



## KOKUYO CAMLIN LIMITED

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

Tel.: 91-22-6655 7000

Fax : 91- 22-2836 6579

E-mail : info@kokuyocamlin.com

Website : www.kokuyocamlin.com

CIN - L24223MH1946PLC005434

10<sup>th</sup> July, 2024

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

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

**Scrip Code: 523207**

**Scrip Code: KOKUYOCLN**

Dear Sir,

**Sub: Notice of 77<sup>th</sup> Annual General Meeting and Annual Report for the year 2023-2024**

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 2023-2024 along with the Notice of 77<sup>th</sup> Annual General Meeting ('AGM') of the Company, to be held on Tuesday, 6<sup>th</sup> August, 2024 at 11:00 a.m. (IST) through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') without the physical presence of the Members.

This is in compliance with provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 5th May, 2020 and subsequent circulars issued in this regard, the latest being Circular No. 9/2023 dated 25th September, 2023 issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as 'MCA Circulars'), and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and subsequent circulars issued in this regard, the latest being Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October, 2023 (collectively referred to as 'SEBI Circulars').

In accordance with the aforesaid MCA Circulars and SEBI Circulars, the Annual Report together with the Notice of the AGM is being dispatched today by



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electronic mode to those Shareholders whose email addresses are registered with the Company/ Depository Participants.

The Notice of the AGM and Annual Report for FY 2023-24 are also available on the Company's website at [Kokuyo Camlin Limited Annual Report 2023-24](#).

Pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Register of Members of the Company will remain closed from Wednesday, 31<sup>st</sup> July, 2024 to Tuesday, 6<sup>th</sup> August, 2024 (both days inclusive) for the purpose of AGM. The Company is providing 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., Tuesday, 30<sup>th</sup> July, 2024, shall be entitled to avail electronic voting facility.

The remote e-voting period commences from Saturday, 3<sup>rd</sup> August, 2024 (9:00 a.m.) and will end on Monday, 5<sup>th</sup> August, 2024 (5:00 p.m.).

You are requested to take note of the above.

Thank you.

**For KOKUYO CAMLIN LIMITED**

**VIPUL BHOY**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**

Encl: a/a

# Enabling creative expressions





### Honouring Memories

#### Mr. Chetan Badal

Former CFO, Kokuyo Camlin Limited

Mr. Chetan Badal upheld the highest accounting standards and corporate governance, strengthening Kokuyo Camlin's financial astuteness amidst evolving business contexts. His achievements include integrating SAP technology in finance, strengthening KCL's operations, and strategic contributions to the joint venture with Kokuyo in 2011.

Mr. Badal steered the Company with resilience and foresight, navigating the challenges posed by COVID-19, ensuring stability and paving the way for future growth. His meticulous financial stewardship and commitment to transparency enhanced our reputation. Mr. Badal was admired for his intelligence, integrity, and acumen - leaving a lasting impact on Kokuyo Camlin and those who had the privilege of working with him. He served Kokuyo Camlin for 15 years and 10 months until his passing on January 16, 2024.

#### Mr. Satish Veerappa

Managing Director, Kokuyo Camlin Limited

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### Financial Highlights

₹ 81,589.33 Lakhs

Revenue from Operations

₹ 4,383.20 Lakhs

Profit After Tax

₹ 4.37

Earnings Per Share

# Enabling creative expressions

At Kokuyo Camlin, we are committed to enabling everyone to express their authentic selves. For generations, we have provided students, hobbyists, artists, and professionals with opportunities to explore creative avenues by making art affordable and enhancing the user experience with our products.

We, the people of Kokuyo Camlin, celebrate creativity that transforms dreams into reality through each brushstroke, sketch, colour splash and intricate design, bringing forth the spirit of imagination and originality of each artistic individual and every creative endeavour – inspiring the world to thrive, one masterpiece at a time.

**5 Million+**  
Camlin artists community

**54**  
Art campaigns

**7**  
New product launches



# Continuing a Vibrant Legacy

Kokuyo Camlin Limited stands as a prominent player in India's stationery sector. Since our inception in 1931, we have cultivated a dynamic brand that has endured over time and maintained its presence among artists, students, professionals, and hobbyists.



