3,632.31</b>	<b>1,594.60</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Short term borrowings	21	14,067.03	12,264.65
(ii) Trade payables	22		
total outstanding dues of micro enterprises and small enterprises;		267.95	255.48
total outstanding dues of creditors other than micro enterprises and small enterprises.		8,624.26	7,172.19
(iii) Other financial liabilities	23	2,643.30	2,407.42
(b) Other current liabilities	24	1,167.12	919.46
(c) Provisions	25	181.13	59.05
<b>Total Current Liabilities (E)</b>		<b>26,950.79</b>	<b>23,078.25</b>
<b>TOTAL EQUITY AND LIABILITIES (C+ D+ E)</b>		<b>55,471.08</b>	<b>48,502.88</b>

The attached notes 2 to 46 form an integral part of these standalone financial statements.

As per our report of even date attached

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

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

**Vijay Mathur**  
Partner  
Membership No: 046476

**Satish Veerappa**  
Chief Executive Officer

**Chetan Badal**  
Chief Financial Officer

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

**Ravindra Damle**  
V P (Corporate) and Company Secretary

**Nobuchika Doi**  
Executive Director  
(DIN-03599835)

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

**Shishir B. Desai**  
Director  
(DIN- 01453410)

**Takeo Iguchi**  
Executive Director  
(DIN-03599826)

Mumbai  
8 May 2019





# Standalone Statement of Profit and Loss

For the year ended 31 March, 2019

(₹ in Lakhs)

	Note	31 March, 2019	31 March, 2018	
<b>REVENUE</b>				
I	Revenue from operations	26	68,877.20	63,840.80
II	Other income	27	76.70	284.99
<b>III</b>	<b>Total Income (I + II)</b>		<b>68,953.90</b>	<b>64,125.79</b>
<b>IV EXPENSES</b>				
(a)	Cost of materials consumed	28	26,262.51	23,676.41
(b)	Excise duty	32	-	885.85
(c)	Purchases of stock-in-trade	28	18,226.82	15,352.10
(d)	Changes in stock of finished goods, work-in-progress and stock-in-trade	28	(3,714.10)	(1,009.16)
(e)	Employee benefits expense	29	9,316.00	8,019.13
(f)	Finance costs	30	1,149.76	960.57
(g)	Depreciation and amortisation expense	4	1,787.19	1,650.51
(h)	Other expenses	31	13,651.58	13,099.89
	<b>Total Expenses (IV)</b>		<b>66,679.76</b>	<b>62,635.30</b>
<b>V</b>	<b>Profit before tax (III - IV)</b>		<b>2,274.14</b>	<b>1,490.49</b>
<b>VI</b>	<b>Tax Expense</b>	37		
(a)	Current tax		476.04	255.91
(b)	Deferred tax [Including MAT credit entitlement for the year Rs. Nil (2017-18- Rs. 255.91 Lakhs)]		275.62	252.41
(c)	Prior years - Income tax		2.15	-
	<b>Total tax expense (VI)</b>		<b>753.81</b>	<b>508.32</b>
<b>VII</b>	<b>Profit after tax (V -VI)</b>		<b>1,520.33</b>	<b>982.17</b>
<b>VIII</b>	<b>Other comprehensive income</b>		<b>(462.38)</b>	<b>58.44</b>
(i)	<b>Items that will not be reclassified subsequently to profit or loss</b>		-	
(a)	Remeasurements of the defined benefit plans		(61.92)	(35.97)
(b)	Fair value changes on equity instruments		(415.32)	80.93
(ii)	Income tax relating to items that will not be reclassified to profit or loss		14.86	13.48
<b>IX</b>	<b>Total comprehensive income for the year</b>		<b>1,057.95</b>	<b>1,040.61</b>
<b>X</b>	<b>Earnings per share (Face value Rs. Re. 1/- each):</b>	40		
	Basic earnings per share		1.52	0.98
	Diluted earnings per share		1.52	0.98

The attached notes 2 to 46 form an integral part of these standalone 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

**Satish Veerappa**

Chief Executive Officer

**Ravindra Damle**

V P (Corporate) and Company Secretary

**Shishir B. Desai**

Director

(DIN- 01453410)

**Chetan Badal**

Chief Financial Officer

**Nobuchika Doi**

Executive Director  
(DIN-03599835)

For and on behalf of the Board of Directors of

Kokuyo Camlin Limited

CIN : L24223MH1946PLC005434

**Dilip Dandekar**

Chairman and Executive Director  
(DIN-00846901)

**Shriram Dandekar**

Vice Chairman & Executive Director  
(DIN-01056318)

**Takeo Iguchi**

Executive Director  
(DIN-03599826)

Mumbai

8 May 2019

# Standalone Statement of Cash Flows

For the year ended 31 March, 2019

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
<b>Cash flows from operating activities</b>		
Profit before tax for the year	2,274.14	1,490.49
<b>Adjustments for :</b>		
Depreciation and amortisation	1,787.19	1,650.51
Provision for diminution in the value of investments	-	5.00
Unrealised foreign exchange gain	(46.25)	(16.90)
Finance costs	1,149.76	960.57
Interest income	(68.54)	(38.17)
Profit on sale of investments	(4.62)	-
Provision for doubtful receivables	39.29	48.46
Provision for capital advances	8.64	-
Provision for doubtful advances	(0.83)	16.75
(Profit)/loss on sale of property, plant and equipment(net)	(0.66)	83.50
Amortisation of prepayments of leasehold land	32.05	32.39
<b>Total</b>	<b>5,170.17</b>	<b>4,232.60</b>
<b>Working capital adjustments</b>		
-(Increase) in trade receivables	(839.68)	(365.11)
-(Increase) in other current assets	(1,122.80)	(222.29)
-(Increase) in Inventories	(4,045.07)	(1,790.78)
-Decrease in Other non-current assets	9.89	52.39
-(Increase)/decrease in loans	(15.28)	85.59
-Increase/(decrease) in trade payables	1,510.79	(504.38)
-Increase/(decrease) in provisions	316.14	(157.36)
- Increase in other current liabilities	554.60	79.23
<b>Total</b>	<b>(3,631.41)</b>	<b>(2,822.71)</b>
<b>Cash from operating activities</b>	<b>1,538.76</b>	<b>1,409.89</b>
Tax (paid)/refund (net)	(786.98)	34.06
<b>Net cash generated from operating activities</b>	<b>751.78</b>	<b>1,443.95</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2,586.78)	(1,560.67)
Proceeds from sale of property, plant and equipment	2.95	68.23
Deposits (placed)/matured	(535.46)	199.90
Unpaid dividend account	2.51	5.04
Interest received	53.78	54.36
Proceeds from sale of investments	4.62	-
<b>Net cash used in investing activities</b>	<b>(3,058.38)</b>	<b>(1,233.14)</b>
<b>Cash flows from financing activities</b>		
Proceeds/(repayment) of short term borrowings (net)	1,802.38	1,014.64
Proceeds/(repayment) of term borrowings	(1,718.52)	(1,020.74)
Dividend transferred to investors education fund	(2.51)	(5.04)
Interest and other finance cost paid	(1,149.76)	(9,605.57)
<b>Net Cash generated from (used in) financing activities</b>	<b>2,368.63</b>	<b>(971.71)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>62.03</b>	<b>(760.90)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>438.67</b>	<b>1,199.57</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>500.70</b>	<b>438.67</b>

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





## Standalone statement of cash flows

### For the year ended 31 March, 2019 (contd.)

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Balance with banks		
in current accounts	287.54	386.71
in EEFC accounts	50.89	12.45
Deposits with original maturity of less than three months	150.00	28.40
Cash on hand	12.27	11.11
	<b>500.70</b>	<b>438.67</b>
Debt reconciliation statement in accordance with IND AS 7		
Opening balances		
Long term Borrowing (including current maturities)	1,559.95	2,580.69
Short term borrowing	12,264.65	11,250.01
Movement		
Long term borrowing	1,718.52	(1,020.74)
Short term borrowing	1,802.38	1,014.64
Closing balance		
Long term Borrowing (including current maturities)	3,278.47	1,559.95
Short term borrowing	14,067.03	12,264.65

The attached notes 2 to 46 form an integral part of these standalone 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  
8 May 2019

**Satish Veerappa**  
Chief Executive Officer

**Ravindra Damle**  
V P (Corporate) and Company Secretary

**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

**Nobuchika Doi**  
Executive Director  
(DIN-03599835)

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

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

**Takeo Iguchi**  
Executive Director  
(DIN-03599826)



# Standalone Statement of Changes in Equity

For the year ended 31 March, 2019

(a) Equity Share Capital

(₹ in Lakhs)

	Note No.	31 March, 2019	31 March, 2018
Balance at the beginning of the year	16	1,003.04	1,003.04
Changes in equity share capital during the year		-	-
<b>Balance at the end of the year</b>		<b>1,003.04</b>	<b>1,003.04</b>

(b) Other equity

	Capital reserve	Securities premium	General reserve	Retained earnings	Items of Other comprehensive income	Total equity
Balance at 1 April, 2017	52.70	17,901.56	1,966.30	960.94	904.87	21,786.37
<b>Profit for the year</b>				982.17		982.17
<b>Other comprehensive income for the year</b>						
Equity Instruments through Other Comprehensive Income (net of tax)					81.96	81.96
Remeasurements of defined benefit plan (net of tax)				(23.51)		(23.51)
<b>Balance at 31 March 2018</b>	<b>52.70</b>	<b>17,901.56</b>	<b>1,966.30</b>	<b>1,919.60</b>	<b>986.83</b>	<b>22,826.99</b>
<b>Profit for the year</b>	-	-	-	1,520.33	-	1,520.33
<b>Other comprehensive income for the year</b>						
Equity Instruments through Other Comprehensive Income (net of tax)	-	-	-	-	(413.76)	(413.76)
Remeasurements of defined benefit plan (net of tax)	-	-	-	(48.62)		(48.62)
<b>Balance at 31 March, 2019</b>	<b>52.70</b>	<b>17,901.56</b>	<b>1,966.30</b>	<b>3,391.31</b>	<b>573.07</b>	<b>23,884.94</b>

The attached notes 2 to 46 form an integral part of these standalone 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  
8 May 2019

For and on behalf of the Board of Directors of  
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**Satish Veerappa**  
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**Dilip Dandekar**  
Chairman and Executive Director  
(DIN-00846901)

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



# Notes to the Standalone Financial Statements

## For the year ended 31 March, 2019

### 1 Background of the Company

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

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

### 2 Basis of preparation

#### (a) Statement of compliance

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

The Standalone financial statements for the year ended 31 March, 2019 have been reviewed by the Audit Committee at its meeting held on 6 May, 2019 and approved by the Board of Directors at its meeting held on 8 May, 2019.

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

#### (b) Functional and presentation currency

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

#### (c) Basis of measurement

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

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

#### (d) Use of estimates and judgements

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

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

- Note 3.10 and 38 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 3.14 and 41 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 3.15 and 33 – 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 43 - fair value measurement of financial instruments

## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### (e) Current vs non current classification

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

- i. the asset/liability is expected to be realised/settled in the 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 services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents

### (f) Fair value measurement

The 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:

- 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 43 - Financial instruments



## Notes to the Standalone financial statements

### For the year ended 31 March, 2019 (contd.)

#### (g) Standards issued but not yet effective.

Ministry of Corporate Affairs ("MCA") through Companies ( Indian Accounting Standards) Amendment Rules, 2019 has notified the following new standards and amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after 1 April, 2019

#### Ind AS 116 Leases

On 1 April ,2019 the MCA, has notified the Ind AS 116, Leases.

Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Company is in the process of analysing the impact of the new lease standard on its standalone financial statements.

### 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 on dispatch/delivery of the goods.

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

IndAS 115 'Revenue from Contracts with Customers' has replaced existing revenue recognition standards from 1 April 2018. It defines a new five step model to recognise revenue from customers. The adoption of this standard did not have any significant impact on the standalone financial statements.

##### Interest income

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

##### Dividend:

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

#### 3.02 Property, plant and equipment

##### (i) Recognition and measurement

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

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

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

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

## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### (ii) Subsequent expenditure

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

### (iii) Depreciation

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

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

	Useful life as Per Schedule II	Useful life as Per Company's Policy	Reasons
Site development	30 years	30 years	
Buildings 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 proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

### 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	

### 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.



## Notes to the Standalone financial statements

### For the year ended 31 March, 2019 (contd.)

#### 3.05 Foreign currency transactions

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

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

#### 3.06 Borrowing cost

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

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

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

#### 3.07 Leases

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

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

Company as a lessee

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

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

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

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

Company as a lessor

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

## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 3.08 Investment in subsidiary and associates

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

### 3.09 Investment property

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

### 3.10 Income-tax

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

#### (i) Current tax

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

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

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

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

#### (ii) Deferred tax

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

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

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

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

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



## Notes to the Standalone financial statements

### For the year ended 31 March, 2019 (contd.)

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.

#### 3.11 Cash and cash equivalents

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

#### 3.12 Inventories

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

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

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

#### 3.13 Financial instruments

Financial assets and financial liabilities are recognised when a 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 Standalone financial statements For the year ended 31 March, 2019 (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.

### (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.



## Notes to the Standalone financial statements

### For the year ended 31 March, 2019 (contd.)

#### (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.

#### 3.14 Employee benefits

##### (i) Short term employee benefits

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

##### (ii) Compensated absences

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured 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.

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.

## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 3.15 Provisions and contingent liabilities

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly 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.

### 3.16 Earnings per share

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

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

### 3.17 Government grants

The Company is entitled to 'Scheme of budgetary support' under Goods and Service Tax Act Regime in respect of eligible manufacturing units located in specified regions. Such grants are measured at eligible 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 grants.

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

### 3.18 Research and Development

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

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

### 3.19 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.



## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 4 Property, Plant and Equipment

(₹ in Lakhs)

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, 2017	748.07	1,554.77	8,000.59	454.02	82.58	131.18	145.15	<b>11,116.36</b>
Add: Additions during the year	218.07	4,613.92	2,457.80	79.00	-	41.62	37.89	<b>7,448.30</b>
Less: Disposal/adjustments during the year	-	-	202.37	1.46	-	0.67	16.73	<b>221.23</b>
<b>As at 31 March, 2018</b>	<b>966.14</b>	<b>6,168.69</b>	<b>10,256.02</b>	<b>531.56</b>	<b>82.58</b>	<b>172.13</b>	<b>166.31</b>	<b>18,343.43</b>
Add: Additions during the year	19.74	266.38	1,964.36	66.50	-	48.40	25.57	<b>2,390.95</b>
Less: Disposal/adjustments during the year	-	-	127.22	2.59	-	0.03	-	<b>129.84</b>
<b>As at 31 March, 2019</b>	<b>985.88</b>	<b>6,435.07</b>	<b>12,093.16</b>	<b>595.47</b>	<b>82.58</b>	<b>220.50</b>	<b>191.88</b>	<b>20,604.54</b>
Depreciation for the year								
As at 1 April, 2017	1.96	65.43	887.40	94.52	22.39	35.90	21.07	<b>1,128.67</b>
Add: Depreciation for the year	30.97	185.11	1,182.11	102.82	22.39	34.38	24.23	<b>1,582.01</b>
Less: Depreciation on deletion	-	-	59.59	1.32	-	0.22	8.37	<b>69.50</b>
As at 31 March, 2018	32.93	250.54	2,009.92	196.02	44.78	70.06	36.93	<b>2,641.18</b>
Add: Depreciation for the year	33.49	228.55	1,297.04	90.05	22.40	25.74	25.21	<b>1,722.48</b>
Less: Depreciation on deletion	-	-	125.05	2.47	-	0.03	-	<b>127.55</b>
<b>As at 31 March, 2019</b>	<b>66.42</b>	<b>479.09</b>	<b>3,181.91</b>	<b>283.60</b>	<b>67.18</b>	<b>95.77</b>	<b>62.14</b>	<b>4,236.11</b>
Net block								
<b>At 31 March, 2018</b>	<b>933.21</b>	<b>5,918.15</b>	<b>8,246.10</b>	<b>335.54</b>	<b>37.80</b>	<b>102.07</b>	<b>129.38</b>	<b>15,702.25</b>
<b>At 31 March, 2019</b>	<b>919.46</b>	<b>5,955.98</b>	<b>8,911.25</b>	<b>311.87</b>	<b>15.40</b>	<b>124.73</b>	<b>129.74</b>	<b>16,368.43</b>

\*Motor vehicles with a carrying amount of Rs 129.74 lakhs as at 31 March 2019 (31 March 2018: Rs 129.38 lakhs) are provided as security against loans taken.

### Intangible assets

(₹ in Lakhs)

Description	ERP software	Licenses and software	Total
Gross block			
As at 1 April, 2017	247.40	-	<b>247.40</b>
Add: Additions during the year	-	46.47	<b>46.47</b>
As at 31 March, 2018	247.40	46.47	<b>293.87</b>
Add: Additions during the year	-	32.58	<b>32.58</b>
<b>As at 31 March, 2019</b>	<b>247.40</b>	<b>79.05</b>	<b>326.45</b>
Amortisation For the year			
As at 1 April, 2017	74.99	-	<b>74.99</b>
Add: Amortisation for the year	68.25	0.25	<b>68.50</b>
As at 31 March, 2018	143.24	0.25	<b>143.49</b>
Add: Amortisation for the year	59.46	5.25	<b>64.71</b>
<b>As at 31 March, 2019</b>	<b>202.70</b>	<b>5.50</b>	<b>208.20</b>
Net block			
As at 31 March, 2018	104.16	46.22	<b>150.38</b>
<b>At 31 March, 2019</b>	<b>44.70</b>	<b>73.55</b>	<b>118.25</b>

## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 5 Investment property

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Freehold land	2.73	2.73
(Fair value)		

As at 31 March, 2019 -	₹ 57.68 lakhs
As at 31 March, 2018 -	₹ 33.66 lakhs

#### Fair value hierarchy

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

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

#### Description of valuation technique used

The Company has obtained 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 proprieties.