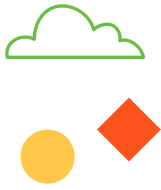
## Corporate Philosophy

<p><b>Customer first, always</b></p> <p>We constantly deliver superior quality while meeting the diverse demands of our community</p>	<p><b>You can see through us</b></p> <p>We maintain absolute transparency by conducting every operation with honesty and integrity</p>	<p><b>Working with pride</b></p> <p>We believe in equal opportunities for professional excellence and great working conditions</p>	<p><b>Business based on trust</b></p> <p>We establish long-lasting bonds with all stakeholders to augment mutual cooperation</p>	<p><b>Leadership with meaning</b></p> <p>We nurture a corporate culture that implements policies to promote ethical behaviour</p>
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Our Brands





## Where Creativity Takes Shape

Being the manufacturers of a wide range of scholastic and artistic products, we have three plants – two in Maharashtra (Patalganga and Tarapur) and one in Jammu and Kashmir. Our widespread distribution network has enabled us in reaching every corner of India, helping creativity flourish.



### Patalganga, Maharashtra

Our largest facility with a huge production capacity, the Patalganga plant is equipped with Japanese-tech injection moulding robotics machines. All Camlin stationery products are manufactured at this facility, distributed then in Indian and Japanese markets. The plant has an in-house R&D centre specialising in stationery products along with Japanese workplace management tools such as 5s and Kaizen. The plant has a 50 Lakh litre open water storage pond. A 564+520 kWp solar power plant has also been installed to reduce our non-renewable sources energy consumption while contributing towards lowering our carbon footprint. The plant has an ETP & STP combined plant installed with Zero Liquid Discharge.

# 324 SKUs

Patalganga plant



### Tarapur, Maharashtra

Our oldest manufacturing facility, the Tarapur plant has the capacity to manufacture crayons, artist products, mechanical pencil leads, etc. and is equipped with a state-of-the-art R&D centre for colour products – an integral part of the facility. The plant also has a 500 kWp solar power plant installed with Zero Liquid Discharge.

# 800 SKUs

Tarapur plant



### Samba, Jammu

Our Samba plant is the prime producer of colour category products such as poster colours, watercolours, liquid acrylic colours, etc. This plant is also equipped with a Zero Liquid Discharge facility.

We are also planning for an additional manufacturing plant in the same location.

# 393 SKUs

Samba plant

# Crafting Art, Creating Memories

Our range of products in varied media and forms, from Camel and Camlin, has brought joy and creative expression to childhoods across generations and households.

## Our Flagship Brands

**Camel** 

For 'All things art'

Colour, mediums, drawing materials, painting kits, and more



**camlin**

For 'All things stationery'

Pencils, accessories, mechanical instruments, office supplies, and more







## Camel



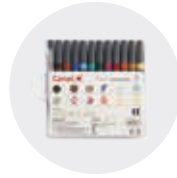
### Colour

Artist Acrylics, Artist HD Acrylics, Student Oil Colours, Drawing Inks, Fabrica Acrylics, etc.



### Mediums

Acrylic mediums, Oil mediums, Dry mediums, Hobby mediums, etc.



### Drawing Materials

Artist Oil Pastels, Drawing Pencils, Artist Brush Pens, etc.



### Painting Kits

DIY colouring kits, drawing kits, painting kits, etc.



### Canvases

Canvas rolls, Canvas pads, oil sketching papers, etc.



### Brushes

White Bristle brushes, artist brushes, synthetic gold brushes, etc.



### Kids

Crayons, Student Brush Pens, Drawing Books, Colour Pencils, etc.



### Hobby

Sparkle Colours, Fabric Glue, Glass Colours, etc.

## camlin



### Pencils and Accessories

Wooden Pencils, Mechanical Pencils, Artist Pencils, Exam Pads, etc.



### Geometry Box

Student Geometry Boxes, Scales, Technical Instruments, etc.



### Office Supplies

Whiteboard Markers, Permanent Markers, Correction Pens, Stamp Pads, etc.



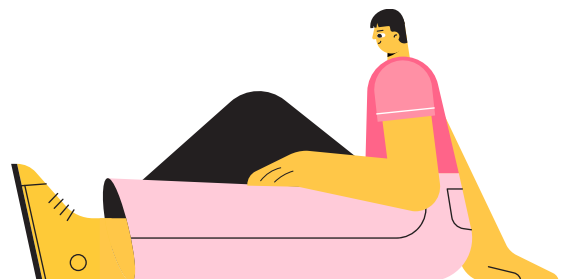
### Adhesives

Glue Sticks, White Glues, Gums & Pastes, etc.



### Early Learning

Finger Crayons, Modelling Clay, Play Dough, Child-grip Crayons, etc.