### 6 Investments

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Quoted equity shares at fair value through OCI</b>		
800,000 (31 March, 2018 : 800,000) equity shares of Re. 1 each in Camlin Fine Sciences Limited	398.00	810.01
<b>Unquoted equity shares</b>		
<b>Subsidiary - At cost</b>		
5,000 (31 March, 2018 : 5,000) Equity shares of Rs. 100/- each in Camlin International Limited*	-	5.00
Less : Provision for diminution in value of investment	-	(5.00)
	-	-

\* Consequent to the application for removal of name from Registrar of Companies on 30 March 2018, Camlin International Limited has been struck off from the records of ROC from 5 December 2018.

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
<b>Associate - At cost</b>		
247,950 (31 March, 2018 : 522,000) Equity shares of Rs.10 each in ColArt Camlin Canvas Private. Limited.	-	52.20
Less : Provision for diminution in value of investment	-	(52.20)
	-	-

(Associate upto 29 March 2019)



## Notes to the Standalone financial statements

### For the year ended 31 March, 2019 (contd.)

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
<b>Others</b>		
2,150 (31 March, 2018 : 2,150;) Equity shares of ₹ 100/- each in Excella Pencils Limited at fair value through OCI	240.23	243.54
247,950 (31 March, 2018 : 522,000) Equity shares of ₹ 10 each in ColArt Camlin Canvas Private. Limited at fair value through OCI	24.80	-
Less: Provision for diminution in value of investment	(24.80)	-
	-	-
	<b>638.23</b>	<b>1,053.55</b>
Aggregate amount of quoted investments - at cost	9.73	9.73
Aggregate amount of quoted investments - at market value	398.00	810.01
Aggregate amount of unquoted investments - at cost	26.95	59.35
Aggregate amount of impairment in value of investment	24.80	57.20

#### 7 Loans

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
<b>(Unsecured, Considered good)</b>		
Security deposits		
- Related parties	6.00	6.00
- Others	203.64	188.36
	<b>209.64</b>	<b>194.36</b>

#### 8 Other financial assets

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Fixed Deposits maturing after twelve months *	46.64	45.99
	<b>46.64</b>	<b>45.99</b>

\*Lodged as security with Government Departments ₹ 46.64 lakhs (31 March, 2018 : ₹ 45.99 lakhs).

#### 9 Other non-current assets

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
<b>Unsecured, considered good</b>		
Prepaid expenses	2,018.88	2,060.82
Capital advances	443.61	216.19
<b>Unsecured, considered doubtful</b>		
Capital advances	10.74	2.11
Provision for doubtful advances	(10.74)	(2.11)
	<b>2,462.49</b>	<b>2,277.01</b>

Prepaid expenses includes cost of leasehold land ₹ 2,000.78 lakhs (31 March, 2018 ₹ 2,032.39 lakhs) which is amortised over the period of the lease.

#### 10 Inventories

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
<b>(At lower of cost and net realisable value)</b>		
Raw materials (includes in transit ₹ 75.84 lakhs(31 March, 2018: ₹ 130.05 lakhs)	2,184.37	2,158.29
Packing materials (includes in transit ₹ 147.97 lakhs (31 March, 2018: ₹ 62.19 lakhs)	2,885.19	2,648.42
Spares and tools	143.46	75.34
Work-in-progress	2,099.92	1,368.24
Finished goods	7,445.80	6,079.66
Stock-in-trade	5,161.86	3,545.58
	<b>19,920.60</b>	<b>15,875.53</b>

## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 11 Trade receivables

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	11,751.04	10,950.65
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	138.04	182.68
	11,889.08	11,133.33
Provision for doubtful debts - credit impaired	(138.04)	(182.68)
	<b>11,751.04</b>	<b>10,950.65</b>

- (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 43

### 12 Cash and cash equivalents

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Balances with banks		
In current accounts	287.54	386.71
In EEFC accounts	50.89	12.45
Deposits with original maturity of less than three months *	150.00	28.40
Cash on hand	12.27	11.11
	<b>500.70</b>	<b>438.67</b>

### 13 Other bank balances

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Deposits with maturity of more than three months but less than twelve months *	548.97	14.16
Unpaid dividend account	-	2.51
	<b>548.97</b>	<b>16.67</b>

\*Lodged as security with Government Departments ₹ 48.97 lakhs (31 March, 2018 : ₹ 14.16 lakhs).

### 14 Loans

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>Unsecured, considered good</b>		
Interest accrued on deposits	25.38	10.62
	<b>25.38</b>	<b>10.62</b>

### 15 Other current assets

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>Unsecured</b>		
Advances to related parties (refer note 42)	0.04	0.03
Advances to suppliers	779.02	286.71
Less : doubtful advances	(15.92)	(16.75)
	<b>763.10</b>	<b>269.96</b>
Prepaid expenses	192.13	239.52
Deposits, balances and input credits for other taxes and duties	1,721.00	1,047.21
Gratuity fund (refer note 41)	-	14.37
Other advances	69.58	51.13
	<b>2,745.85</b>	<b>1,622.22</b>



## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 16 Equity Share Capital

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>Authorised</b>		
200,000,000 (31 March, 2018: 200,000,000) Equity Shares of ₹ 1/- each	2,000.00	2,000.00
<b>Issued, Subscribed &amp; Paid-up</b>		
100,303,806 (31 March, 2018: 100,303,806) Equity Shares of ₹ 1/- each, fully paid	1,003.04	1,003.04

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	31 March, 2019		31 March, 2018	
Name of the Holding Company	No of shares	% of holding	No of shares	% of holding
At the beginning of the year	10,03,03,806	1,003.04	10,03,03,806	1,003.04
Outstanding at the end of the year	10,03,03,806	1,003.04	10,03,03,806	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

	31 March, 2019		31 March, 2018	
Name of the Holding Company	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.

### 17 Other Equity

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>Capital reserve</b>		
Balance, beginning and end of the year	52.70	52.70
<b>Securities premium account</b>		
Balance, beginning and end of the year	17,901.56	17,901.56
<b>General reserve</b>		
Balance, beginning and end of the year	1,966.30	1,966.30
<b>Surplus in the statement of profit and loss</b>		
Balance, beginning of the year	1,919.60	960.94
Add :Profit for the year	1,520.33	982.17
Add: Remeasurement of defined benefit plan during the year	(48.62)	(23.51)
Balance, end of the year	3,391.31	1,919.60
<b>Other Comprehensive Income</b>		
Balance, beginning of the year	986.83	904.87
Add: Fair value gain/(loss) on equity instruments	(413.76)	81.96
Balance at the end of the year	573.07	986.83
	<b>23,884.94</b>	<b>22,826.99</b>



## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 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.

### 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 equity.

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Total Debt (Bank and other borrowings)	17,345.50	13,824.60
Less : Liquid Investments including bank deposits	1,049.67	455.34
	16,295.83	13,369.26
Equity	24,887.98	23,830.03
Debt to equity (net)	0.65	0.56

## 18 Borrowings

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Non-current borrowings from bank		
Unsecured	2,715.98	1,021.18
Secured	14.99	22.92
<b>Total non-current borrowings</b>	<b>2,730.97</b>	<b>1,044.10</b>
Current maturities of non-current borrowings		
Unsecured	539.54	507.34
Secured	7.96	8.51
<b>Total current borrowings</b>	<b>547.50</b>	<b>515.85</b>
<b>Total borrowings from bank</b>	<b>3,278.47</b>	<b>1,559.95</b>
Less: Amount included under other financial liabilities (refer note 23)	(547.50)	(515.85)
	2,730.97	1,044.10

Long term borrowing comprise

External Commercial borrowing (ECB) in USD from Sumitomo Mitsui Banking Corporation with carrying amount of ₹ 1,081.63 lakhs (31 March, 2018 - ₹ 1,528.52 lakhs)



## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

The terms of the loan are as follows:

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

External Commercial borrowing (ECB) in USD from Mizuho Bank, Ltd with carrying amount of ₹ 2,173.89 lakhs (31 March, 2018 - NIL)

The terms of the loan are as follows:

1. Rate of Interest is based on LIBOR plus agreed spread. Interest payable quarterly starting from 24 January 2019.
2. Repayable in 12 equal quarterly installments starting from 25 January 2021 with last installment payable on 24 October 2023.

The secured loan from HDFC bank is a vehicle loan with carrying amount of ₹ 2.62 lakhs (31 March, 2018 - ₹ 6.21 lakhs)

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

The secured loan from HDFC bank is a vehicle loan with carrying amount of ₹ 20.33 (31 March, 2018 - ₹ 25.22)

1. Rate of Interest is 8.50 %p.a.
2. Repayable in monthly installments starting from September 2017 with last installment payable on 5 August 2022.
3. Secured against hypothecation of vehicle.

### 19 Other financial liabilities

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Derivative liabilities (refer note 43 (c) (vi))	310.34	137.34
	<b>310.34</b>	<b>137.34</b>

### 20 Provisions

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Compensated absences - (refer note no. 41)	492.48	236.50
	<b>492.48</b>	<b>236.50</b>

### 21 Borrowings

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Unsecured		
Loans repayable on demand		
From bank		
Overdraft/working capital demand loan	8,730.75	7,784.73
Bills payable*	5,336.28	4,479.92
	<b>14,067.03</b>	<b>12,264.65</b>

\* for discounting of trade payables

### 22 Trade payables

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
total outstanding dues of micro enterprises and small enterprises;	267.95	255.48
total outstanding dues of creditors other than micro enterprises and small enterprises.	8,624.26	7,172.19
	<b>8,892.21</b>	<b>7,427.67</b>

The disclosures relating to Micro and Small Enterprises as defined under "The Micro , Small and Medium Enterprises Development Act 2006" is given under note 36

## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 23 Others Financial Liabilities

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Current maturities of long term borrowings - banks		
- Unsecured (refer note 18)	539.54	507.34
- Secured (refer note 18)	7.96	8.51
Employee dues	903.21	649.74
Security deposits	909.34	1,012.39
Capital creditors	268.93	196.10
Interest accrued but not due on bills payable	14.32	30.83
Unclaimed dividends	-	2.51
	<b>2,643.30</b>	<b>2,407.42</b>

### 24 Other current liabilities

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Payable to customers/advance from customers	159.63	146.52
Statutory liabilities	309.94	203.03
Accrued expenses	693.96	569.84
Others	3.59	0.07
	<b>1,167.12</b>	<b>919.46</b>

### 25 Provisions

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Provisions for employee benefits		
Gratuity fund - (Refer note 41)	56.67	-
Compensated absences - (Refer note 41)	124.46	59.05
	<b>181.13</b>	<b>59.05</b>

### 26 Revenue from operations

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Revenue from sale of products (refer note 32 and note 45)	68,684.28	63,618.52
Other operating revenues		
Government incentives	174.44	138.81
Others	18.48	83.47
<b>Total revenue from operations</b>	<b>68,877.20</b>	<b>63,840.80</b>

### 27 Other income

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Interest on bank deposits	68.54	38.17
Profit on sale of Investments	4.62	-
Profit on sale of property, plant and equipment (net)	0.66	-
Proceeds from maturity of keyman insurance policy	-	244.50
Miscellaneous receipts	2.88	2.32
	<b>76.70</b>	<b>284.99</b>



## Notes to the Standalone financial statements

### For the year ended 31 March, 2019 (contd.)

#### 28 Cost of materials consumed

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Opening stock of materials	4,806.71	4,076.31
Add: Purchases	26,525.36	24,406.81
Less: Closing stock of materials	(5,069.56)	(4,806.71)
	<b>26,262.51</b>	<b>23,676.41</b>
Purchase of stock-in-trade		
Stationery items	18,226.82	15,352.10
	<b>18,226.82</b>	<b>15,352.10</b>
<b>Changes in the inventories of finished goods, work-in-process and stock-in-trade</b>		
Stocks as at beginning of the year		
Work in process	1,368.24	1,120.48
Stock-in-trade	3,545.58	4,191.45
Finished goods	6,079.66	4,672.39
	10,993.48	9,984.32
Less :		
Closing stock as at year end		
Work in process	2,099.92	1,368.24
Stock-in-trade	5,161.86	3,545.58
Finished goods	7,445.80	6,079.66
	14,707.58	10,993.48
	<b>(3,714.10)</b>	<b>(1,009.16)</b>

#### 29 Employee benefits expense

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Salaries, wages and bonus	8,512.49	7,294.76
Contribution to Provident, Gratuity and other funds (refer note 41)	467.86	443.95
Staff and labour welfare	335.65	280.42
	<b>9,316.00</b>	<b>8,019.13</b>

#### 30 Finance costs

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Interest on bank borrowings	577.02	668.51
Interest on delayed payment of taxes	24.46	3.80
Other borrowing costs	548.28	288.26
	<b>1,149.76</b>	<b>960.57</b>

## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 31 Other expenses

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Power and fuel	881.08	736.74
Job work charges	2,475.84	2,365.37
Repairs		
- Building	0.50	16.23
- Machinery	225.38	159.69
- Others	351.48	363.97
Rent	1,298.11	1,320.23
Rates and taxes	79.09	127.44
Net losses/(gains) in respect of translations of foreign currencies	151.86	(109.21)
Insurance	74.02	70.75
Advertisement and sales promotion	1,637.02	1,695.17
Transport & forwarding charges	2,531.38	2,364.94
Commission and service charges on sales	1,216.83	1,260.91
Travelling & conveyance	1,145.06	1,076.67
Loss on sale/disposal of property, plant and equipment (net)	-	83.50
Provision for doubtful debts	39.29	48.46
Provision for doubtful advances	7.81	16.75
Provision for diminution in value of investment (refer note 6)	-	5.00
Payment to auditors*	25.94	24.86
Miscellaneous expenses (refer note 46)	1,510.89	1,472.42
	<b>13,651.58</b>	<b>13,099.89</b>

\* payment to auditors

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Audit fees (including Quarterly limited review)	20.75	20.75
Tax audit fees	1.50	1.50
Fees for certification	1.80	1.75
Expenses reimbursed	1.89	0.86
	<b>25.94</b>	<b>24.86</b>

### 32 Excise duty

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Excise duty	-	885.85
	<b>-</b>	<b>885.85</b>

With effect from 1 July 2017, sales are recorded net of goods and service tax (GST), where as prior to 1 July 2017, sales were recorded gross of excise duty which formed part of expenses.



## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 33 Contingent liabilities and commitments (to the extent not provided for)

		(₹ in Lakhs)	
		31 March, 2019	31 March, 2018
<b>a.</b>	<b>Commitments</b>		
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	152.54	296.12
<b>b.</b>	<b>Claims against the Company not acknowledged as debts in respect of (to the extent not provided for)</b>		
(i)	Income tax	122.22	14.66
(ii)	Indirect tax cases*	665.37	1,640.34
(iii)	Other matters	18.86	19.01
	* Tax paid under protest as at 31 March, 2019: ₹ 36.22 lakhs (31 March, 2018 - ₹ 36.22 lakh).		
<b>c.</b>	<b>Bank Guarantees</b>		
	Bank guarantees as on 31 March, 2019 is ₹ 64.93 lakhs (31 March, 2018: ₹ 105.43 lakhs)		

d. "The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts."

### 34 Excise remission at Jammu :

- a. The Jammu and Kashmir High Court delivered a judgment dated December 23, 2010 quashing the Excise Notification, applicable to the undertakings set up in Jammu, which restricted the quantum of excise duty remission and upheld the entitlement to total exemption from excise duty. In view of the legal advice confirming the Company's right to such total exemption on the grounds laid down in the judgment of the High Court, rebate of excise duty being the duty on assessable value of goods, net of Cenvat Credit has been recognised in the books of accounts till February 2013.
- b. A writ petition was filed by the Company praying the quashing of the impugned notification in its case. Pending final disposal of the petition filed by the Company, the Hon'ble High Court had modified the earlier interim order, passed on May 4, 2011, in OWP 601/2011 on March 11, 2013. Consequently the Hon'ble High Court has directed the department to release 50% of the amount due to the manufacturers, subject to the approval of Jurisdictional Commissioner of Excise for manufacturers' solvency. Post such order the Company has claimed excise rebate as per the earlier quashed notification. The excise duty remission of Rs. Nil (31 March, 2018: ₹ 97.27 lakhs) for the year is recognized as income from operations. The cumulative amount of remission as on March 31, 2019, so recognised is ₹ 2,497.87 lakhs (31 March, 2018: ₹ 2,497.87 lakhs).

### 35 Expenditure on Research and Development :

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

		(₹ in Lakhs)	
Sr No.		31 March, 2019	31 March, 2018
1	Employee cost	423.31	345.29
2	Cost of materials	0.06	0.07
3	Other expenses	13.56	20.61
		<b>436.93</b>	<b>365.97</b>

## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 36 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, 2019 has been made in the financial statements based on information received and available with the Company.

(₹ in Lakhs)

Sr No.		31 March, 2019	31 March, 2018
1	the amounts remaining unpaid to micro, small and medium suppliers as at the end of the year		
	- Principal	267.95	255.48
	- Interest	6.83	6.34
2	the amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	Nil	Nil
3	the amounts of the payments made to the suppliers beyond the appointed day during each accounting year;	674.97	720.49
4	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	6.55	6.18
5	the amount of interest accrued and remaining unpaid at the end of each accounting year;	6.83	6.34
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

### 37 Tax expense

#### (a) Amounts recognised in profit and loss

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
<b>I. Current income tax expense ( Previous year -Minimum alternate tax-MAT)</b>		
Current year	476.04	255.91
Earlier year	2.15	-
	478.19	255.91
<b>Deferred income tax liability / (asset), net</b>		
Origination and reversal of temporary differences	275.62	252.41
<b>Deferred tax expense</b>	275.62	252.41
<b>Tax expense for the year</b>	<b>753.81</b>	<b>508.32</b>

#### (b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

	31 March, 2019			31 March, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	(61.92)	13.30	(48.62)	(35.97)	12.45	(23.51)
Fair value changes on equity instruments	(415.32)	1.56	(413.76)	80.93	1.03	81.96
	<b>(477.24)</b>	<b>14.86</b>	<b>(462.38)</b>	<b>44.96</b>	<b>13.48</b>	<b>58.45</b>



## Notes to the Standalone financial statements

### For the year ended 31 March, 2019 (contd.)

#### (c) Reconciliation of effective tax rate

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Profit before tax	2,274.14	1,490.49
Tax using the Company's domestic tax rate (Current year 34.94% and Previous Year 34.61%)	794.70	515.83
Non-deductible tax expenses	(43.04)	(9.58)
Tax pertaining to prior years	2.15	-
Others	-	2.07
	<b>753.81</b>	<b>508.32</b>

The Company's standalone effective tax rates for the year ended 31 March, 2019 and 31 March, 2018 were 33.15% and 34.10% respectively.

#### 38 Deferred Taxes :

(₹ in Lakhs)				
Deferred Tax Assets	Deferred Tax Assets / (liabilities) 1 April, 2018	Recognised in Statement of Profit and Loss	Recognised in OCI	Net deferred tax assets/(liabilities) 31 March, 2019
Expenses allowed on payment basis	171.45	270.96	13.30	455.70
Others	432.78	65.59	-	498.37
Provision for doubtful debts/advances	69.75	(12.19)	-	57.56
Indexation benefit on investment property	1.08	0.06	-	1.14
MAT Credit entitlement	255.91	(73.14)	-	182.77
<b>Deferred Tax Assets</b>	<b>1,265.47</b>	<b>(83.22)</b>	<b>13.30</b>	<b>1,195.54</b>
<b>Deferred Tax Liabilities</b>				
Tangible and intangible assets	(1,048.38)	(192.40)	-	(1,240.78)
Fair valuation of investments	(54.84)	-	1.56	(53.28)
	(1,103.22)	(192.40)	1.56	(1,294.06)
<b>Net tax assets / (liability)</b>	<b>162.25</b>	<b>(275.62)</b>	<b>14.86</b>	<b>(98.52)</b>

Deferred Tax Assets	Deferred Tax Assets / (Liability) 1 April, 2017	Recognised in Statement of Profit and Loss	Recognised in OCI	Net deferred tax assets/(liabilities) 31 March, 2018
Expenses allowed on payment basis	213.79	(54.79)	12.45	171.45
Unabsorbed depreciation	578.96	(244.46)	-	334.50
Others	371.83	60.95	-	432.78
Provision for doubtful debts/advances	56.69	13.06	-	69.75
Indexation benefit on investment property	6.58	(5.50)	-	1.08
<b>MAT Credit entitlement</b>	<b>-</b>	<b>255.91</b>	<b>-</b>	<b>255.91</b>
<b>Deferred Tax Assets</b>	<b>1,227.85</b>	<b>25.17</b>	<b>12.45</b>	<b>1,265.47</b>
<b>Deferred Tax Liabilities</b>				
Tangible and intangible assets	(770.80)	(277.58)	-	(1,048.38)
Fair valuation of investments	(55.87)	-	1.03	(54.84)
	(826.67)	(277.58)	1.03	(1,103.22)
<b>Net tax assets / (liability)</b>	<b>401.18</b>	<b>(252.41)</b>	<b>13.48</b>	<b>162.25</b>

#### 39 Leases:

The Company has entered into operating leases on certain residential premises for employees, office premises, factory premises and godowns, with lease terms between one and five years. There are no restrictions of a material nature imposed by lease arrangements. Lease rental expense debited to Statement of Profit and loss is ₹ 1,298.11 lakhs (31 March, 2018: ₹ 1,320.23 lakhs).

Lease rental commitments on non cancellable agreements are as follows:

(₹ in Lakhs)		
	31 March, 2019	31 March, 2018
Not later than 1 year	233.10	310.80
later than one year and not later than five years;	-	233.10
later than five years.	-	-



## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 40 Earnings per share (basic and diluted):

		(₹ in Lakhs)	
		31 March, 2019	31 March, 2018
Net Profit available for equity shareholders		1,520.33	982.17
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		1.52	0.98
Earnings per equity share ( Face value of ₹ 1/- each)- Diluted		1.52	0.98

### 41 Employee Benefits :

#### Defined Contribution Plans

Company's contributions paid/payable during the year to provident fund, ESIC and superannuation fund are recognised in the Standalone statement of profit and loss. The contributions charged to the Standalone statement of profit and loss is ₹ 414.41 lakhs (31 March, 2018 ₹ 372.70 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 is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the plan asset.

#### a Actuarial assumptions:

		(₹ in Lakhs)	
		31 March, 2019	31 March, 2018
Discount rate		7.69%	7.82%
Rate of increase in salary		5.00%	5.00%
Expected return on plan assets		7.69%	7.82%
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%

#### b Reconciliation of benefit obligation:

		(₹ in Lakhs)	
		31 March, 2019	31 March, 2018
Present value of benefit obligations at the beginning of the year		1,189.48	1,183.35
Interest cost		93.02	88.87
Current service cost		60.21	54.85
Benefit paid from the fund		(114.79)	(164.12)
Actuarial (gain) / loss on obligations recognized in other comprehensive income		49.63	26.53
Present value of defined benefit obligation at the end of the year		1,277.55	1,189.48

As at 31 March, 2019, the weighted average duration of defined benefit obligation was 6 years. (31 March, 2018 : 6 years)



## Notes to the Standalone financial statements

### For the year ended 31 March, 2019 (contd.)

#### c Reconciliation of fair value of plan assets:

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Fair value of plan assets at the beginning of the year	1,203.85	1,048.70
Expected return on plan assets	94.14	78.76
Contributions by the employer	49.97	249.95
Benefit Paid	(114.79)	(164.12)
Actuarial gain / (loss) on plan assets recognized in other comprehensive income	(12.29)	(9.44)
Fair value of plan asset at the end of the year	1,220.88	1,203.85

#### 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, 2019 ₹ 50.00 lakhs)

#### d Balance sheet reconciliation

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Opening net liability/(asset)	(14.37)	134.65
Expenses recognized in the Statement of Profit and Loss	59.09	64.96
Expenses recognized in Other Comprehensive Income	61.92	35.97
Employer's contribution	(49.97)	(249.95)
Net liability/(asset) recognised in Balance sheet	56.67	(14.37)

#### e Expenses recognized in the Statement of profit and loss under the head employee benefits expenses

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Current service cost	60.21	54.85
Interest cost	93.02	88.87
Return on plan assets	(94.14)	(78.76)
Expenses recognised in the statement of profit and loss	59.09	64.96

#### f Expenses recognised in Other Comprehensive Income for the year

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Actuarial losses on obligation for the period	49.63	26.53
Actuarial losses on plan assets	12.29	9.44
Expenses recognised in the other comprehensive income	61.92	35.97

#### g Sensitivity Analysis

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Defined Benefit Obligation		
Discount Rate		
a. Discount Rate - 100 basis points	59.90	53.87
b. Discount Rate + 100 basis points	(52.72)	(47.80)
Salary Increase Rate (considered taking into account inflation, seniority, promotion and other relevant factors)		
a. Rate - 100 basis points	(54.48)	(49.45)
b. Rate + 100 basis points	60.92	54.86
Employee Turnover		
a. Rate - 100 basis points	(12.09)	(10.86)
b. Rate + 100 basis points	10.77	9.74

## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### Note on Sensitivity Analysis

- 1 Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is shown in the table above.
- 2 The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

### h Expected future cash flows

The expected future cash flows in respect of gratuity as Balance Sheet dates will as follows :

	(₹ in Lakhs)	
Projected benefits payable in future years from the date of reporting	31 March, 2019	31 March, 2018
1st following year	513.00	293.49
2nd following year	69.04	290.41
3rd following year	108.17	80.98
4th following year	87.52	109.79
5th following year	74.02	74.42
Sum of years 6 to 10	383.86	339.56
Sum of years 11 and above	836.78	710.02

### 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.

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Expense for the year	363.47	57.50
Closing balance	616.94	295.55

### 42 Related parties:

Related party, 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
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#### b Name of related parties with whom there were transaction during the year

Fellow Subsidiary	
2	Kokuyo Commerce (Shanghai) Co., Limited
3	Kokuyo Vietnam Trading Co. Limited
4	Kokuyo Vietnam Co., Limited
5	Kokuyo Co. Limited, Hongkong
6	Kokuyo Riddhi Paper Products Private Limited
7	Kokuyo International (M) SDN BHD
Entities over which KMPs /directors and/or their relatives are able to exercise significant influence	
8	Excella Pencils Limited
9	ColArt Camlin Canvas Private. Limited*
10	Camlin Fine Sciences Limited
11	Nilmac Packaging Industries Private Limited
12	Triveni Pencils Limited
13	Mayur Colours Limited
14	Dandekar Inks & Adhesives Limited

\*Associate upto 29 March, 2019



## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### c Key Management Personnel and their Relatives

Name of the Person	Nature of Relationship
<b>Key Management Personnel</b>	
Mr. Dilip Dandekar	Chairman & Executive Director (C& ED)
Mr. Shriram Dandekar	Vice Chairman & Executive Director (VC & ED)
Mr. Nobuchika Doi	Chief Executive Officer (upto 8 May 2018) and Executive Director
Mr. Takeo Iguchi	Executive Director
Mr. Satish Veerrappa*	Chief Executive Officer
Mr. Chetan Badal	Chief Financial Officer
Mr. Ravindra Damle	V.P. (Corporate) & Company Secretary
<b>Relatives</b>	
Mr. Subhash. Dandekar	Chairman Emeritus and brother of C & ED
Mrs. Aditi Dighe	General Manager -Marketing (Colour Group 2) and daughter of C& ED
Mr. Rahul Dandekar	Deputy General Manager -Marketing and son of C& ED

\* Mr Satish Veerappa is appointed as Chief Executive Officer from 9 May, 2018 and from 1 November, 2018 he is further appointed as Manager designated as CEO under section 196 and 203 of Companies Act, 2013.

### d Transactions with Holding Company

Particulars		(₹ in Lakhs)	
		31 March, 2019	31 March, 2018
Purchase of goods	Kokuyo Co. Limited	112.78	7.02
	<b>Total</b>	<b>112.78</b>	<b>7.02</b>
Sale of goods	Kokuyo Co. Limited	303.41	0.08
	<b>Total</b>	<b>303.41</b>	<b>0.08</b>
Reimbursement of expenses paid	Kokuyo Co. Limited	5.57	37.02
	<b>Total</b>	<b>5.57</b>	<b>37.02</b>
Reimburesemt of expenses received	Kokuyo Co. Limited	20.52	-
	<b>Total</b>	<b>20.52</b>	<b>-</b>
Royalty	Kokuyo Co. Limited	-	2.50
	<b>Total</b>	<b>-</b>	<b>2.50</b>

### Balances with Holding Company

Particulars		(₹ in Lakhs)	
		31 March, 2019	31 March, 2018
Net amount receivable	Kokuyo Co. Limited	66.16	20.10
	<b>Total</b>	<b>66.16</b>	<b>20.10</b>

### e Transactions with Fellow subsidiary company

Particulars	Name of entity	(₹ in Lakhs)	
		31 March, 2019	31 March, 2018
Purchase of goods	Kokuyo Vietnam Trading Co. Limited	6.70	9.43
	Kokuyo Riddhi Paper Products Pvt. Ltd.	138.30	-
	<b>Total</b>	<b>145.00</b>	<b>9.43</b>
Sale of goods	Kokuyo Co.Limited, Hongkong	15.26	20.67
	Kokuyo Commerce (Shanghai) Co. Limited	6.77	-
	Kokuyo Vietnam Trading Co. Limited	8.50	-
	<b>Total</b>	<b>30.52</b>	<b>20.67</b>
Purchase of fixed assets	Kokuyo International (M) SDN BHD	-	11.19
	<b>Total</b>	<b>-</b>	<b>11.19</b>

## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### Balances with Fellow subsidiary company

(₹ in Lakhs)			
Particulars	Name of entity	31 March, 2019	31 March, 2018
Net amount payable	Kokuyo Riddhi Paper Products Pvt. Ltd.	31.75	-
	<b>Total</b>	<b>31.75</b>	<b>-</b>
Net amount receivable	Kokuyo Commerce (Shanghai) Co. Limited	6.77	-
	Kokuyo Co.Limited, Hongkong	-	-
	<b>Total</b>	<b>6.77</b>	<b>-</b>

### f Transactions with entities over which KMPs / directors and/or their relatives are able to exercise significant influence

(₹ in Lakhs)			
Particulars	Name of entity	31 March, 2019	31 March, 2018
Receiving services	Dandekar Inks & Adhesives Limited	13.74	13.74
	Nilmac Packaging Industries Private Limited	819.91	777.72
	Excella Pencils Limited	1,105.91	899.36
	<b>Total</b>	<b>1,939.56</b>	<b>1,690.82</b>
Reimbursement of expenses	Excella Pencils Limited	39.05	50.28
	Triveni Pencils Limited	-	-
	Nilmac Packaging Industries Private Limited	28.73	16.30
	Mayur Colours Limited	-	0.38
	Camlin Fine Sciences Limited	0.45	0.25
	<b>Total</b>	<b>68.23</b>	<b>67.21</b>

### Balances with entities over which KMPs / directors and/or their relatives are able to exercise significant influence

(₹ in Lakhs)			
Particulars	Name of entity	31 March, 2019	31 March, 2018
Net amount payable	Excella Pencils Limited	16.78	-
	Nilmac Packaging Industries Private Limited	45.99	-
	Dandekar Inks & Adhesives Limited	1.03	-
	<b>Total</b>	<b>63.80</b>	<b>-</b>
Net amount receivable	Camlin Fine Sciences Limited	0.04	0.03
	<b>Total</b>	<b>0.04</b>	<b>0.03</b>

### g Payments to Key Management Personnel and their relatives

(₹ in Lakhs)			
Particulars	Name of entity	31 March, 2019	31 March, 2018
Remuneration	Mr. Dilip Dandekar	162.55	162.26
	Mr. Shriram Dandekar	137.17	136.88
	Mr. Nobuchika Doi	87.78	87.75
	Mr. Takeo Iguchi	89.12	86.38
	Mr. Satish Veerappa*	183.29	-
	Mr. Chetan Badal	92.03	69.60
	Mr. Ravindra Damle	53.35	41.39
	Ms. Aditi Dighe	18.45	11.96
	Mr. Rahul Dandekar	21.89	7.58
	<b>Total</b>	<b>845.63</b>	<b>603.80</b>

\* Includes Rs 95.80 lacs paid to him as remuneration not in a capacity as Manager , designated as CEO



## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 43 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.

(₹ in Lakhs)

31 March 2019	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Non-Current</b>								
(i) Investments	638.23	-	-	<b>638.23</b>	398.00	-	240.23	<b>638.23</b>
(ii) Loans	-	-	209.64	<b>209.64</b>	-	-	-	<b>-</b>
(iii) Other financial assets	-	-	46.64	<b>46.64</b>	-	-	-	<b>-</b>
<b>Current</b>								
(iv) Trade receivables	-	-	11,751.04	<b>11,751.04</b>	-	-	-	<b>-</b>
(v) Cash and cash equivalents	-	-	500.70	<b>500.70</b>	-	-	-	<b>-</b>
(vi) Bank balances other than (v) above	-	-	548.97	<b>548.97</b>	-	-	-	<b>-</b>
(vii) Loans and advances	-	-	25.38	<b>25.38</b>	-	-	-	<b>-</b>
	638.23	-	13,082.37	<b>13,720.60</b>	398.00	-	240.23	<b>638.23</b>
<b>Financial liabilities</b>								
<b>Non-Current</b>								
(i) Borrowings	-	-	2,730.97	<b>2,730.97</b>	-	-	-	<b>-</b>
(ii) Other financial liabilities - Derivative	-	310.34	-	<b>310.34</b>	-	310.34	-	<b>310.34</b>
<b>Current</b>								
(i) Short term borrowings	-	-	14,067.03	<b>14,067.03</b>	-	-	-	<b>-</b>
(ii) Trade payables	-	-	8,892.21	<b>8,892.21</b>	-	-	-	<b>-</b>
(iii) Other financial liabilities	-	-	2,643.30	<b>2,643.30</b>	-	-	-	<b>-</b>
	-	310.34	28,333.51	<b>28,643.85</b>	-	310.34	-	<b>310.34</b>

31 March 2018	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Non-Current</b>								
(i) Investments	1,053.55	-	-	<b>1,053.55</b>	810.01	-	243.54	<b>1,053.55</b>
(ii) Loans	-	-	194.36	<b>194.36</b>	-	-	-	<b>-</b>
(iii) Other financial assets								
-Derivative assets	-	-	-	<b>-</b>	-	-	-	<b>-</b>
-Fixed deposits	-	-	45.99	<b>45.99</b>	-	-	-	<b>-</b>
<b>Current</b>								
(iv) Trade receivables	-	-	10,950.65	<b>10,950.65</b>	-	-	-	<b>-</b>
(v) Cash and cash equivalents	-	-	438.67	<b>438.67</b>	-	-	-	<b>-</b>
(vi) Bank balances other than (v) above	-	-	16.67	<b>16.67</b>	-	-	-	<b>-</b>
(vii) Loans and advances	-	-	10.62	<b>10.62</b>	-	-	-	<b>-</b>
	1,053.55	-	11,656.96	<b>12,710.51</b>	810.01	-	243.54	<b>1,053.55</b>
<b>Financial liabilities</b>								
<b>Non-Current</b>								
(i) Borrowings	-	-	1,044.10	<b>1,044.10</b>	-	-	-	<b>-</b>
(ii) Other financial liabilities - Derivative Liabilities	-	137.34	-	<b>137.34</b>	-	137.34	-	<b>137.34</b>
<b>Current</b>								
(i) Short term borrowings	-	-	12,264.65	<b>12,264.65</b>	-	-	-	<b>-</b>
(ii) Trade payables	-	-	7,427.67	<b>7,427.67</b>	-	-	-	<b>-</b>
(iii) Other financial liabilities	-	-	2,407.42	<b>2,407.42</b>	-	-	-	<b>-</b>
	-	137.34	23,143.84	<b>23,281.18</b>	-	137.34	-	<b>137.34</b>

## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### Notes

"Investment in subsidiary and associates have been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

### 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, 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 the 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. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.



## Notes to the Standalone financial statements

### For the year ended 31 March, 2019 (contd.)

#### 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	Not applicable
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.