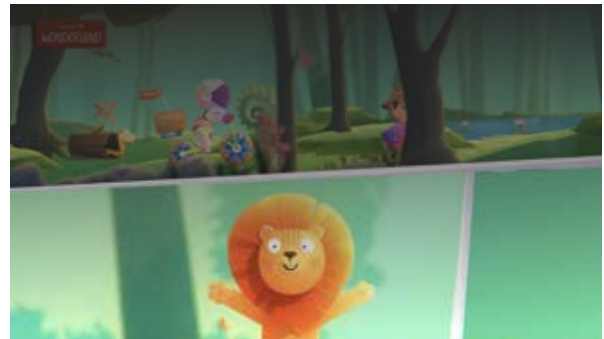
# Making Art Accessible and User-friendly

At Kokuyo Camlin, we believe in sparking creativity and imagination in the minds of the youth as we make art more accessible and user-friendly for all with our new brand initiatives.

## Welcome to Camel Wonderland

Camel Wonderland is a virtual theme park that is beyond fun and games; it is a place where the little ones can learn the importance of being eco-friendly, doing good in the world, and solving practical problems. Activated via digital channels and QR codes given in kids' product packs, players are encouraged to save Candyland by collecting discarded wrappers and freeing animals in the Enchanted Forest among more colourful and immersive worlds. Kids are encouraged to do good deeds and collect coins while stimulating their intellect with mini-games.

Watch our video to explore more:



Have you visited the Camel Wonderland?

# 6+ Crore

Viewership reached



### Fortifying Art with Deeper Engagement

Camel, the art expert, has been driving deeper engagement among the art-inclined audiences online. Artists are showcasing their talent and masterpieces on Instagram, Facebook, and YouTube through quirky art prompts in collaboration with Camel – themes for the art prompts range from ‘AI versus Artists’ to giving a desi twist to famous paintings (like, imagine Mona Lisa in a saree, Girl with a Pearl Earring holding a *cutting chai*). We are inspiring our audiences and promising a superior painting experience with world-class, quality art materials.



### Expanding our Brand Presence at Consumer Touchpoints

Our Camel and Camlin brands also ensure that we are able to provide enhanced shopping experiences for our customers at points of sales, with an engaging and more efficient ambience for the customers and staff.



### Camel and Camlin Online

Social media platforms such as Instagram and YouTube have been instrumental for Camel and Camlin by taking our art materials and stationery onto the mobile screens and desktops of every consumer. From workshops, product launches, and educative content social media platforms have been our voice in keeping the conversation going with budding and professional artists, DIY-ers, and parents alike.

Our website also plays host to the Camel Artist Community – a growing cohort of artists who can exhibit their masterpieces, gain feedback from other artists, and explore our library of artistic techniques.



<https://www.kokuyocamlin.com>



<https://www.instagram.com/kokuyo.camlin>



<https://www.youtube.com/@KokuyoCamlin>



### Taking Consumers to Where the Magic Happens

We shot and released five brand films in 2023, with each giving a sneak peek into what happens behind-the-scenes of Camel and Camlin’s production. Stimulating visuals of paints and colours in the process of being made, our audiences were able to enjoy watching how each dollop and stick of colour is brought to life. These brand films include the making of **Artist HD Acrylics**, **Oil Pastels**, **Wax Crayons**, **Artist Acrylic Colours**, and **Mechanical Pencil leads** among other products.



# Automating Business Processes

We are strengthening our operations through manufacturing automation and salesforce automation, enhancing our efficiency and ensuring our products reach every corner of India. Embracing automation also allows us to maintain a disciplined approach to capital utilisation, optimising our resources and driving sustainable growth. By streamlining processes and minimising waste, we are reinvesting in our core mission: fostering creativity and learning. Our commitment underscores our dedication to remaining agile and responsive in an ever-evolving market.



# Identifying Growth Bets

Our re-entry into the wooden pencils market reaffirms our commitment to providing high-quality products. Our wooden pencils, renowned for their superior craftsmanship and durability, are now complemented by a range of notebooks designed for every creative and academic pursuit.

We are also expanding our portfolio to include notebooks and additives market spaces, catering to the diverse needs of students and artists alike.

At Camlin, we use the best GSM paper 57 and 64, declaring the same on each of our notebooks to reassure customers on quality and consistency. Introducing our new line of additives will enhance the appeal of our primary products. This strategic expansion will help to broaden our product offerings and strengthen our position in the market as a comprehensive provider of educational and artistic supplies.

## Camel 'Artist' Range of Products Gets a New Look

Camel's range of fine arts and hobby products have undergone a revamp, as part of our efforts to perfect our brand identity and keep up with the needs of today's consumers. Progressing through 2023, these products have been launched in the market along with the already-refreshed Young Artist materials and the Camlin stationery range.