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Opening balances	243.54	256.61
Net change in fair value (unrealised) recognised in OCI	(3.31)	(13.07)
<b>Closing balances</b>	<b>240.23</b>	<b>243.54</b>

## 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.

#### 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.



## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

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 maximum exposure to credit risk for trade receivables of the Company is as follows:

(₹ in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Export	-	-
Domestic	(138.04)	(182.68)
<b>Total</b>	<b>(138.04 )</b>	<b>(182.68)</b>

Following is the movement in Provision for Expected credit loss on Other non-current financial assets:

(₹ in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Opening balance	182.68	171.45
Impairment loss recognised	39.29	48.46
Amounts written off	(83.93)	(37.23)
<b>Closing balance</b>	<b>138.04</b>	<b>182.68</b>

### Cash and cash equivalents

The Company is also exposed to credit risks arising on cash and cash equivalents and term deposits with banks. The Company believes that its credit risk in respect to cash and cash equivalents and term deposits is insignificant as funds are invested in term deposits at pre-determined interest rates for specified period of time. For cash and cash equivalents and other bank balances, only high rated banks are accepted.

### Other Financial Assets:

The Company periodically monitors the recoverability and credit risks of its other financial assets including employee loans, deposits and other receivables. The Company evaluates 12 month expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.



## Notes to the Standalone financial statements

### For the year ended 31 March, 2019 (contd.)

Following is the movement in Provision for Expected credit loss on Other non-current financial assets:

(₹ in Lakhs)

	Year ended 31 March, 2019	Year ended 31 March, 2018
Loss allowance at the beginning of the year	18.86	2.11
Changes in allowance during the year	7.81	16.75
Loss allowance as at the end of the year	26.67	18.86

#### 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.

(₹ in Lakhs)

	Carrying amount	Contractual cash flows			
		Total	Less than 1 year	1- 5 years	More than 5 years
<b>As at 31 March, 2019</b>					
<b>Non-derivative financial liabilities</b>					
Term Loans (including current maturities)	3,278.47	<b>3,278.47</b>	547.50	2,730.97	-
Short term borrowings	14,067.03	<b>14,067.03</b>	14,067.03	-	-
Trade payables	8,892.21	<b>8,892.21</b>	8,892.21	-	-
Other financial liabilities	2,643.30	<b>2,643.30</b>	2,643.30	-	-
<b>Derivative financial liabilities</b>					
Currency and interest rate swap contracts	310.34	<b>310.34</b>	-	310.34	-
<b>As at 31 March, 2018</b>					
<b>Non-derivative financial liabilities</b>					
Term Loans (including current maturities)	1,559.95	<b>1,559.95</b>	515.85	1,044.10	-
Short term borrowings	12,264.65	<b>12,264.65</b>	12,264.65	-	-
Trade payables	7,427.67	<b>7,427.67</b>	7,427.67	-	-
Other financial liabilities	2,407.42	<b>2,407.42</b>	2,407.42	-	-
<b>Derivative financial liabilities</b>					
Currency and interest rate swap contracts	137.34	<b>137.34</b>	-	137.34	-



## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

### 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:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in lakhs, are as follows:

	31 March, 2019		31 March, 2018	
	Foreign currency Amount	Amount in Rs.	Foreign currency Amount	Amount in Rs.
<b>Loan from - Banks (Unsecured and Hedged)</b>				
USD	46.85	3,255.52	23.40	1,528.52
Less: Currency swap		3,255.52		1,528.52
Net exposure		-		-
<b>Receivables</b>				
USD	15.83	1,094.98	7.33	476.77
YEN	113.43	70.92	5.74	3.53
<b>Payables</b>				
YEN	1074.07	671.51	881.21	542.30
USD	1.59	123.55	-	-

(in Lakhs)

	31 March, 2019		31 March, 2018	
	Foreign currency	Amount in Rs.	Foreign currency	Amount in Rs.
<b>Net exposure</b>				
USD	14.24	971.43	7.33	476.77
JPY	(960.64)	(600.59)	(875.47)	(538.76)

(in Lakhs)

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 Rs.	Profit or (loss)/ Equity	
	31 March, 2019	31 March, 2018
<b>Currencies (increase in rate by 10%)</b>		
USD	97.14	47.68
JPY	(60.06)	(53.88)
	<b>37.08</b>	<b>(6.20)</b>

(in Lakhs)

If the rate is decreased by 10% then there will be decrease in profit and equity of ₹ 37.08 lakhs for the year ended 31 March, 2019 and increase in profit and equity of ₹ 6.20 lakhs for the year ended 31 March, 2018.

### iv Market risk - Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowings (excluding commercial paper) with floating interest rates. For all long-term borrowings with floating rates, which are in foreign currency, the risk of variation in the interest rates is mitigated through interest rate swaps and hence, considered fixed rate borrowings. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.



## Notes to the Standalone financial statements

### For the year ended 31 March, 2019 (contd.)

Interest rate exposure:

	(₹ in Lakhs)		
	Total borrowings	Floating rate borrowings	Fixed rate borrowings
Term loan and short term borrowings	14,089.98	14,067.03	22.95
External Commercial borrowings	3,255.52	-	3,255.52
<b>Total as at 31 March, 2019</b>	<b>17,345.50</b>	<b>14,067.03</b>	<b>3,278.47</b>
Term loan and short term borrowings	12,296.08	12,264.65	31.43
External Commercial borrowings	1,528.52	-	1,528.52
<b>Total as at 31 March, 2018</b>	<b>13,824.60</b>	<b>12,264.65</b>	<b>1,559.95</b>

Interest rate sensitivities for unhedged exposure (impact on profit on increase of interest rate by 100 bps):

	(₹ in Lakhs)	
Particulars	31 March, 2019	31 March, 2018
Term loan and short term borrowings	(140.67)	(122.65)
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, 2019 would have increased equity by ₹ 7.96 lakhs (31 March, 2018 : ₹ 16.20 Lakhs); an equal change in the opposite direction would have decreased equity by ₹ 7.96 lakhs (31 March, 2018 : ₹ 16.20 lakhs).

#### vi Derivative instruments :

Currency and Interest Rates Swaps Contracts:

Derivatives for hedging currency and interest rates, outstanding are as under:

	(USD in Lakhs)				
	Purpose	Currency	31 March, 2019	31 March, 2018	Cross Currency
Currency and interest rate swaps	ECB*	USD	46.85	23.40	₹
*External Commercial Borrowings					

Mark-to-market on above derivative contracts ₹ 310.34 Lakhs (31 March, 2018 : ₹ 137.34 lakhs) is recognised as derivative liability.

## 44 Segment Reporting

The Company is in the business of manufacturing, trading and selling of stationery. It manufactures art material, marker pens, inks, pencils and others stationery products. The Management is of the view that the risks and returns for these products are not significantly different. Accordingly, the Company has a single reportable segment which is reviewed by Chief Operating Decision Maker (CODM). Further, export sales are not significant and there is no reportable secondary segment.

## 45 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.

## Notes to the Standalone financial statements For the year ended 31 March, 2019 (contd.)

(B) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Revenue from contracts with customer as per Contract price	78,441.10	70,975.05
Less: Discounts, incentives, rebates	9,072.67	6,534.65
Less: Sale refund/credit/Reversals	684.15	821.88
Revenue from contracts with customer as per statement of profit and loss	<b>68,684.28</b>	<b>63,618.52</b>

Disaggregation of revenue from contract with customers

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>Geography</b>		
Domestic	67,020.43	62,544.61
Exports	1,663.85	1,073.91
<b>Total</b>	<b>68,684.28</b>	<b>63,618.52</b>
<b>Sales Channel</b>		
Distributor/ Dealers (including exports)	64,503.33	59,667.49
Modern trade	4,180.95	3,951.03
	<b>68,684.28</b>	<b>63,618.52</b>

(C) Contract liability (advance from customers)

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Advance from customers	7.50	7.50

#### 46 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.

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Amount required to be spent by the Company	18.17	10.06
Amount spent		
"Construction/acquisition of any asset any asset"	-	-
<b>On purposes other than above</b>		
Contribution to NGOs	16.44	8.25
Contribution to Central Government	2.00	2.00
<b>Total amount spent in cash</b>	<b>18.44</b>	<b>10.25</b>

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

**Satish Veerappa**  
Chief Executive Officer

**Ravindra Damle**  
V P (Corporate) and Company Secretary

**Shishir B. Desai**  
Director  
(DIN- 01453410)

Mumbai  
8 May 2019

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

**Chetan Badal**  
Chief Financial Officer

**Nobuchika Doi**  
Executive Director  
(DIN-03599835)

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

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

**Takeo Iguchi**  
Executive Director  
(DIN-03599826)



**Form AOC - I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A" : Subsidiaries : NA**

(Information in respect of each subsidiary to be presented with amounts in ₹ in Lakhs)

1	Name of the subsidiary	-
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	-
4	Share capital	-
5	Reserve & surplus	-
6	Total assets	-
7	Total Liabilities	-
8	Investments	-
9	Turnover	-
10	Profit before taxation	-
11	Provision for taxation	-
12	Profit after taxation	-
13	Proposed Dividend	-
14	% of shareholding	-

**Part "B" : Associates and Joint Ventures****Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(₹ in Lakhs)

Name of Associates / Joint Ventures	Colart Camlin Canvas Pvt. Ltd.
Balance Sheet Date	March 31, 2019
Shares of Associate/Joint Ventures held by the Company on the year end	
Number of Equity Shares	247,950
Amount of Investment in Associates/Joint Venture	24.80
Extend of Holding %	19.00%
Description of how there is significant influence	Equity Ownership
Reason why the associate/ Joint venture is not consolidated	Negative Networth
Networth attributable to shareholding as per latest audited Balance Sheet	Nil
*Profit /Loss for the year	-73.47
Considered in Consolidation	Yes
Not Considered in Consolidation	-

\* As per Management Accounts

Note: Colart Camlin Canvas Private Limited was an Associate Company as defined under section 2(6) of the Companies Act, 2013 upto 29th March, 2019.

For and on behalf of the Board of Directors of  
Kokuyo Camlin Limited

CIN : L24223MH1946PLC005434

**Chetan Badal**

Chief Financial Officer

**Ravindra Damle**

V P (Corporate) and Company Secretary

**Satish Veerappa**

Chief Executive Officer

Mumbai  
8 May 2019**Dilip Dandekar**Chairman and Executive Director  
(DIN-00846901)**Shriram Dandekar**Vice Chairman & Executive Director  
(DIN-01056318)**Takeo Iguchi**Executive Director  
(DIN-03599826)**Nobuchika Doi**Executive Director  
(DIN-03599835)**Shishir B. Desai**Director  
(DIN- 01453410)

# Independent Auditors' Report

To the Members of

Kokuyo Camlin Limited

## Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Kokuyo Camlin Limited (hereinafter referred to as the 'Holding Company') and its associate (upto 29 March 2019), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the 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 consolidated state of affairs of the Holding Company and its associate as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### 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 Consolidated Financial Statements section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p><b>Revenue recognition:</b></p> <p>As disclosed in note 3.02 to the consolidated financial statements, revenue from the sale of goods is recognised when the control of the goods has passed, which is on dispatch/delivery of the goods. There is a risk that revenue may be overstated to achieve performance targets at the reporting period end.</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 material 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 at the reporting period end.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Accounting policies: Assessing the appropriateness of the Company's accounting policy with respect to revenue recognition and accounting estimates for schemes and discounts and comparing with applicable accounting standards.</li> <li>Control testing: Testing the effectiveness of the Company's controls over recognizing revenue and controls over estimating and recording the amount of provisions for schemes and discounts.</li> <li>Tests of details: Inspecting underlying documentation/records for sales transactions recorded either side of the year end to determine whether revenue has been recognised in the correct period. Inspecting underlying documents/records to determine accounting of schemes and claims.</li> </ul>
	<ul style="list-style-type: none"> <li>Assessing manual journals posted to revenue to identify unusual or irregular items.</li> <li>Performing ageing analysis of various schemes issued in earlier/current year. Comparing earlier year's scheme provisions vis-à-vis claims settled and paid during the current year.</li> <li>Considering the adequacy of the Company's disclosure in respect of revenue.</li> </ul>



## Independent Auditors' Report (contd.)

The key audit matter	How the matter was addressed in our audit
<p><b>Provisioning for slow moving inventory</b></p> <p>The Company makes provisions for slow moving / non-moving inventories based on certain specific percentages assigned to the inventory ageing exceeding 2 years. The Company also makes specific provisions for slow moving items ageing upto 2 years. Due to the significant number of stock keeping units (SKUs) falling under various categories of inventories, significant judgment is required by the management in determining the inventory provisioning.</p> <p>There is a risk that the inventory may be overstated on account of improper provisioning for non-moving inventories.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <p>Accounting policies: Assessing the appropriateness of the Company's inventory provisioning policies.</p> <ul style="list-style-type: none"> <li>● Control testing: Testing the effectiveness of the Company's controls over the calculation and recording of slow moving inventory provision.</li> <li>● Tests of details:           <ul style="list-style-type: none"> <li>Attending physical stock take as at the period end to identify slow moving stocks. Checking the sales of slow moving inventory during the period and discussing with management their plans for disposal of such stocks.</li> <li>Testing the estimated future sales values, less estimated costs to sell against the carrying value of the inventories.</li> <li>Assessed the historical accuracy of management's estimates against actual outcomes to evaluate the impact and tested the inventory written off against the provisions recorded</li> <li>Assessing manual journals posted to inventory to identify unusual or irregular items.</li> </ul> </li> </ul>

### Other Information

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and,

in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Holding Company including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The Board of Directors of the Holding Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the Holding Company and of its associate is responsible for overseeing the financial reporting process of each company



## Independent Auditors' Report (contd.)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Holding 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 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Holding Company as well as its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Holding Company and its associate to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. There are no entities included in the consolidated financial statements, which have been audited by other auditors. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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.

### Other Matter

- (a) The consolidated financial statements also include the Holding Company's share of net profit (and other comprehensive income) of Rs. Nil for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial



## Independent Auditors' Report (contd.)

statements/financial information have not been audited by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) of section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Holding Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to reliance on the financial statements/financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

- A. As required by section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - On the basis of the written representations received from the directors of the Holding Company as on 1 April 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act.

- With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

- The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Holding Company. Refer Note 34 and Note 35 to the consolidated financial statements.
- The Holding Company did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.
- There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019.
- The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.

- C. With respect to the matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company 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

Mumbai

8 May 2019

# Annexure A to the Independent Auditors' Report on the consolidated financial statements

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

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

## Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Kokuyo Camlin Limited (hereinafter referred to as "the Holding Company"), as of that date.

In our opinion, the Holding Company, has in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

## Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 internal financial controls with reference to consolidated financial statements.

## Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions





## Annexure A to the Independent Auditors' Report on consolidated financial statements (contd.)

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 consolidated Financial Statements**

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

### **Other matter**

The Company had only one associate company upto 29 March 2019. Accordingly, our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements is only in respect of the Holding Company.

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

Chartered Accountants

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

**Vijay Mathur**

Partner

Membership No: 046476

Mumbai

8 May 2019

# Consolidated Balance Sheet

As at 31 March, 2019

(₹ in Lakhs)

Particulars	Note	31 March, 2019	31 March, 2018
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	16,368.43	15,702.25
(b) Investment property	5	2.73	2.73
(c) Other intangible assets	4	118.25	150.38
(d) Investments accounted for using the equity method	6	-	-
(e) Financial assets			
(i) Investments	7	638.23	1,053.55
(ii) Loans	8	209.64	194.36
(iii) Other financial assets	9	46.64	45.99
(f) Deferred tax assets (net)	39	-	162.25
(g) Income tax assets (net)		132.13	-
(h) Other non-current assets	10	2,462.49	2,277.01
<b>Total non-current assets (A)</b>		<b>19,978.54</b>	<b>19,588.52</b>
<b>Current assets</b>			
(a) Inventories	11	19,920.60	15,875.53
(b) Financial assets			
(i) Trade receivables	12	11,751.04	10,950.65
(ii) Cash and cash equivalents	13	500.70	438.67
(iii) Bank balances other than (ii) above	14	548.97	16.67
(iv) Loans	15	25.38	10.62
(c) Other current assets	16	2,745.85	1,622.22
<b>Total current assets (B)</b>		<b>35,492.54</b>	<b>28,914.36</b>
<b>TOTAL ASSETS (A + B)</b>		<b>55,471.08</b>	<b>48,502.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	1,003.04	1,003.04
(b) Other equity	18	23,884.94	22,826.99
<b>Total equity (C)</b>		<b>24,887.98</b>	<b>23,830.03</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	2,730.97	1,044.10
(ii) Other financial liabilities	20	310.34	137.34
(b) Provisions	21	492.48	236.50
(c) Deferred tax liabilities (net)	39	98.52	-
(d) Income tax liabilities (net)		-	176.66
<b>Total Non-current liabilities (D)</b>		<b>3,632.31</b>	<b>1,594.60</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Short term borrowings	22	14,067.03	12,264.65
(ii) Trade payables	23		
total outstanding dues of micro enterprises and small enterprises;		267.95	255.48
total outstanding dues of creditors other than micro enterprises and small enterprises.		8,624.26	7,172.19
(iii) Other financial liabilities	24	2,643.30	2,407.42
(b) Other current liabilities	25	1,167.12	919.46
(c) Provisions	26	181.13	59.05
<b>Total Current Liabilities (E)</b>		<b>26,950.79</b>	<b>23,078.25</b>
<b>TOTAL EQUITY AND LIABILITIES (C+ D+ E)</b>		<b>55,471.08</b>	<b>48,502.88</b>

The attached notes 2 to 48 form an integral part of these consolidated financial statements.