## Optimised Product Offerings

Our brands Camel and Camlin has consistently launched products that cater to the likes and needs of every artist. In 2023, we launched exciting and high-quality art supplies in close consultation with professional artists to ensure uncompromised quality. Camlin recently launched a fresh line of erasers and sharpeners along with new sophisticated products in the geometry box range. Camel continues to reinforce commitment to excellence and innovation within the art supplies industry through artist feedback in the product development process. Camlin focuses on providing specialty products through consistent consumer feedback from children and parents.



### Launches



Scholar+ Geometry Box  
Scholar Basics Geometry Box



Silky Crayons



### Watercolour Brushes:

Artist Mop Brush, Artist Watercolour Cake sets in 18, 24, and 48 shades, Artist HD Acrylics



Spin Eraser



Washable  
Colour Markers



# A Space for All: Hobbyists to Artists

At Kokuyo Camlin, we believe that sparks of creativity dwell in every individual. It takes a great community to bond and build on these creative aspirations – from budding hobbyists to aspiring artists.



### Nurturing Creative Expression

Our dedication to encouraging artistic talent drives us to build the world's most vibrant art community through engaging activities. Kokuyo Camlin promotes art in schools, connects hobby artists, and discovers new talent through initiatives like the All India Camel Colour Contest, media-run competitions, and exhibitions, among others.



### Camel Art Foundation: Ajmer Chapter 2023-2024

Camel Art Foundation is one of the most coveted honours, lending significant weightage to art students' portfolios. In 2023, Camel organised a National Art Camp for students at Mayo College, Ajmer. Established by the erstwhile Viceroy of India in 1875, Mayo College served as the ideal host venue, with its historical roots and contemporary educational philosophy.

In addition to fostering relationships with institutions, Camel hopes to boost students' self-esteem by teaching them on the science of colours.

We were graced with the presence of renowned artists, Mr. Tilak Gitai (Padmashree awardee) and Mr. Vishwanath, Dean, Sir J.J. School of Arts, Mumbai, who joined us as guest lecturers. During the painting exhibition at the esteemed Lalit Kala Academy, Delhi, Prof. Dr. Sanjay Gupta, Vice Chancellor, World University of Design, was one of our marquee guests.



# Celebrating Joy and Festivities

The minds that create magic at Kokuyo Camlin: we celebrate them through fun family activities, festivities, and team-building events.

## Shasan Aplya Dari

The 'Shasan Aplya Dari' is a Government of Maharashtra initiative aimed to improve citizen access to government services and benefits through a singular platform.

Our Patalganga unit participated in the initiative at an industrial exhibition held in Mangaon, Raigad to showcase our innovative stationery products at the Kokuyo Camlin stall. People from different walks of life, occupations, and age groups were drawn to our stall by a shared sense of nostalgia and admiration for Camlin products. Our newer products also caught attention such as the Brush Pens, the Scholar+ Geometry Box, and the Spin Eraser.

## Celebrations at Kokuyo Camlin

The Republic Day celebrations at our Tarapur unit was filled with a strong sense of unity and pride. The day began with an uplifting flag-hoisting ceremony. The event's highlight was a parade led by the security team, showcasing their discipline and patriotism. In our Patalganga unit, Mr. Dipak Kapse (General Manager – Manufacturing Control) conveyed a message urging every individual to unite and contribute towards our nation's strength and development.

On February 22, 2024, the Annual Pooja organised at our Patalganga unit was marked by the presence of distinguished guests and participation by all employees, including contractual workers. The celebrations commenced with Satyanarayan Pooja in the morning. Dignitaries included Mr. Shriram Dandekar (Vice Chairman & Executive Director) and Mr. Takeo Iguchi (Executive Director), warmly welcomed by Mr. Kishor Wathe (President – Manufacturing Control) and Mr. Dipak Kapse (General Manager – Manufacturing Control).



1,122

Number of Employees  
in FY2024





### National Safety Week at Kokuyo Camlin

The National Safety Day is observed on March 4<sup>th</sup>, organised by the National Safety Council of India. This year's theme, 'Focus on safety leadership for ESG excellence,' emphasised the importance of government safety protocols to ensure the well-being of individuals and families.