As per our report of even date attached

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

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

**Vijay Mathur**  
Partner  
Membership No: 046476

**Satish Veerappa**  
Chief Executive Officer

**Chetan Badal**  
Chief Financial Officer

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

**Ravindra Damle**  
V P (Corporate) and Company Secretary

**Nobuchika Doi**  
Executive Director  
(DIN-03599835)

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

**Shishir B. Desai**  
Director  
(DIN-01453410)

**Takeo Iguchi**  
Executive Director  
(DIN-03599826)

Mumbai  
8 May 2019





# Consolidated Statement of Profit and Loss

For the year ended 31 March, 2019

(₹ in Lakhs)

	Note	31 March, 2019	31 March, 2018	
<b>REVENUE</b>				
I	Revenue from operations	27	68,877.20	63,838.69
II	Other income	28	76.70	283.13
<b>III</b>	<b>Total Income (I + II)</b>		<b>68,953.90</b>	<b>64,121.82</b>
<b>IV EXPENSES</b>				
(a)	Cost of materials consumed	29	26,262.51	23,676.41
(b)	Excise duty	33	-	885.85
(c)	Purchases of stock-in-trade	29	18,226.82	15,352.10
(d)	Changes in stock of finished goods, work-in-progress and stock-in-trade	29	(3,714.10)	(1,009.16)
(e)	Employee benefits expense	30	9,316.00	8,019.13
(f)	Finance costs	31	1,149.76	960.57
(g)	Depreciation and amortisation expense	4	1,787.19	1,650.51
(h)	Other expenses	32	13,651.58	13,097.40
	<b>Total Expenses (IV)</b>		<b>66,679.76</b>	<b>62,632.81</b>
<b>V</b>	<b>Profit before tax (III - IV)</b>		<b>2,274.14</b>	<b>1,489.01</b>
<b>VI</b>	<b>Tax Expense</b>	38		
(a)	Current tax		476.04	255.91
(b)	Deferred tax [Including MAT credit entitlement for the year Rs. Nil (2017-18- Rs. 255.91 Lakhs)]		275.62	252.41
(c)	Prior years - Income tax		2.15	-
	<b>Total tax expense (VI)</b>		<b>753.81</b>	<b>508.32</b>
<b>VII</b>	<b>Profit after tax (V -VI)</b>		<b>1,520.33</b>	<b>980.69</b>
<b>VIII</b>	<b>Other comprehensive income</b>		<b>(462.38)</b>	<b>58.44</b>
(i)	<b>Items that will not be reclassified subsequently to profit or loss</b>			
(a)	Remeasurements of the defined benefit plans		(61.92)	(35.97)
(b)	Fair value changes on equity instruments		(415.32)	80.93
(ii)	Income tax relating to items that will not be reclassified to profit or loss		14.86	13.48
<b>IX</b>	<b>Total comprehensive income for the year</b>		<b>1,057.95</b>	<b>1,039.13</b>
<b>X</b>	<b>Earnings per share (Face value Re. 1/- each):</b>	41		
	Basic earnings per share		1.52	0.98
	Diluted earnings per share		1.52	0.98

The attached notes 2 to 48 form an integral part of these consolidated 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

**Satish Veerappa**

Chief Executive Officer

**Ravindra Damle**

V P (Corporate) and Company Secretary

**Shishir B. Desai**

Director

(DIN-01453410)

**Chetan Badal**

Chief Financial Officer

**Nobuchika Doi**

Executive Director

(DIN-03599835)

For and on behalf of the Board of Directors of

Kokuyo Camlin Limited

CIN : L24223MH1946PLC005434

**Dilip Dandekar**

Chairman and Executive Director

(DIN-00846901)

**Shriram Dandekar**

Vice Chairman & Executive Director

(DIN-01056318)

**Takeo Iguchi**

Executive Director

(DIN-03599826)

Mumbai

8 May 2019

# Consolidated Statement of Cash Flows

For the year ended 31 March, 2019

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
<b>Cash flows from operating activities</b>		
Profit before tax for the year	2,274.14	1,489.01
<b>Adjustments for :</b>		
Depreciation and amortisation	1,787.19	1,650.51
Unrealised foreign exchange (gain)	(46.25)	(16.90)
Finance costs	1,149.76	960.57
Interest income	(68.54)	(38.34)
Profit on sale of investments	(4.62)	-
Provision for doubtful receivables	39.29	48.46
Provision for capital advances	8.64	-
Provision for doubtful advances	(0.83)	16.75
(Profit)/loss on sale of property, plant and equipment(net)	(0.66)	83.50
Amortisation of prepayments of leasehold land	32.05	32.39
<b>Total</b>	<b>5,170.17</b>	<b>4,225.95</b>
<b>Working capital adjustments</b>		
-(Increase) in trade receivables	(839.68)	(365.11)
-(Increase) in other current assets	(1,122.80)	(222.29)
-(Increase) in Inventories	(4,045.07)	(1,790.78)
-Decrease in Other non current assets	9.89	52.39
-(Increase)/decrease in loans	(15.28)	85.59
-Increase/(decrease) in trade payables	1,510.79	(504.54)
-Increase/(decrease) in provisions	316.14	(157.36)
- Increase in other current liabilities	554.60	79.23
<b>Total</b>	<b>(3,631.41)</b>	<b>(2,822.87)</b>
<b>Cash from operating activities</b>	<b>1,538.76</b>	<b>1,403.08</b>
Tax (paid)/refund (net)	(786.98)	35.87
<b>Net cash generated from operating activities</b>	<b>751.78</b>	<b>1,438.95</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2,586.78)	(1,560.67)
Proceeds from sale of property, plant and equipment	2.95	68.23
Deposits (placed)/matured	(535.46)	199.90
Unpaid dividend account	2.51	5.04
Interest received	53.78	54.53
Proceeds from sale of investments	4.62	-
<b>Net cash used in investing activities</b>	<b>(3,058.38)</b>	<b>(1,232.97)</b>
<b>Cash flows from financing activities</b>		
Proceeds/(repayment) of short term borrowings (net)	1,802.38	1,014.64
Proceeds/(repayment) of term borrowings	1,718.52	(1,020.74)
Dividend transferred to Investors education fund	(2.51)	(5.04)
Interest and other finance cost paid	(1,149.76)	(960.57)
<b>Net Cash generated/(used) in financing activities</b>	<b>2,368.63</b>	<b>(971.71)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>62.03</b>	<b>(765.73)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>438.67</b>	<b>1,204.40</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>500.70</b>	<b>438.67</b>

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





## Consolidated statement of cash flows

### For the year ended 31 March, 2019 (contd.)

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Balance with banks		
in current accounts	287.54	386.71
in EEFC accounts	50.89	12.45
Deposits with original maturity of less than three months	150.00	28.40
Cash on hand	12.27	11.11
	500.70	438.67
Debt reconciliation statement in accordance with IND AS 7		
Opening balances		
Long term borrowing (including current maturities)	1,559.95	2,580.69
Short term borrowing	12,264.65	11,250.01
Movement		
Long term borrowing	1,718.52	(1,020.74)
Short term borrowing	1,802.38	1,014.64
Closing balance		
Long term borrowing (including current maturities)	3,278.47	1,559.95
Short term borrowing	14,067.03	12,264.65

The attached notes 2 to 48 form an integral part of these consolidated 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

**Satish Veerappa**

Chief Executive Officer

**Ravindra Damle**

V P (Corporate) and Company Secretary

**Shishir B. Desai**

Director

(DIN-01453410)

**Chetan Badal**

Chief Financial Officer

**Nobuchika Doi**

Executive Director

(DIN-03599835)

**Dilip Dandekar**

Chairman and Executive Director

(DIN-00846901)

**Shriram Dandekar**

Vice Chairman & Executive Director

(DIN-01056318)

**Takeo Iguchi**

Executive Director

(DIN-03599826)

For and on behalf of the Board of Directors of

Kokuyo Camlin Limited

CIN : L24223MH1946PLC005434

Mumbai

8 May 2019



# Consolidated Statement of Changes in Equity

For the year ended 31 March, 2019

(a) Equity Share Capital

	Note No.	31 March, 2019	31 March, 2018
Balance at the beginning of the year	17	1,003.04	1,003.04
Changes in equity share capital during the year		-	-
<b>Balance at the end of the year</b>		<b>1,003.04</b>	<b>1,003.04</b>

(b) Other equity

	Capital reserve	Securities premium	General reserve	Retained earnings	Items of Other comprehensive income	Total equity
Balance at 1 April, 2017	52.70	17,901.56	2,009.39	961.74	862.47	21,787.86
<b>Profit for the year</b>				980.69		980.69
<b>Other comprehensive income for the year</b>						
Equity Instruments through Other Comprehensive Income (net of tax)					81.96	81.96
Remeasurements of defined benefit plan (net of tax)				(23.52)		(23.52)
<b>Balance at 31 March 2018</b>	<b>52.70</b>	<b>17,901.56</b>	<b>2,009.39</b>	<b>1,918.91</b>	<b>944.43</b>	<b>22,826.99</b>
<b>Profit for the year</b>	-	-	-	1,520.33	-	1,520.33
<b>Other comprehensive income for the year</b>						
Equity Instruments through Other Comprehensive Income (net of tax)	-	-	-	-	(413.76)	(413.76)
Remeasurements of defined benefit plan (net of tax)	-	-	-	(48.62)		(48.62)
<b>Balance at 31 March, 2019</b>	<b>52.70</b>	<b>17,901.56</b>	<b>2,009.39</b>	<b>3,390.62</b>	<b>530.67</b>	<b>23,884.94</b>

The attached notes 2 to 48 form an integral part of these consolidated 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

**Satish Veerappa**  
Chief Executive Officer

**Ravindra Damle**  
V P (Corporate) and Company Secretary

**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

**Nobuchika Doi**  
Executive Director  
(DIN-03599835)

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

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

**Takeo Iguchi**  
Executive Director  
(DIN-03599826)

Mumbai  
8 May 2019



# Notes to the Consolidated financial statements

## For the year ended 31 March, 2019

### 1 Background of the Company

- (a) Kokuyo Camlin Limited (the "Company") was incorporated in India in 1946 as "Camlin Private Limited" under the Indian Companies Act, 1913. Subsequently, the Company was converted into a Public Limited Company in 1988 as Camlin Limited and was listed on BSE Ltd (BSE) and listed on National Stock Exchange of India Ltd (NSE) in the year 2008. In the year 2011, Kokuyo S&T Co. Ltd, (now Kokuyo 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.

- (b) These consolidated financial statements comprise the financial statements of Kokuyo Camlin Limited (the company), and its associate.
- (c) Below is the particulars of associate company considered which have been considered in the preparation of the consolidated financial statement.

Name of the Company	Country of incorporation	% of voting power held on 30 March 2019
Colart Camlin Canvas Private Limited *	India	19%

\* Associate upto 29 March, 2019

### 2 Basis of preparation

#### (a) Statement of compliance

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

The Consolidated financial statements for the year ended 31 March, 2019 have been reviewed by the Audit Committee at its meeting held on 6 May, 2019 and approved by the Board of Directors at its meeting held on 8 May, 2019.

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

#### (b) Functional and presentation currency

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

#### (c) Basis of measurement

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

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

#### (d) Use of estimates and judgements

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

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

- Note 3.10 and 39 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 3.14 and 42 – measurement of defined benefit obligations: key actuarial assumptions;

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

- Notes 3.15 and 34 – 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 44 - fair value measurement of financial instruments

### (e) Current vs non current classification

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

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

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

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

### (f) Fair value measurement

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

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

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

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

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

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



## Notes to the Consolidated financial statements

### For the year ended 31 March, 2019 (contd.)

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 43 - Financial instruments

#### (g) Standards issued but not yet effective.

Ministry of Corporate Affairs ("MCA") through Companies ( Indian Accounting Standards) Amendment Rules, 2019 has notified the following new standards and amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after 1 April, 2019

#### Ind AS 116 Leases

On 1 April ,2019 the MCA, has notified the Ind AS 116, Leases.

Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Company is in the process of analysing the impact of the new lease standard on its consolidated financial statements.

### 3 Significant accounting policies

#### 3.01 Basis of Consolidation

##### Equity accounted investees

Associates are entities over which the Company has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date.

Effective 29 March 2019, ColArt Camlin Canvas Private Limited, a non-operating entity and the only other component within the group ceased to be an associate of the Company.

#### 3.02 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 on dispatch/delivery of the goods.

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

IndAS 115 'Revenue from Contracts with Customers' has replaced existing revenue recognition standards from 1 April, 2018. It defines a new five step model to recognise revenue from customers. The adoption of this standard did not have any significant impact on the consolidated financial statements.

##### Interest income

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

##### Dividend:

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

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### 3.03 Property, plant and equipment

#### (i) Recognition and measurement

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

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

- 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 equipments.

#### (ii) Subsequent expenditure

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

#### (iii) Depreciation

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

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

	Useful life as Per Schedule II	Useful life as Per Company's Policy	Reasons
Site development	30 years	30 years	
Buildings 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 proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

### 3.04 Intangible assets

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

Subsequent expenditure is 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	



## Notes to the Consolidated financial statements

### For the year ended 31 March, 2019 (contd.)

#### 3.05 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.

#### 3.06 Foreign currency transactions

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

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

#### 3.07 Borrowing cost

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

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

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

#### 3.08 Leases

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

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

Company as a lease

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

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

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

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

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

Company as a lessor

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

### 3.09 Investment property

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

### 3.10 Income-tax

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

#### (i) Current tax

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

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

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

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

#### (ii) Deferred tax

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

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



## Notes to the Consolidated financial statements

### For the year ended 31 March, 2019 (contd.)

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

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

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

Deferred tax relating to items recognised outside profit or loss are 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.

#### 3.11 Cash and cash equivalents

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

#### 3.12 Inventories

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

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

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

#### 3.13 Financial instruments

Financial assets and financial liabilities are recognised when a 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.



## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### (ii) Classification and Subsequent Measurement: Financial Assets

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

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

#### Amortised Cost:

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

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

#### Fair Value through OCI:

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

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

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

#### Fair Value through Profit or Loss:

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

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

### (iii) Classification and Subsequent Measurement: Financial liabilities

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



## Notes to the Consolidated financial statements

### For the year ended 31 March, 2019 (contd.)

#### (v) Derecognition of financial assets and financial liabilities:

##### Financial assets

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

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

##### Financial Liabilities

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

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

#### (vi) Derivatives

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

#### (vii) Offsetting financial instruments

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

### 3.14 Employee benefits

#### (i) Short term employee benefits

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

#### (ii) Compensated absences

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured 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.

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

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

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

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

### (v) Other long-term employee benefits

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

### 3.15 Provisions and contingent liabilities

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly 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.

### 3.16 Earnings per share

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

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

### 3.17 Research and Development

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

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



## Notes to the Consolidated financial statements

### For the year ended 31 March, 2019 (contd.)

#### 3.18 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 eligible 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 grants.

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

#### 3.19 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.

## 4 Property, Plant and Equipment

(₹ in Lakhs)

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, 2017	748.07	1,554.77	8,000.59	454.02	82.58	131.18	145.15	<b>11,116.36</b>
Add: Additions during the year	218.07	4,613.92	2,457.80	79.00	-	41.62	37.89	<b>7,448.30</b>
Less: Disposal/adjustments during the year	-	-	202.37	1.46	-	0.67	16.73	<b>221.23</b>
<b>As at 31 March, 2018</b>	<b>966.14</b>	<b>6,168.69</b>	<b>10,256.02</b>	<b>531.56</b>	<b>82.58</b>	<b>172.13</b>	<b>166.31</b>	<b>18,343.43</b>
Add: Additions during the year	19.74	266.38	1,964.36	66.50	-	48.40	25.57	<b>2,390.95</b>
Less: Disposal/adjustments during the year	-	-	127.22	2.59	-	0.03	-	<b>129.84</b>
<b>As at 31 March, 2019</b>	<b>985.88</b>	<b>6,435.07</b>	<b>12,093.16</b>	<b>595.47</b>	<b>82.58</b>	<b>220.50</b>	<b>191.88</b>	<b>20,604.54</b>
Depreciation for the year								
As at 1 April, 2017	1.96	65.43	887.40	94.52	22.39	35.90	21.07	<b>1,128.67</b>
Add: Depreciation for the year	30.97	185.11	1,182.11	102.82	22.39	34.38	24.23	<b>1,582.01</b>
Less: Depreciation on deletion	-	-	59.59	1.32	-	0.22	8.37	<b>69.50</b>
As at 31 March, 2018	32.93	250.54	2,009.92	196.02	44.78	70.06	36.93	<b>2,641.18</b>
Add: Depreciation for the year	33.49	228.55	1,297.04	90.05	22.40	25.74	25.21	<b>1,722.48</b>
Less: Depreciation on deletion	-	-	125.05	2.47	-	0.03	-	<b>127.55</b>
<b>As at 31 March, 2019</b>	<b>66.42</b>	<b>479.09</b>	<b>3,181.91</b>	<b>283.60</b>	<b>67.18</b>	<b>95.77</b>	<b>62.14</b>	<b>4,236.11</b>
Net block								
<b>At 31 March, 2018</b>	<b>933.21</b>	<b>5,918.15</b>	<b>8,246.10</b>	<b>335.54</b>	<b>37.80</b>	<b>102.07</b>	<b>129.38</b>	<b>15,702.25</b>
<b>At 31 March, 2019</b>	<b>919.46</b>	<b>5,955.98</b>	<b>8,911.25</b>	<b>311.87</b>	<b>15.40</b>	<b>124.73</b>	<b>129.74</b>	<b>16,368.43</b>

\*Motor vehicles with a carrying amount of ₹ 129.74 lakhs as at 31 March, 2019 (31 March, 2018: ₹ 129.38 lakhs) are provided as security against loans taken.

#### Intangible assets

(₹ in Lakhs)

Description	ERP software	Licenses and software	Total
Gross block			
As at 1 April, 2017	247.40	-	<b>247.40</b>
Add: Additions during the year	-	46.47	<b>46.47</b>
As at 31 March, 2018	247.40	46.47	<b>293.87</b>
Add: Additions during the year	-	32.58	<b>32.58</b>
<b>As at 31 March, 2019</b>	<b>247.40</b>	<b>79.05</b>	<b>326.45</b>
Amortisation For the year			
As at 1 April, 2017	74.99	-	<b>74.99</b>
Add: Amortisation for the year	68.25	0.25	<b>68.50</b>
As at 31 March, 2018	143.24	0.25	<b>143.49</b>
Add: Amortisation for the year	59.46	5.25	<b>64.71</b>
<b>As at 31 March, 2019</b>	<b>202.70</b>	<b>5.50</b>	<b>208.20</b>
Net block			
As at 31 March, 2018	104.16	46.22	<b>150.38</b>
<b>At 31 March, 2019</b>	<b>44.70</b>	<b>73.55</b>	<b>118.25</b>

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### 5 Investment property

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Freehold land	2.73	2.73
(Fair value)		

<b>As at 31 March, 2019 -</b>	<b>₹ 57.68 lakhs</b>
As at 31 March, 2018 -	₹ 33.66 lakhs

#### Fair value hierarchy

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

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

#### Description of valuation technique used

The Company has obtained 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.

### 6 Investments accounted for using the equity method

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>Investments in Equity Instruments (fully paid up) - Unquoted</b>		
<b>Associate</b>		
Nil (31 March, 2018 : 522,000) Equity shares of Rs.10 each in ColArt Camlin Canvas Private. Limited.	-	52.20
Less : Provision for diminution in value of investment	-	(52.20)
	-	-
(Associate upto 29 March, 2019)		
Aggregate amount of unquoted investments - at cost	-	52.20
Aggregate amount of impairment in value of investment	-	52.20

### 7 Investments

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Quoted equity shares at fair value through OCI</b>		
800,000 (31 March, 2018 : 800,000) equity shares of Rs.1 each in Camlin Fine Sciences Limited	398.00	810.01
<b>Others</b>		
2,150 (31 March, 2018 : 2,150;) Equity shares of Rs.100/- each in Excella Pencils Limited at fair value through OCI	240.23	243.54
247,950 (31 March, 2018 : Nil) Equity shares of Rs.10 each in ColArt Camlin Canvas Private. Limited at fair value through OCI	24.80	-
Less: Provision for diminution in value of investment	(24.80)	-
	-	-
	638.23	1,053.55
Aggregate amount of quoted investments - at cost	9.73	9.73
Aggregate amount of quoted investments - at market value	398.00	810.01
Aggregate amount of unquoted investments - at cost	26.95	2.15
Aggregate amount of impairment in value of investment	24.80	-



## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### 8 Loans

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>(Unsecured, Considered good)</b>		
Security deposits		
- Related parties	6.00	6.00
- Others	203.64	188.36
	<b>209.64</b>	<b>194.36</b>

### 9 Other financial assets

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Fixed Deposits maturing after twelve months	46.64	45.99
Lodged as security with Government Departments ₹ 46.64 lakhs (31 March, 2018 : ₹ 45.99 lakhs).	46.64	45.99

### 10 Other non-current assets

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>Unsecured, considered good</b>		
Prepaid expenses	2,018.88	2,060.82
Capital advances	443.61	216.19
<b>Unsecured, considered doubtful</b>		
Capital advances	10.74	2.11
Provision for doubtful advances	(10.74)	(2.11)
	<b>2,462.49</b>	<b>2,277.01</b>

Prepaid expenses includes cost of leasehold land Rs. 2,000.78 lakhs (31 March, 2018 Rs. 2,032.39 lakhs) which is amortised over the period of the lease.

### 11 Inventories

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>(At lower of cost and net realisable value)</b>		
Raw materials (includes in transit ₹ 75.84 lakhs (31 March, 2018: ₹ 130.05 lakhs))	2,184.37	2,158.29
Packing materials (includes in transit ₹ 147.97 lakhs (31 March, 2018: ₹ 62.19 lakhs))	2,885.19	2,648.42
Spares and tools	143.46	75.34
Work-in-progress	2,099.92	1,368.24
Finished goods	7,445.80	6,079.66
Stock-in-trade	5,161.86	3,545.58
	<b>19,920.60</b>	<b>15,875.53</b>

### 12 Trade receivables

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	11,751.04	10,950.65
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	138.04	182.68
	11,889.08	11,133.33
Provision for doubtful debts - credit impaired	(138.04)	(182.68)
	<b>11,751.04</b>	<b>10,950.65</b>

(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 43

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### 13 Cash and cash equivalents

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Balances with banks		
In current accounts	287.54	386.71
In EEFC accounts	50.89	12.45
Deposits with original maturity of less than three months *	150.00	28.40
Cash on hand	12.27	11.11
	<b>500.70</b>	<b>438.67</b>

### 14 Other bank balances

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Deposits with maturity of more than three months but less than twelve months*	548.97	14.16
Unpaid dividend account	-	2.51
*Lodged as security with Government Departments ₹ 48.97 lakhs (31 March, 2018 : ₹ 14.16 lakhs).	548.97	16.67

### 15 Loans and advances

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>Unsecured, considered good</b>		
Interest accrued on deposits	25.38	10.62
	<b>25.38</b>	<b>10.62</b>

### 16 Other current assets

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>Unsecured, considered good</b>		
Advances to related parties (refer note 43)	0.04	0.03
Advances to suppliers	779.02	286.71
Less : doubtful advances	(15.92)	(16.75)
	763.10	269.96
Prepaid expenses	192.13	239.52
Deposits, balances and input credits for other taxes and duties	1,721.00	1,047.21
Gratuity fund (refer note 42)	-	14.37
Other advances	69.58	51.13
	<b>2,745.85</b>	<b>1,622.22</b>

### 17 Equity Share Capital

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>Authorised</b>		
20,00,00,000 (31 March, 2018: 20,00,00,000) Equity Shares of Re. 1/- each	2,000.00	2,000.00
<b>Issued, Subscribed &amp; Paid-up</b>		
100,303,806 (31 March, 2018: 100,303,806 ) Equity Shares of Re. 1/- each, fully paid	1,003.04	1,003.04



## Notes to the Consolidated financial statements

### For the year ended 31 March, 2019 (contd.)

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

(₹ in Lakhs)

Name of the Holding Company	31 March, 2019		31 March, 2018	
	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 Re. 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

(₹ in Lakhs)

Name of the Holding Company	31 March, 2019		31 March, 2018	
	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.

## 18 Other Equity

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
<b>Capital reserve</b>		
Balance, beginning and end of the year	52.70	52.70
<b>Securities premium account</b>		
Balance, beginning and end of the year	17,901.56	17,901.56
<b>General reserve</b>		
Balance, beginning and end of the year	2,009.39	2,009.39
<b>Surplus in the statement of profit and loss</b>		
Balance, beginning of the year	1,918.91	961.74
Add :Profit for the year	1,520.33	980.69
Add: Remeasurement of defined benefit plan during the year	(48.62)	(23.52)
Balance, end of the year	3,390.62	1,918.91
<b>Other Comprehensive Income</b>		
Balance, beginning of the year	944.43	862.47
Add: Fair value gain/(loss) on equity instruments	(413.76)	81.96
Balance at the end of the year	530.67	944.43
	23,884.94	22,826.99



## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### 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.

### 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 equity.

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Total debt (Bank and other borrowings)	17,345.50	13,824.60
Less : Liquid investments including bank deposits	1,049.67	455.34
	<b>16,295.83</b>	<b>13,369.26</b>
Equity	24,887.98	23,830.03
Debt to equity (net)	0.65	0.56

## 19 Borrowings

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Non-current borrowings from bank		
Unsecured	2,715.98	1,021.18
Secured	14.99	22.92
<b>Total non-current borrowings</b>	<b>2,730.97</b>	<b>1,044.10</b>
Current maturities of non-current borrowings		
Unsecured	539.54	507.34
Secured	7.96	8.51
<b>Total current borrowings</b>	<b>547.50</b>	<b>515.85</b>
<b>Total borrowings from bank</b>	<b>3,278.47</b>	<b>1,559.95</b>
Less: Amount included under other financial liabilities (refer note 23)	(547.50)	(515.85)
Loan	2,701.14	1,014.69
Interest on Loan	14.84	6.49
	<b>2,730.97</b>	<b>1,044.10</b>



## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

Long term borrowing comprise

External Commercial borrowing (ECB) in USD from Sumitomo Mitsui Banking Corporation with carrying amount of ₹ 1,081.63 lakhs (31 March, 2018 - ₹ 1,528.52 lakhs)

The terms of the loan are as follows:

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

External Commercial borrowing (ECB) in USD from Mizuho Bank, Ltd with carrying amount of ₹ 2,173.89 lakhs (31 March, 2018 - NIL)

The terms of the loan are as follows:

1. Rate of Interest is based on LIBOR plus agreed spread. Interest payable quarterly starting from 24 January 2019.
2. Repayable in 12 equal quarterly installments starting from 25 January 2021 with last installment payable on 24 October 2023.

The secured loan from HDFC bank is a vehicle loan with carrying amount of ₹ 2.62 lakhs (31 March, 2018 - ₹ 6.21 lakhs)

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

The secured loan from HDFC bank is a vehicle loan with carrying amount of ₹ 20.33 lakhs (31 March, 2018 - ₹ 25.22 lakhs)

1. Rate of Interest is 8.50 %p.a.
2. Repayable in monthly installments starting from September 2017 with last installment payable on 5 August 2022.
3. Secured against hypothecation of vehicle.

### 20 Other financial liabilities

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Derivative liabilities (refer note 44 (c) (vi))	310.34	137.34
	<b>310.34</b>	<b>137.34</b>

### 21 Provisions

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Gratuity fund - (refer note no. 42)	-	-
Compensated absences - (refer note no. 42)	492.48	236.50
	<b>492.48</b>	<b>236.50</b>

### 22 Borrowings

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Unsecured		
Loans repayable on demand		
From bank		
Overdraft/working capital demand loan	8,730.75	7,784.73
Bills payable*	5,336.28	4,479.92
	<b>14,067.03</b>	<b>12,264.65</b>

\* for discounting of trade payables

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### 23 Trade payables

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
total outstanding dues of micro enterprises and small enterprises;	267.95	255.48
total outstanding dues of creditors other than micro enterprises and small enterprises.	8,624.26	7,172.19
	<b>8,892.21</b>	<b>7,427.67</b>

The disclosures relating to Micro and Small Enterprises as defined under "The Micro , Small and Medium Enterprises Development Act 2006" is given under note 37

### 24 Others Financial Liabilities

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Current maturities of long term borrowings - banks		
- Unsecured (refer note 19)	539.54	507.34
- Secured (refer note 19)	7.96	8.51
Employee dues	903.21	649.74
Security deposits	909.34	1,012.39
Capital creditors	268.93	196.10
Interest accrued but not due on bills payable	14.32	30.83
Unclaimed dividends	-	2.51
	<b>2,643.30</b>	<b>2,407.42</b>

### 25 Other current liabilities

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Payable to customers/advance from customers	159.63	146.52
Statutory liabilities	309.94	203.03
Accrued expenses	693.96	569.84
Others	3.59	0.07
	<b>1,167.12</b>	<b>919.46</b>

### 26 Provisions

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Provisions for employee benefits		
Gratuity fund - (Refer note 42)	56.67	-
Compensated absences - (Refer note 42)	124.46	59.05
	<b>181.13</b>	<b>59.05</b>

### 27 Revenue from operations

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Revenue from sale of products (refer note 33 and note 46)	68,684.28	63,618.52
Other operating revenues		
Government incentives	174.44	138.81
Others	18.48	81.36
<b>Total revenue from operations</b>	<b>68,877.20</b>	<b>63,838.69</b>



## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### 28 Other income

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Interest on bank deposits	68.54	38.34
Profit on sale of Investments	4.62	-
Profit on sale of property, plant and equipment (net)	0.66	-
Proceeds from maturity of keyman insurance policy	-	244.50
Miscellaneous receipts	2.88	0.29
	<b>76.70</b>	<b>283.13</b>

### 29 Cost of materials consumed

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Opening stock of materials	4,806.71	4,076.31
Add: Purchases	26,525.36	24,406.81
Less: Closing stock of materials	(5,069.56)	(4,806.71)
	<b>26,262.51</b>	<b>23,676.41</b>
Purchase of stock-in-trade		
Stationery items	18,226.82	15,352.10
	<b>18,226.82</b>	<b>15,352.10</b>
<b>Changes in the inventories of finished goods, work-in-process and stock-in-trade</b>		
Stocks as at beginning of the year		
Work in process	1,368.24	1,120.48
Stock-in-trade	3,545.58	4,191.45
Finished goods	6,079.66	4,672.39
	<b>10,993.48</b>	<b>9,984.32</b>
Less :		
Closing stock as at year end		
Work in process	2,099.92	1,368.24
Stock-in-trade	5,161.86	3,545.58
Finished goods	7,445.80	6,079.66
	14,707.58	10,993.48
	<b>(3,714.10)</b>	<b>(1,009.16)</b>

### 30 Employee benefits expense

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Salaries, wages and bonus	8,512.49	7,294.76
Contribution to Provident, Gratuity and other funds (refer note 42)	467.86	443.95
Staff and labour welfare	335.65	280.42
	<b>9,316.00</b>	<b>8,019.13</b>

### 31 Finance costs

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Interest on bank borrowings	577.02	668.51
Interest on delayed payment of taxes	24.46	3.80
Other borrowing costs	548.28	288.26
	<b>1,149.76</b>	<b>960.57</b>

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### 32 Other expenses

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Power and fuel	881.08	736.74
Job work charges	2,475.84	2,365.37
Repairs		
- Building	0.50	16.23
- Machinery	225.38	159.69
- Others	351.48	363.97
Rent	1,298.11	1,320.23
Rates and taxes	79.09	127.44
Net losses/(gains) in respect of translations of foreign currencies	151.86	(109.21)
Insurance	74.02	70.75
Advertisement and sales promotion	1,637.02	1,695.17
Transport & forwarding charges	2,531.38	2,364.94
Commission and service charges on sales	1,216.83	1,260.91
Travelling & conveyance	1,145.06	1,076.67
Loss on sale/disposal of property, plant and equipment (net)	-	83.50
Provision for doubtful debts	39.29	48.46
Provision for doubtful advances	7.81	16.75
Payment to auditors*	25.94	25.01
Miscellaneous expenses (refer note 47)	1,510.89	1,474.78
	<b>13,651.58</b>	<b>13,097.40</b>

\* payment to auditors

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Audit fees (including Quarterly limited review)	20.75	20.90
Tax audit fees	1.50	1.50
Fees for certification	1.80	1.75
Expenses reimbursed	1.89	0.86
	<b>25.94</b>	<b>25.01</b>

### 33 Excise duty

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Excise duty	-	885.85
	<b>-</b>	<b>885.85</b>

With effect from 1 July 2017, sales are recorded net of goods and service tax (GST), where as prior to 1 July 2017, sales were recorded gross of excise duty which formed part of expenses.

### 34 Contingent liabilities and commitments (to the extent not provided for)

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
<b>a. Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	152.54	296.12
<b>b. Claims against the Company not acknowledged as debts in respect of (to the extent not provided for)</b>		
(i) Income tax	122.22	14.66
(ii) Indirect tax cases*	665.37	1,640.34
(iii) Other matters	18.86	19.01
* Tax paid under protest as at 31 March, 2019: ₹ 36.22 lakhs (31 March, 2018 - ₹ 36.22 lakh).		
<b>c. Bank Guarantees</b>		
Bank guarantees as on 31 March, 2019 is ₹ 64.93 lakhs (31 March, 2018: ₹ 105.43 lakhs)		



## Notes to the Consolidated financial statements

### For the year ended 31 March, 2019 (contd.)

- d. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the period from date of the SC order to 31 March, 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

#### 35 Excise remission at Jammu :

- a. The Jammu and Kashmir High Court delivered a judgment dated December 23, 2010 quashing the Excise Notification, applicable to the undertakings set up in Jammu, which restricted the quantum of excise duty remission and upheld the entitlement to total exemption from excise duty. In view of the legal advice confirming the Company's right to such total exemption on the grounds laid down in the judgment of the High Court, rebate of excise duty being the duty on assessable value of goods, net of Cenvat Credit has been recognised in the books of accounts till February 2013.
- b. A writ petition was filed by the Company praying the quashing of the impugned notification in its case. Pending final disposal of the petition filed by the Company, the Hon'ble High Court had modified the earlier interim order, passed on May 4, 2011, in OWP 601/2011 on March 11, 2013. Consequently the Hon'ble High Court has directed the department to release 50% of the amount due to the manufacturers, subject to the approval of Jurisdictional Commissioner of Excise for manufacturers' solvency. Post such order the Company has claimed excise rebate as per the earlier quashed notification. The excise duty remission of Rs. Nil (31 March, 2018: ₹ 97.27 lakhs) for the year is recognised as income from operations. The cumulative amount of remission as on March 31, 2019, so recognised is ₹ 2,497.87 lakhs (31 March, 2018: ₹ 2,497.87 lakhs).

#### 36 Expenditure on Research and Development :

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

(₹ in Lakhs)			
Sr No.		31 March, 2019	31 March, 2018
1	Employee cost	423.31	345.29
2	Cost of materials	0.06	0.07
3	Other expenses	13.56	20.61
		<b>436.93</b>	<b>365.97</b>

#### 37 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, 2019 has been made in the financial statements based on information received and available with the Company.

(₹ in Lakhs)			
Sr No.		31 March, 2019	31 March, 2018
1	the amounts remaining unpaid to micro, small and medium suppliers as at the end of the year		
	- Principal	267.95	255.48
	- Interest	6.83	6.34
2	the amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	Nil	Nil

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

(₹ in Lakhs)

Sr No.		31 March, 2019	31 March, 2018
3	the amounts of the payments made to the suppliers beyond the appointed day during each accounting year;	674.97	720.49
4	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	6.55	6.18
5	the amount of interest accrued and remaining unpaid at the end of each accounting year;	6.83	6.34
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

### 38 Tax expense

#### (a) Amounts recognised in profit and loss

(₹ in Lakhs)

		31 March, 2019	31 March, 2018
I.	<b>Current income tax expense ( Previous year -Minimum alternate tax-MAT)</b>		
	Current year	476.04	255.91
	Earlier year	2.15	-
		478.19	255.91
	<b>Deferred income tax liability / (asset), net</b>		
	Origination and reversal of temporary differences	275.62	252.41
	<b>Deferred tax expense</b>	275.62	252.41
	<b>Tax expense for the year</b>	<b>753.81</b>	<b>508.32</b>

#### (b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

	31 March, 2019			31 March, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	(61.92)	13.30	(48.62)	(35.97)	12.45	(23.52)
Fair value changes on equity instruments	(415.32)	1.56	(413.76)	80.93	1.03	81.96
	<b>(477.24)</b>	<b>14.86</b>	<b>(462.38)</b>	<b>44.96</b>	<b>13.48</b>	<b>58.44</b>

#### (c) Reconciliation of effective tax rate

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
<b>Profit before tax</b>	2,274.14	1,489.01
<b>Tax using the Company's domestic tax rate (Current year 34.94% and Previous Year 34.61%)</b>	794.70	515.32
Non-deductible tax expenses	(43.04)	(9.07)
Tax pertaining to prior years	2.15	-
Others	-	2.07
	<b>753.81</b>	<b>508.32</b>



## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

The Company's Consolidated effective tax rates for the year ended 31 March, 2019 and 31 March, 2018 were 33.15% and 34.14% respectively.