We celebrated Safety Week at all our plants with various activities to engage employees and enhance safety awareness. The inauguration at Patalganga, led by Mr. Hideaki Tani and Mr. Dipak Kapse, featured events like safety posters, essays, slogan competitions, Spot-the-Hazard, and 'Chalta Bolta' – a Safety Quiz. Practical demonstrations on firefighting operations, SCBA (Self-Contained Breathing Apparatus) and general safety protocols. Awards were presented by Chief Guests Mr. Takeo Iguchi and Mr. Ashish More and acknowledged employees' efforts. In Samba, activities included safety banners and a ceremonial lamp lighting by Guest of Honour Mr. B.H. Nimat, a PPE exhibition, and training sessions on fire emergencies and first aid. The week concluded with a safety awareness play and prize distribution.

### Business Plan Communication and Annual Event 2023

Starting December 1, 2023, Kokuyo Camlin's 'Business Plan Communication' initiative commenced at the Head Office. Mr. Takashi Itoguchi presented Kokuyo Japan's vision and growth strategies, followed by Mr. Satish Veerappa (Managing Director), discussing past achievements and future focus areas, particularly the '7 Cs.' The event included a motivational video, 'Dangal 2024,' urging employees to challenge the status quo. Significant contributors from the Patalganga and Tarapur units were recognised.

The cultural event began with a Diya lighting ceremony by senior leaders and a Ganesh Vandana performance. Employees celebrating 25 years of service, including Mr. Lalit Rawat, Mr. Tanaji Powar, and Mr. Kishor Wathe, were felicitated. A message from Mr. Subhash Dandekar congratulated long-serving employees and award winners.

A KCL Quiz covering general and company knowledge was held, with the Delhi Eagles winning. Sports winners were also felicitated, including the victorious Antakshari team, Diwane, and the runner-up team, Mastane. Mr. Dilip Dandekar praised the employees' engagement, presenting volunteers with Certificates of Appreciation. The event concluded with vibrant performances, making the event a success.

### Sports Day 2023

The sports committee's hustle and planning set the stage for an exciting event this year, with the ICON trophy, now a rolling trophy, heightening anticipation. Indoor sports kicked off at our Head Office on November 1, 2023, with the sports day on November 25, 2023. The indoor area, equipped with carrom and chess boards, buzzed with energy, as the final indoor tournaments concluded, setting the tone for the outdoor event, which featured innovative telly matches and cricket tournaments. Employees participated enthusiastically, with lively discussions in the Company café. The cricket tournament, highlighted by the intense final match between Jaipur Blackbuck and Gujarat Lions, ended with Jaipur Blackbuck's victory and celebrated with applause and cheers. The spirit of Sports Day inspired everyone.



## Corporate Information

### Chairman Emeritus

**Mr. Subhash Dandekar**

### Board of Directors

**Mr. Dilip Dandekar**, Chairman & Non-Executive Director

**Mr. Masaharu Inoue**, Senior Vice Chairman & Non-Executive Director (w.e.f. 12/05/2023)

**Mr. Shriram Dandekar**, Vice Chairman & Executive Director

**Mr. Satish Veerappa**, Managing Director (w.e.f. 01/04/2024)

**Mr. Takeo Iguchi**, Executive Director (w.e.f. 01/02/2024)

### Independent Directors

**Mr. Shishir Desai**, (up to 31/03/2024)

**Mr. Venkataraman Sriram**, (up to 31/03/2024)

**Ms. Nandini Chopra**

**Ms. Naho Shigeta**, (w.e.f. 01/02/2024)

**Mr. Nilesh Modi**, (w.e.f. 08/02/2024)

**Mr. Naganath Subramanian Iyer**, (w.e.f. 08/02/2024)

**Mr. Tomoya Okada**, (w.e.f. 08/02/2024)

### Chief Financial Officer

**Mr. Chetan Badal**, (up to 16/01/2024)

### Company Secretary & Compliance Officer

**Mr. Vipul Bhoy**, (w.e.f. 01/08/2023)

### 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.

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

### Auditors

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

### Bankers

Mizuho Bank Ltd.

The Bank of Tokyo-Mitsubishi UFJ Ltd.

Sumitomo Mitsui Banking Corporation

HDFC Bank Ltd.

### Registrar & Transfer Agents

Link Intime India Pvt Ltd.

C-101, 247 Park,  
LBS Marg, Vikhroli (West),  
Mumbai - 400 083.