### 39 Deferred Taxes :

(₹ in Lakhs)

Deferred Tax Assets	Deferred Tax Assets / (liabilities) 1 April, 2018	Recognised in Statement of Profit and Loss	Recognised in OCI	Net deferred tax assets/(liabilities) 31 March, 2019
Expenses allowed on payment basis	171.45	270.96	13.30	455.70
Others	432.78	65.59	-	498.37
Provision for doubtful debts/advances	69.75	(12.19)	-	57.56
Indexation benefit on investment property	1.08	0.06	-	1.14
MAT Credit entitlement	255.91	(73.14)	-	182.77
<b>Deferred Tax Assets</b>	<b>1,265.47</b>	<b>(83.22)</b>	<b>13.30</b>	<b>1,195.54</b>
<b>Deferred Tax Liabilities</b>				
Tangible and intangible assets	(1,048.38)	(192.40)	-	(1,240.78)
Fair valuation of investments	(54.84)	-	1.56	(53.28)
	(1,103.22)	(192.40)	1.56	(1,294.06)
<b>Net tax assets / (liability)</b>	<b>162.25</b>	<b>(275.62)</b>	<b>14.86</b>	<b>(98.52)</b>

Deferred Tax Assets	Deferred Tax Assets / (Liability) 1 April, 2017	Recognised in Statement of Profit and Loss	Recognised in OCI	Net deferred tax assets/(liabilities) 31 March, 2018
Expenses allowed on payment basis	213.79	(54.79)	12.45	171.45
Unabsorbed depreciation	578.96	(244.46)	-	334.50
Others	371.83	60.95	-	432.78
Provision for doubtful debts/advances	56.69	13.06	-	69.75
Indexation benefit on investment property	6.58	(5.50)	-	1.08
MAT Credit entitlement	-	255.91	-	255.91
<b>Deferred Tax Assets</b>	<b>1,227.85</b>	<b>25.17</b>	<b>12.45</b>	<b>1,265.47</b>
<b>Deferred Tax Liabilities</b>				
Tangible and intangible assets	(770.80)	(277.58)	-	(1,048.38)
Fair valuation of investments	(55.87)	-	1.03	(54.84)
	(826.67)	(277.58)	1.03	(1,103.22)
<b>Net tax assets / (liability)</b>	<b>401.18</b>	<b>(252.41)</b>	<b>13.48</b>	<b>162.25</b>

### 40 Leases:

The Company has entered into operating leases on certain residential premises for employees, office premises, factory premises and godowns, with lease terms between one and five years. There are no restrictions of a material nature imposed by lease arrangements.

Lease rental expense debited to Statement of Profit and loss is ₹ 1,298.11 lakhs (31 March, 2018: ₹ 1,320.23 lakhs).

Lease rental commitments on non cancellable agreements are as follows:

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Not later than 1 year	233.10	310.80
later than one year and not later than five years;	-	233.10
later than five years.	-	-

### 41 Earnings per share (basic and diluted):

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Net Profit available for equity shareholders	1,520.33	980.69
1. Number of equity shares outstanding at the beginning of the year	10,03,03,806	10,03,03,806
2. Number of shares issued during the year	-	-
Weighted average of numbers of equity shares outstanding at the end of the year (Nos.)	10,03,03,806	10,03,03,806
Earnings per equity share ( Face value of ₹. 1/- each)- Basic	1.52	0.98
Earnings per equity share ( Face value of ₹ 1/- each)- Diluted	1.52	0.98



## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### 42 Employee Benefits :

#### Defined Contribution Plans

Company's contributions paid/payable during the year to provident fund, ESIC and superannuation fund are recognised in the Consolidated statement of profit and loss. The contributions charged to the Consolidated statement of profit and loss is ₹ 414.41 lakhs (31 March, 2018 ₹ 372.70 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 is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the plan asset.

#### a Actuarial assumptions:

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Discount rate	7.69%	7.82%
Rate of increase in salary	5.00%	5.00%
Expected return on plan assets	7.69%	7.82%
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%

#### b Reconciliation of benefit obligation:

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Present value of benefit obligations at the beginning of the year	1,189.48	1,183.35
Interest cost	93.02	88.87
Current service cost	60.21	54.85
Benefit paid from the fund	(114.79)	(164.12)
Actuarial (gain) / loss on obligations recognized in other comprehensive income	49.63	26.53
Present value of defined benefit obligation at the end of the year	1,277.55	1,189.48

As at 31 March, 2019, the weighted average duration of defined benefit obligation was 6 years. (31 March, 2018 : 6 years)

#### c Reconciliation of fair value of plan assets:

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Fair value of plan assets at the beginning of the year	1,203.85	1,048.70
Expected return on plan assets	94.14	78.76
Contributions by the employer	49.97	249.95
Benefit Paid	(114.79)	(164.12)
Actuarial gain / (loss) on plan assets recognized in other comprehensive income	(12.29)	(9.44)
Fair Value of Plan Assets at the end of the year	1,220.88	1,203.85



## Notes to the Consolidated financial statements

### For the year ended 31 March, 2019 (contd.)

#### 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, 2019 ₹ 50.00 lakhs)

#### d Balance sheet reconciliation

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Opening net liability /(assets)	(14.37)	134.65
Expenses recognized in the Statement of Profit and Loss	59.09	64.96
Expenses recognized in Other Comprehensive Income	61.92	35.97
Employer's contribution	(49.97)	(249.95)
Net liability/(asset) recognised in Balance sheet	56.67	(14.37)

#### e Expenses recognized in the Statement of profit and loss under the head employee benefits expenses

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Current service cost	60.21	54.85
Interest cost	93.02	88.87
Return on plan assets	(94.14)	(78.76)
Expenses recognized in the Statement of profit and loss	59.09	64.96

#### f Expenses recognised in Other Comprehensive Income for the year

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Actuarial losses on obligation for the period	49.63	26.53
Actuarial losses on plan assets	12.29	9.44
Expenses recognized in the other comprehensive income	61.92	35.97

#### g Sensitivity Analysis

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Defined Benefit Obligation		
Discount Rate		
a. Discount Rate - 100 basis points	59.90	53.87
b. Discount Rate + 100 basis points	(52.72)	(47.80)
Salary Increase Rate (considered taking into account inflation, seniority, promotion and other relevant factors)		
a. Rate - 100 basis points	(54.48)	(49.45)
b. Rate + 100 basis points	60.92	54.86
Employee Turnover		
a. Rate - 100 basis points	(12.09)	(10.86)
b. Rate + 100 basis points	10.77	9.74

#### 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.

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### h Expected future cash flows

The expected future cash flows in respect of gratuity as Balance Sheet dates will as follows :

(₹ in Lakhs)

Projected benefits payable in future years from the date of reporting	31 March, 2019	31 March, 2018
1st following year	513.00	293.49
2nd following year	69.04	290.41
3rd following year	108.17	80.98
4th following year	87.52	109.79
5th following year	74.02	74.42
Sum of years 6 to 10	383.86	339.56
Sum of years 11 and above	836.78	710.02

### 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.

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Expense for the year	363.47	57.50
Closing balance	616.94	295.55

### 43 Related parties:

Related party, 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
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#### b Name of related parties with whom there were transaction during the year

Fellow Subsidiary	
2	Kokuyo Commerce (Shanghai) Co., Limited
3	Kokuyo Vietnam Trading Co. Limited
4	Kokuyo Vietnam Co., Limited
5	Kokuyo Co. Limited, Hongkong
6	Kokuyo Riddhi Paper Products Private Limited
7	Kokuyo International (M) SDN BHD
Entities over which KMPs /directors and/or their relatives are able to exercise significant influence	
8	Excella Pencils Limited
9	ColArt Camlin Canvas Private. Limited*
10	Camlin Fine Sciences Limited
11	Nilmac Packaging Industries Private Limited
12	Triveni Pencils Limited
13	Mayur Colours Limited
14	Dandekar Inks & Adhesives Limited

\*Associate upto 29 March, 2019



## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### c Key Management Personnel and their Relatives

Name of the Person	Nature of Relationship
<b>Key Management Personnel</b>	
Mr. Dilip Dandekar	Chairman & Executive Director (C& ED)
Mr. Shiram Dandekar	Vice Chairman & Executive Director (VC & ED)
Mr. Nobuchika Doi	Chief Executive Officer (upto 8 May 2018) and Executive Director
Mr. Takeo Iguchi	Executive Director
Mr. Satish Veerrappa*	Chief Executive Officer
Mr. Chetan Badal	Chief Financial Officer
Mr. Ravindra Damle	V.P. (Corporate) & Company Secretary
<b>Relatives</b>	
Mr. Subhash. Dandekar	Chairman Emeritus and brother of C & ED
Mrs. Aditi Dighe	General Manager -Marketing (Colour Group 2) and daughter of C& ED
Mr. Rahul Dandekar	Deputy General Manager -Marketing and son of C& ED

\* Mr Satish Veerrappa is appointed as Chief Executive Officer from 9 May 2018 and from 1 November 2018 he is further appointed as Manager designated as CEO.

### d Transactions with Holding Company

Particulars		(₹ in Lakhs)	
		31 March, 2019	31 March, 2018
Purchase of goods	Kokuyo Co. Limited	112.78	7.02
	<b>Total</b>	<b>112.78</b>	<b>7.02</b>
Sale of goods	Kokuyo Co. Limited	303.41	0.08
	<b>Total</b>	<b>303.41</b>	<b>0.08</b>
Reimbursement of expenses paid	Kokuyo Co. Limited	5.57	37.02
	<b>Total</b>	<b>5.57</b>	<b>37.02</b>
Reimburesemt of expenses received	Kokuyo Co. Limited	20.52	-
	<b>Total</b>	<b>20.52</b>	<b>-</b>
Royalty	Kokuyo Co. Limited	-	2.50
	<b>Total</b>	<b>-</b>	<b>2.50</b>

### Balances with Holding Company

Particulars		(₹ in Lakhs)	
		31 March, 2019	31 March, 2018
Net amount receivable	Kokuyo Co. Limited	66.16	20.10
	<b>Total</b>	<b>66.16</b>	<b>20.10</b>

### e Transactions with Fellow subsidiary company

Particulars	Name of entity	(₹ in Lakhs)	
		31 March, 2019	31 March, 2018
Purchase of goods	Kokuyo Vietnam Trading Co. Limited	6.70	9.43
	Kokuyo Riddhi Paper Products Pvt. Ltd.	138.30	-
	<b>Total</b>	<b>145.00</b>	<b>9.43</b>
Sale of goods	Kokuyo Co.Limited, Hongkong	15.26	20.67
	Kokuyo Commerce (Shanghai) Co. Limited	6.77	-
	Kokuyo Vietnam Trading Co. Limited	8.50	-
	<b>Total</b>	<b>30.52</b>	<b>20.67</b>
Purchase of fixed assets	Kokuyo International (M) SDN BHD	-	11.19
	<b>Total</b>	<b>-</b>	<b>11.19</b>

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### Balances with Fellow subsidiary company

(₹ in Lakhs)

Particulars	Name of entity	31 March, 2019	31 March, 2018
Net amount payable	Kokuyo Riddhi Paper Products Pvt. Ltd.	31.75	-
	<b>Total</b>	<b>31.75</b>	<b>-</b>
Net amount receivable	Kokuyo Commerce (Shanghai) Co. Limited	6.77	-
	Kokuyo Co.Limited, Hongkong	-	-
	<b>Total</b>	<b>6.77</b>	<b>-</b>

### f Transactions with entities over which KMPs / directors and/or their relatives are able to exercise significant influence

(₹ in Lakhs)

Particulars	Name of entity	31 March, 2019	31 March, 2018
Receiving services	Dandekar Inks & Adhesives Limited	13.74	13.74
	Nilmac Packaging Industries Private Limited	819.91	777.72
	Excella Pencils Limited	1,105.91	899.36
	<b>Total</b>	<b>1,939.56</b>	<b>1,690.82</b>
Reimbursement of expenses	Excella Pencils Limited	39.05	50.28
	Camlin Fine Sciences Limited	0.45	0.25
	Nilmac Packaging Industries Private Limited	28.73	16.30
	Mayur Colours Limited	-	0.38
	<b>Total</b>	<b>68.23</b>	<b>67.21</b>

### Balances with entities over which KMPs / directors and/or their relatives are able to exercise significant influence

(₹ in Lakhs)

Particulars	Name of entity	31 March, 2019	31 March, 2018
Net amount payable	Excella Pencils Limited	16.78	-
	Nilmac Packaging Industries Private Limited	45.99	-
	Dandekar Inks & Adhesives Limited	1.03	-
	<b>Total</b>	<b>63.80</b>	<b>-</b>
Net amount receivable	Camlin Fine Sciences Limited	0.04	0.03
	<b>Total</b>	<b>0.04</b>	<b>0.03</b>

### g Payments to Key Management Personnel and their relatives

(₹ in Lakhs)

Particulars	Name of entity	31 March, 2019	31 March, 2018
Remuneration	Mr. Dilip Dandekar	162.55	162.26
	Mr. Shriram Dandekar	137.17	136.88
	Mr. Nobuchika Doi	87.78	87.75
	Mr. Takeo Iguchi	89.12	86.38
	Mr. Satish Veerappa*	183.29	-
	Mr. Chetan Badal	92.03	69.60
	Mr. Ravindra Damle	53.35	41.39
	Ms. Aditi Dighe	18.45	11.96
	Mr. Rahul Dandekar	21.89	7.58
	<b>Total</b>	<b>845.63</b>	<b>603.80</b>

\* Includes Rs 95.80 lacs paid to him as remuneration not in a capacity as Manager , designated as CEO

## 44 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.



## Notes to the Consolidated financial statements

### For the year ended 31 March, 2019 (contd.)

(₹ in Lakhs)

31 March 2019	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Non-Current</b>								
(i) Investments	638.23	-	-	<b>638.23</b>	398.00	-	240.23	<b>638.23</b>
(ii) Loans	-	-	209.64	<b>209.64</b>	-	-	-	<b>-</b>
(iii) Other financial assets	-	-	46.64	<b>46.64</b>	-	-	-	<b>-</b>
<b>Current</b>								
(iv) Trade receivables	-	-	11,751.04	<b>11,751.04</b>	-	-	-	<b>-</b>
(v) Cash and cash equivalents	-	-	500.70	<b>500.70</b>	-	-	-	<b>-</b>
(vi) Bank balances other than (v) above	-	-	548.97	<b>548.97</b>	-	-	-	<b>-</b>
(vii) Loans and advances	-	-	25.38	<b>25.38</b>	-	-	-	<b>-</b>
	638.23	-	13,082.37	<b>13,720.60</b>	398.00	-	240.23	<b>638.23</b>
<b>Financial liabilities</b>								
<b>Non-Current</b>								
(i) Borrowings	-	-	2,730.97	<b>2,730.97</b>	-	-	-	<b>-</b>
(ii) Other financial liabilities - Derivative	-	310.34	-	<b>310.34</b>	-	310.34	-	<b>310.34</b>
<b>Current</b>								
(i) Short term borrowings	-	-	14,067.03	<b>14,067.03</b>	-	-	-	<b>-</b>
(ii) Trade payables	-	-	8,892.21	<b>8,892.21</b>	-	-	-	<b>-</b>
(iii) Other financial liabilities	-	-	2,643.30	<b>2,643.30</b>	-	-	-	<b>-</b>
	-	310.34	28,333.51	<b>28,643.85</b>	-	310.34	-	<b>310.34</b>

31 March 2018	Carrying amount				Fair Value			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Non-Current</b>								
(i) Investments	1,053.55	-	-	<b>1,053.55</b>	810.01	-	243.54	<b>1,053.55</b>
(ii) Loans	-	-	194.36	<b>194.36</b>	-	-	-	<b>-</b>
(iii) Other financial assets								
-Derivative assets	-	-	-	<b>-</b>	-	-	-	<b>-</b>
-Fixed deposits	-	-	45.99	<b>45.99</b>	-	-	-	<b>-</b>
<b>Current</b>								
(iv) Trade receivables	-	-	10,950.65	<b>10,950.65</b>	-	-	-	<b>-</b>
(v) Cash and cash equivalents	-	-	438.67	<b>438.67</b>	-	-	-	<b>-</b>
(vi) Bank balances other than (v) above	-	-	16.67	<b>16.67</b>	-	-	-	<b>-</b>
(vii) Loans and advances	-	-	10.62	<b>10.62</b>	-	-	-	<b>-</b>
	1,053.55	-	11,656.96	<b>12,710.51</b>	810.01	-	243.54	<b>1,053.55</b>
<b>Financial liabilities</b>								
<b>Non-Current</b>								
(i) Borrowings	-	-	1,044.10	<b>1,044.10</b>	-	-	-	<b>-</b>
(ii) Other financial liabilities - Derivative Liabilities	-	137.34	-	<b>137.34</b>	-	137.34	-	<b>137.34</b>
<b>Current</b>								
(i) Short term borrowings	-	-	12,264.65	<b>12,264.65</b>	-	-	-	<b>-</b>
(ii) Trade payables	-	-	7,427.67	<b>7,427.67</b>	-	-	-	<b>-</b>
(iii) Other financial liabilities	-	-	2,407.42	<b>2,407.42</b>	-	-	-	<b>-</b>
	-	137.34	23,143.84	<b>23,281.18</b>	-	137.34	-	<b>137.34</b>

#### Notes

Investment in subsidiary and associates have been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### 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, 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 Land and Buildings of the entity 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. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.