Tel: 91-022-4918 6270

Fax: 91-022-4918 6060

Email : rnt.helpdesk@linkintime.co.in

### Audit Committee

**Ms. Nandini Chopra**, Chairperson

**Mr. Nilesh Modi**, Member

**Mr. Tomoya Okada**, Member

**Mr. Satish Veerappa**, Member

### Stakeholders' Relationship Committee

**Mr. Nilesh Modi**, Chairman

**Mr. Takeo Iguchi**, Member

**Ms. Naho Shigeta**, Member

### Remuneration & Nomination Committee

**Mr. Naganath Subramanian Iyer**, Chairman

**Mr. Nilesh Modi**, Member

**Mr. Dilip Dandekar**, Member

### Corporate Social Responsibility Committee

**Mr. Shriram Dandekar**, Chairman

**Mr. Takeo Iguchi**, Member

**Mr. Naganath Subramanian Iyer**, Member

**Ms. Naho Shigeta**, Member

### Risk Management Committee

**Mr. Shriram Dandekar**, Chairman

**Ms. Nandini Chopra**, Member

**Mr. Tomoya Okada**, Member

**Mr. Satish Veerappa**, Member

**Mr. Takeo Iguchi**, Member



# Notice

NOTICE is hereby given that the 77<sup>th</sup> Annual General Meeting of the Members of Kokuyo Camlin Limited, will be held on Tuesday, the 6<sup>th</sup> August, 2024 at 11:00 a.m. (IST) through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”), to transact the following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements for the financial year ended 31<sup>st</sup> March, 2024 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend of ₹ 0.50 per equity share of ₹ 1/- each (50%) for the financial year ended 31<sup>st</sup> March, 2024.
3. To appoint a Director in place of Mr. Masaharu Inoue (DIN: 10154904), who retires by rotation and being eligible offers himself for re-appointment.

## SPECIAL BUSINESS:

4. **Payment of remuneration by way of perquisites to Mr. Dilip D. Dandekar (DIN: 00846901), Chairman & Non-Executive Director.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions if any, read with Schedule V of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6)(ca) and other applicable provisions, if any, of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and on the recommendation of Remuneration & Nomination Committee and the Board of Directors, the consent of the members be and is hereby accorded for the payment

of remuneration to Mr. Dilip D. Dandekar, Chairman and Non- Executive Director of the Company by way of perquisites in the form of annual subscription towards club membership, provision of Car and Driver with maintenance expenses, travel expenses in connection with consulate work being Honorary Consulate of Mongolia and annual membership of Honorary Consul / Career Consul associated with Honorary Consular Corps Diplomatique-India (HCCD) and Consular Corps Association Mumbai (CCAM) up to an amount not exceeding ₹ 14,00,000/- (Rupees Fourteen Lakhs) per annum.

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

**RESOLVED FURTHER THAT** Mr. Shiram S. Dandekar, Vice-Chairman & Executive Director or Mr. Satish Veerappa, Managing Director 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: 15<sup>th</sup> May, 2024

### By Order of the Board

**Vipul Bhoj**  
Company Secretary &  
Compliance Officer

## Notice (Continued)

### NOTES:

1. Pursuant to the general circular no. 14/2020 dated 8<sup>th</sup> April, 2020, general circular no. 17/2020 dated 13<sup>th</sup> April, 2020, general circular no. 20/2020 dated 5<sup>th</sup> May, 2020 and subsequent circulars issued in this regard, the latest being general circular no. 9/2023 dated 25<sup>th</sup> September, 2023 issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as "MCA Circulars"), and circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 and subsequent circulars issued in the regard, the latest being Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7<sup>th</sup> October, 2023, issued by the Securities & Exchange Board of India (SEBI), (hereinafter collectively referred to as "SEBI Circulars"), holding of the Annual General Meeting ('AGM') through VC/OAVM, without physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held through VC/OAVM, whereby physical attendance of Shareholders has been dispensed with and in line with the said MCA Circulars and SEBI Circulars, THE FACILITY TO APPOINT A PROXY TO ATTEND AND CAST VOTE FOR THE SHAREHOLDER IS NOT MADE AVAILABLE FOR THIS AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.  
  
However, in terms of the provisions of Section 112 and 113 of the Act read with the said MCA Circulars, Corporate Members are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM on their behalf and participate thereat, including cast votes by electronic means. 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 authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to [info@jhrasso.co.in](mailto:info@jhrasso.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) not later than 48 hours before the scheduled time of commencement of the AGM. Institutional shareholders can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
3. The explanatory statement as required under Section 102 of the Act in respect of the business referred to under item no. 4 is annexed hereto. The Board of Directors of the Company at its meeting held on 15<sup>th</sup> May, 2024 considered that the business under item no. 4, being unavoidable, be transacted at the 77<sup>th</sup> AGM of the Company.
4. The Shareholders can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the meeting by following the procedure mentioned herein below in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Shareholders on 'first come first serve' basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Remuneration and Nomination Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.
5. The attendance of the Shareholders attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Register of Members and Share Transfer Books will remain closed from Wednesday, 31<sup>st</sup> July, 2024 to Tuesday, 6<sup>th</sup> August, 2024 (both days inclusive) for the purpose of dividend and AGM.
7. The dividend of Rs.0.50 per equity share of Rs.1/- each (50%), as recommended by the Board of Directors, if approved at the AGM, would be paid subject to deduction of tax at source, as may be applicable, on or after 10<sup>th</sup> August, 2024, to those persons:
  - a) Whose names appear as beneficial owners as at the end of business hours on Tuesday, 30<sup>th</sup> July, 2024 in the list of beneficial owners to be furnished by the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) in respect of the shares held in electronic form;



- b) Whose names appear as Members in the register of Members of the Company as at the end of business hours on Tuesday, 30<sup>th</sup> July, 2024 in respect of the shares held in physical form.
8. Pursuant to the Income Tax (IT) Act, 1961, as amended by the Finance Act, 2020, dividend income has become taxable in the hands of the Members with effect from 1<sup>st</sup> April, 2020. Therefore, the Company is required to deduct TDS from the dividend paid to the Members at prescribed rates. Members are requested to update their residential status, PAN, category as per the IT Act with their Depository Participants (DPs) or in case, shares are held in physical form, with the Company / Registrar & Share Transfer Agent (RTA) of the Company viz. Link Intime India Pvt. Ltd. on or before Tuesday, 30<sup>th</sup> July, 2024.
- SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. As directed by SEBI, the Members holding shares in physical form are requested to submit particulars of their bank account in Form ISR-1 along with the original cancelled cheque bearing the name of the Member to the Company/RTA to update their bank account details. Members may please note that their bank details as furnished by the respective Depositories/RTA to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion/ in such bank details. Accordingly, the Members holding shares in Demat form are requested to update their Electronic Bank Mandate with their respective DPs.
- Further, please note that instructions if any, already given by Members in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank mandate, the Company shall dispatch the dividend warrant/ Banker's cheque/ demand draft to such members. Pursuant to SEBI circular dated 17<sup>th</sup> November, 2023 & SEBI circular dated 16<sup>th</sup> March, 2023 (now rescinded due to issuance of master circular dated 17<sup>th</sup> May, 2023), in case of non-updation of PAN or choice of nomination or contact details or mobile number or bank account details or specimen signature in respect of physical folios, dividend shall be paid only through electronic mode w.e.f. 1<sup>st</sup> April, 2024 upon furnishing all the details in entirety. Members holding shares in physical form are requested to update the same.
9. In compliance with Section 124(6) of the Act, the shares in respect of which dividend was unclaimed for a period of seven years or more have been transferred in the name of 'Investor Education and Protection Fund' (IEPF) established by the Central Government. Members may claim the said shares and unpaid dividend by making an application to IEPF Authority in Form IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
10. 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 31<sup>st</sup> March, 2009 and thereafter.
11. Members can avail of the facility of making nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled-in to RTA viz. Link Intime India Private Limited. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
12. As per Regulation 36(3) of the Listing Regulations and Secretarial Standard-2, details in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of the notice.
13. Shareholders, who would like to express their views/ have questions may send their questions in advance at least seven working days prior to the meeting mentioning their name, demat account number/folio number, email id, mobile number at [investorrelations@kokuyocamlin.com](mailto:investorrelations@kokuyocamlin.com). The same will be replied by the Company suitably.
14. Members who would like to register themselves as a speaker at the AGM shall send a request to the Company at [investorrelations@kokuyocamlin.com](mailto:investorrelations@kokuyocamlin.com) from 26<sup>th</sup> July, 2024 to 30<sup>th</sup> July, 2024. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.
15. 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

## Notice (Continued)

Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company/ RTA.