## Notes to the Consolidated financial statements

### For the year ended 31 March, 2019 (contd.)

#### Valuation techniques and significant unobservable inputs

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	Not applicable
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.

	(₹ in Lakhs)	
	31 March, 2019	31 March, 2018
Opening balances	243.54	256.61
Net change in fair value (unrealised) recognised in OCI	(3.31)	(13.07)
<b>Closing balances</b>	<b>240.23</b>	<b>243.54</b>

## 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.

#### 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.



## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

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 maximum exposure to credit risk for trade receivables of the Company is as follows:

(₹ in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Export	-	-
Domestic	(138.04)	(182.68)
<b>Total</b>	<b>(138.04)</b>	<b>(182.68)</b>

Following is the movement in Provision for Expected credit loss on Other non-current financial assets:

(₹ in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Opening balance	182.68	171.45
Impairment loss recognised	39.29	48.46
Amounts written off	(83.93)	(37.23)
<b>Closing balance</b>	<b>138.04</b>	<b>182.68</b>

### Cash and cash equivalents

The Company is also exposed to credit risks arising on cash and cash equivalents and term deposits with banks. The Company believes that its credit risk in respect to cash and cash equivalents and term deposits is insignificant as funds are invested in term deposits at pre-determined interest rates for specified period of time. For cash and cash equivalents and other bank balances, only high rated banks are accepted.

### Other Financial Assets:

The Company periodically monitors the recoverability and credit risks of its other financial assets including employee loans, deposits and other receivables. The Company evaluates 12 month expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.



## Notes to the Consolidated financial statements

### For the year ended 31 March, 2019 (contd.)

Following is the movement in Provision for Expected credit loss on Other non-current financial assets:

(₹ in Lakhs)

Security Deposit	Year ended 31 March, 2019	Year ended 31 March, 2018
Loss allowance at the beginning of the year	18.86	2.11
Changes in allowance during the year	7.80	16.75
Loss allowance as at the end of the year	26.66	18.86

#### 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.

(₹ in Lakhs)

	Carrying amount	Contractual cash flows			
		Total	Less than 1 year	1 - 5 years	More than 5 years
<b>As at 31 March, 2019</b>					
<b>Non-derivative financial liabilities</b>					
Term Loans (including current maturities)	3,278.47	<b>3,278.47</b>	547.50	2,730.97	-
Short term borrowings	14,067.03	<b>14,067.03</b>	14,067.03	-	-
Trade payables	8,892.21	<b>8,892.21</b>	8,892.21	-	-
Other financial liabilities	2,643.30	<b>2,643.30</b>	2,643.30	-	-
<b>Derivative financial liabilities</b>					
Currency and interest rate swap contracts	310.34	<b>310.34</b>	-	310.34	-
<b>As at 31 March, 2018</b>					
<b>Non-derivative financial liabilities</b>					
Term Loans (including current maturities)	1,559.95	<b>1,559.95</b>	515.85	1,044.10	-
Short term borrowings	12,264.65	<b>12,264.65</b>	12,264.65	-	-
Trade payables	7,427.67	<b>7,427.67</b>	7,427.67	-	-
Other financial liabilities	2,407.42	<b>2,407.42</b>	2,407.42	-	-
<b>Derivative financial liabilities</b>					
Currency and interest rate swap contracts	137.34	<b>137.34</b>	-	137.34	-

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

### 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:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in lakhs, are as follows:

	31 March, 2019		31 March, 2018	
	Foreign currency Amount	Amount in Rs.	Foreign currency Amount	Amount in Rs.
<b>Loan from - Banks (Unsecured and Hedged)</b>				
USD	46.85	3,255.52	23.40	1,528.52
Less: Currency swap	-	3,255.52	-	1,528.52
Net exposure		-		-
<b>Receivables/Advances for supplies as capital assets</b>				
USD	15.83	1,094.98	7.33	476.77
YEN	113.43	70.92	5.74	3.53
<b>Payables</b>				
YEN	1,074.07	671.51	881.21	542.30
USD	1.59	123.55	-	-

(in Lakhs)

	31 March, 2019		31 March, 2018	
	Foreign currency	Amount in Rs.	Foreign currency	Amount in Rs.
<b>Net exposure</b>				
USD	14.24	971.43	7.33	476.77
JPY	(960.64)	(600.59)	(875.47)	(538.76)

(in Lakhs)

### Sensitivity analysis

A 10% strengthening/weakening of the respective foreign currencies with respect to functional currency of the Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in Rs.	Profit or (loss)/ Equity	
	31 March, 2019	31 March, 2018
<b>Currencies (increase in rate by 10%)</b>		
USD	97.14	47.68
JPY	(60.06)	(53.88)
	<b>37.08</b>	<b>(6.20)</b>

(in Lakhs)

If the rate is decreased by 10% then there will be decrease in profit and equity of ₹ 37.08 lakhs for the year ended 31 March, 2019 and increase in profit and equity of ₹ 6.20 lakhs for the year ended 31 March, 2018.

### 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



## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

Company's short term borrowings (excluding commercial paper) with floating interest rates. For all long-term borrowings with floating rates, which are in foreign currency, the risk of variation in the interest rates is mitigated through interest rate swaps and hence, considered fixed rate borrowings. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Interest rate exposure:

	(₹ in Lakhs)		
	Total borrowings	Floating rate borrowings	Fixed rate borrowings
Term loan and short term borrowings	14,089.98	14,067.03	22.95
External Commercial borrowings	3,255.52	-	3,255.52
<b>Total as at 31 March, 2019</b>	<b>17,345.50</b>	<b>14,067.03</b>	<b>3,278.47</b>
Term loan and short term borrowings	12,296.08	12,264.65	31.43
External Commercial borrowings	1,528.52	-	1,528.52
<b>Total as at 31 March, 2018</b>	<b>13,824.60</b>	<b>12,264.65</b>	<b>1,559.95</b>

Interest rate sensitivities for unhedged exposure (impact on profit on increase of interest rate by 100 bps):

	(₹ in Lakhs)	
Particulars	31 March, 2019	31 March, 2018
Term loan and short term borrowings	(140.67)	(122.65)
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) of 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, 2019 would have increased equity by ₹7.96 lakhs (31 March, 2018 : ₹ 16.20 Lakhs); an equal change in the opposite direction would have decreased equity by ₹ 7.96 lakhs (31 March, 2018 : ₹ 16.20 lakhs).

### vi Derivative instruments :

Currency and Interest Rates Swaps Contracts:

Derivatives for hedging currency and interest rates, outstanding are as under:

Particulars	Purpose	Currency	31 March, 2019 (USD in Lakhs)	31 March, 2018 (USD in Lakhs)	Cross Currency
Currency and interest rate swaps	ECB*	USD	46.85	23.40	₹
*External Commercial Borrowings					

Mark-to-market on above derivative contracts ₹ 310.34 Lakhs (31 March, 2018 : ₹ 137.34 lakhs) is recognised as derivative liability.

## 45 Segment Reporting

The Company is in the business of manufacturing, trading and selling of stationery. It manufactures art material, marker pens, inks, pencils and others stationery products. The Management is of the view that the risks and returns for these products are not significantly different. Accordingly, the Company has a single reportable segment which is reviewed by Chief Operating Decision Maker (CODM). Further, export sales are not significant and there is no reportable secondary segment.

## 46 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

## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

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:

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Revenue from contract with customer as per Contract price	78,441.10	70,975.05
Less: Discounts and other adjustments	9,072.67	6,534.65
Less:- Sales Returns /Credits / Reversals	684.15	821.88
Revenue from contract with customer as per statement of profit and loss	68,684.28	63,618.52

Disaggregation of revenue from contract with customers

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
<b>Geography</b>		
Domestic	67,020.43	62,544.61
Export	1,663.85	1,073.91
<b>Total</b>	<b>68,684.28</b>	<b>63,618.52</b>
<b>Sales Channel</b>		
Distribution/ Dealers (including exports)	4,180.95	3,951.03
Modern trade	68,684.28	63,618.52

### (C) Contract liability (advance from customers)

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Advance from customers	7.50	7.50

### 47 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

(₹ in Lakhs)

	31 March, 2019	31 March, 2018
Amount required to be spent by the Company	18.17	10.06
<b>Amount spent</b>		
Construction/acquisition of any asset any asset	-	-
<b>On purposes other than above</b>		
Contribution to NGOs	16.44	8.25
Contribution to Central Government	2.00	2.00
<b>Total amount spent in cash</b>	<b>18.44</b>	<b>10.25</b>



## Notes to the Consolidated financial statements For the year ended 31 March, 2019 (contd.)

48 Additional Information as required by Paragraph 2 of Part III - General Instruction for Preparation of CFS of Schedule III of the Companies Act, 2013:

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profits or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of consolidated net assets	Rs. In lakhs	As % of consolidated profit / loss	Rs. In lakhs	As % of consolidated OCI	Rs. In lakhs	As % of consolidated TCI	Rs. In lakhs
<b>Parent</b>								
Kokuyo Camlin Limited	100%	24,887.98	100%	1,520.33	100%	(462.38)	100.00%	1,057.95
<b>Associate - Indian</b>								
ColArt Camlin Canvas Private Limited *	0%	-	0%	-	0%	-	0.00%	-
	100%	24,887.98	100%	1,520.33	100%	(462.38)	100%	1,057.95

\* Associate upto 29 March 2019

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  
8 May 2019

**Satish Veerappa**  
Chief Executive Officer

**Ravindra Damle**  
V P (Corporate) and Company Secretary

**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

**Nobuchika Doi**  
Executive Director  
(DIN-03599835)

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

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

**Takeo Iguchi**  
Executive Director  
(DIN-03599826)



**KOKUYO CAMLIN LIMITED**

CIN : L24223MH1946PLC005434

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

E-mail: investorrelations@kokuyocamlin.com website www.kokuyocamlin.com

Tel: 022-6655 7000 Fax: 022-28366579

**[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the member(s):		E-mail id:	
Registered Address:		Folio No./ Client Id/ DP Id	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

Name: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him / her

Name: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him / her

Name: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me / us and on my /our behalf at the 72nd Annual General Meeting of the Company, to be held on Thursday the 8th August, 2019 at 3.00 p.m. at Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai – 400 020, Maharashtra, India and at any adjournment thereof in respect of the following resolutions:

Sr. No.	Resolutions
<b>Ordinary Business:</b>	
<b>Ordinary Resolution:</b>	
1	Adoption of financial statements (including Audited Consolidated Financial Statements) for the financial year ended 31st March, 2019 and Report of Board of Directors and Auditors thereon.
2	Re-appointment of Mr. Nobuchika Doi (DIN : 03599835), as Director who retires by rotation.
3	Re-appointment of Mr. Takeo Iguchi (DIN : 03599826), as Director who retires by rotation.
<b>Special Business:</b>	
<b>Ordinary Resolution</b>	
4	Increase in Remuneration payable to Related Party Ms. Aditi D. Dighe, General Manager (Marketing) holding office or place of profit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_

Signature of the member

\_\_\_\_\_

Signature of the proxy holder(s)

Affix Revenue Stamp of Re. 1/-
--------------------------------------

**Notes:**

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



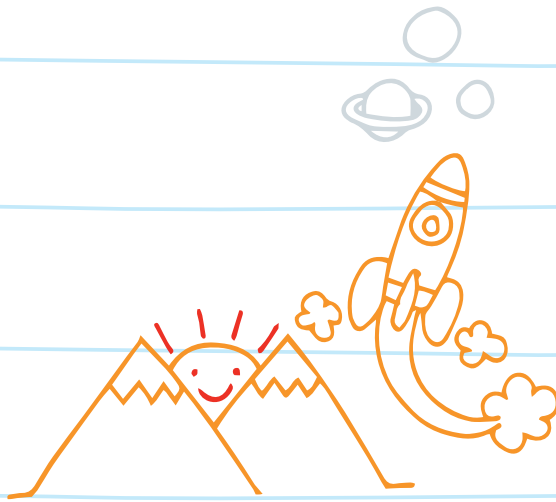


# Route Map to the Venue of the AGM



**AGM Venue of Kokuyo Camlin Limited**  
**Walchand Hirachand Hall,**  
**IMC Building, Indian Merchants Chamber Marg,**  
**Churchgate, Mumbai – 400 020**





**Camlin**   
**KOKUYO**

**KOKUYO CAMLIN LIMITED**

CIN - L24223MH1946PLC005434

A SUBSIDIARY OF KOKUYO CO. LTD., JAPAN

48/2, Hilton House, Central Road, MIDC, Andheri (East),

Mumbai - 400 093.

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



**KOKUYO CAMLIN LIMITED**  
CIN : L24223MH1946PLC005434

**Regd. Office :** 48/2, Hilton House, Central Road, MIDC, Andheri (E), Mumbai – 400 093  
**E-mail :** [investorrelations@kokuyocamlin.com](mailto:investorrelations@kokuyocamlin.com); **website :** [www.kokuyocamlin.com](http://www.kokuyocamlin.com)  
**Tel :** 022-6655 7000; **Fax:** 022-28366579

**ATTENDANCE SLIP**

**72<sup>ND</sup> ANNUAL GENERAL MEETING ON THURSDAY, 8<sup>TH</sup> AUGUST, 2019**

Sr. No. :

Name and Registered Address of the sole / First named member	
Name(s) of the Joint member(s), if any	
Registered Folio No. /DP ID No.*/Client ID No.* (*Applicable to Investors holding Shares in Demat Form)	
Number of Shares held	

I / We hereby record my / our presence at the 72<sup>nd</sup> Annual General Meeting of the Company held at Walchand Hirachand Hall, IMC Building, Indian Merchants Chamber Marg, Churchgate, Mumbai – 400 020

\_\_\_\_\_  
Member's Folio/DP ID/Client ID No.

\_\_\_\_\_  
Member's/Proxy's name  
(in Block Letters)

\_\_\_\_\_  
Member's/Proxy's Signature

**Note :**

Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

**ELECTRONIC VOTING PARTICULARS**

<b>(EVEN)</b> <b>Electronic Voting Event Number</b>	<b>User ID</b>	<b>Password</b>
110940		

**Notes :**

1. Please read the instructions for e-voting given along with Annual Report. The voting period starts from 5<sup>th</sup> August, 2019, (9.00 a.m.) and ends on 7<sup>th</sup> August, 2019 (5.00 p.m.). The voting module shall be disabled by NSDL for voting thereafter.
2. Please bring the above Attendance Slip to the Meeting Hall.

## INSTRUCTIONS FOR E-VOTING

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

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsd.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.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. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [info@jhrasso.com](mailto:info@jhrasso.com) with a copy marked to [evoting@nsdl.co.in](mailto: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.nsd.com](http://www.evoting.nsd.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.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



**KOKUYO CAMLIN LIMITED**

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**Tel :** 022-6655 7000; **Fax:** 022-28366579

**BALLOT FORM**

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

Sr. No.:

Name and Registered Address of the sole / First named member	
Name(s) of the Joint member(s), if any	
Registered Folio No. /DP ID No.*/Client ID No.* (*Applicable to Investors holding Shares in Demat Form)	
Number of Shares held	

I/ we hereby exercise my/our vote(s) in respect of the resolutions set out in the notice dated 8<sup>th</sup> May, 2019 of the 72<sup>nd</sup> Annual General Meeting of the Company to be held on Thursday, the 8<sup>th</sup> August, 2019, by sending my/our assent or dissent to the said resolutions by placing tick mark (✓) at the appropriate box below:

Sr. No.	Resolution	No. of shares	I/we assent to the resolution For	I/we dissent to the resolution Against
<b>Ordinary Business:</b>				
Ordinary Resolution:				
1	Adoption of financial statements (including Audited Consolidated Financial Statements) for the financial year ended 31 <sup>st</sup> March, 2019 and Report of Board of Directors and Auditors thereon.			
2	Re-appointment of Mr. Nobuchika Doi (DIN : 03599835), as Director who retires by rotation.			
3	Re-appointment of Mr. Takeo Iguchi (DIN : 03599826), as Director who retires by rotation.			
<b>Special Business:</b>				
Ordinary Resolution:				
4	Increase in Remuneration payable to Related Party Ms. Aditi D. Dighe, General Manager (Marketing) holding office or place of profit.			

Place :

Date:

\_\_\_\_\_  
Signature of Members

**Note :** Kindly read the instructions printed overleaf before filling the form. Valid Forms received by the scrutinizer by 5:00 p.m. on Wednesday, 7<sup>th</sup> August, 2019 shall be considered.

## **INSTRUCTIONS**

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

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

1. Mr. J. H. Ranade, Partner failing which Mr. Sohan J. Ranade, Partner, failing which Ms. Tejaswi Zope, Partner of JHR & Associates, Practicing Company Secretaries, has been appointed as the scrutinizer to scrutinise the voting process (electronically or otherwise) in a fair and transparent manner.
2. The Form should be signed by the Members as per the specimen signature registered with the Depositories/Registrar and Transfer Agent. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. Exercise of vote by Ballot is not permitted through proxy.
3. In case the shares are held by corporate and institutional members (companies, trusts, societies etc.) the duly completed ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorization letter, with the specimen signature(s) of the authorized signatory(ies).
4. Vote should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot Form.
5. The voting rights of members shall be in proportion of the share held by them in the paid up equity share capital of the Company as on 1<sup>st</sup> August, 2019 and as per the Register of members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than 7<sup>th</sup> August, 2019 (5.00 p.m.). Ballot form received after 7<sup>th</sup> August, 2019 will be strictly treated as if the reply from the Members has not been received.
7. A member may request for a duplicate ballot Form, if so required. However, duly filled in and signed duplicate form should reach the Scrutinizer not later than the date and time specified under instruction No. 6 above.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
9. The decision of the Scrutinizer on the validity of the Ballot Form shall be final.
10. The results declared along with Scrutinizer's report, shall be placed on the Company's website [www.kokuyocamlin.com](http://www.kokuyocamlin.com) and on the website of the National Securities Depository Limited (NSDL) within two days of the passing of the Resolutions at the AGM of the Company on 10<sup>th</sup> August, 2019 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are Listed.