16. In compliance with the provisions of Section 108 of the Act and the rules framed thereunder and Regulation 44 of the Listing Regulations, the members are provided with the facility to cast their votes electronically, through the e-voting services provided by NSDL, on the resolutions set forth in this notice. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the notice of AGM and holding shares as on the cut-off date i.e. 30<sup>th</sup> July, 2024 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Instructions for e-voting are given hereunder. Resolution(s) passed by the members through e-voting is/ are deemed to have been passed as if they have been passed at the AGM.
17. Since the AGM is held through VC/OAVM, the facility for voting through Ballot paper shall not be made available at the AGM.
18. The Board of Directors of the Company, at its meeting held on 15<sup>th</sup> May, 2024 has appointed Mr. J. H. Ranade, Partner failing which Mr. Sohan J. Ranade, Partner failing which Ms. Tejaswi Jugal, Partner of M/s. JHR & Associates as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner. Upon completion of the scrutiny of the e-voting, the Scrutinizer will submit his report to the Chairman & Non-Executive Director of the Company. The results will be declared not later than 2 working days from the conclusion of AGM and communicated to the Stock Exchanges, Depository, RTA and displayed on the Company's website at [www.kokuyocamlin.com](http://www.kokuyocamlin.com).
19. In compliance with aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice calling AGM and Annual Report 2023-24 are available on the website of the Company at [www.kokuyocamlin.com](http://www.kokuyocamlin.com), on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of National Securities Depository Limited (NSDL) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Company's web-link on the above will also be provided in advertisement being published in newspaper having wide circulation in India (English Language) and local newspaper (Marathi Language).
20. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
21. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 mandated the listed Companies to issue the securities only in dematerialised form while processing the service requests viz. issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, subdivision/ splitting of securities certificate, consolidation of securities certificate / folios, Transmission and Transposition. In view of this, to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Link Intime India Pvt. Ltd., (RTA) for assistance in this regard.
22. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.
23. SEBI vide circular nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated 31<sup>st</sup> July, 2023, and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated 4<sup>th</sup> August, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated 31<sup>st</sup> July, 2023 (updated as on 11<sup>th</sup> August, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.  
  
Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website <https://www.kokuyocamlin.com/disclosure>.
24. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.



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

The remote e-voting period begins on Saturday, 3<sup>rd</sup> August, 2024 at 9:00 A.M. and ends on Monday, 5<sup>th</sup> August, 2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 30<sup>th</sup> July, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date, being 30<sup>th</sup> July, 2024.

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

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

#### Step 1: Access to NSDL e-Voting system

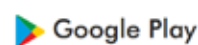
##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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

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

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

NSDL Mobile App is available on



## Notice (Continued)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

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

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

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





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

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - 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.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
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.

## Notice (Continued)

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

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

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

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to [info@jhrasso.com](mailto:info@jhrasso.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request to Mr. Sanjeev Yadav at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorrelations@kokuyocamlin.com](mailto:investorrelations@kokuyocamlin.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorrelations@kokuyocamlin.com](mailto:investorrelations@kokuyocamlin.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholders/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**Regd. Office:**

Kokuyo Camlin Limited  
CIN: L24223MH1946PLC005434  
48/2, Hilton House,  
Central Road, M.I.D.C,  
Andheri (East),  
Mumbai-400 093  
Dated: 15<sup>th</sup> May, 2024

**By Order of the Board**

**Vipul Bhoj**  
Company Secretary &  
Compliance Officer

# Annexure forming part of the Notice

## EXPLANATORY STATEMENT

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

### Item No.4

The Board of Directors on the recommendation of Remuneration & Nomination Committee at its meeting held on 12<sup>th</sup> May, 2023, approved the remuneration to Mr. Dilip D. Dandekar, Chairman & Non-Executive Director by way of perquisites in the form of annual subscription towards club membership and provision of Car and Driver with maintenance expenses not exceeding ₹ 14,00,000/- (Rupees Fourteen Lakh only). The aforesaid remuneration was further approved by the Shareholders at the 76<sup>th</sup> Annual General meeting held on 28<sup>th</sup> July, 2023 by passing a special resolution.

The Company proposes to continue to pay a remuneration not exceeding ₹ 14,00,000/- (Rupees Fourteen Lakhs Only) per annum to Mr. Dilip D. Dandekar, Chairman and Non-Executive Director by way of perquisites in the form of annual subscription towards club membership, provision of Car and Driver with maintenance expenses. Further, Mr. Dilip Dandekar is an Honorary Consul of Consulate of Mongolia. He is also an Honorary Consul and career Consul of Honorary Consular Corps Diplomatique-India (HCCD) and Consular Corps Association Mumbai (CCAM) respectively. Considering the benefits of his aforesaid association, the Company proposes to include his travel expenses in connection with consulate work of Mongolia and his annual membership of HCCD and CCAM, within the aforesaid limit of Rs.14,00,000/- (Rupees Fourteen Lakh only). The above-mentioned remuneration shall be in addition to the fees payable to him for attending the meetings of the Board/ Committees thereof or for any other purpose whatsoever as may be decided/ approved by the Board of Directors (including any Committee thereof) and reimbursement of various expenses incurred in performance of his duties including travelling and other out-of-pocket expenses as required from time to time.

Mr. Dilip Dandekar holds various positions with industry bodies namely, Indian Merchants' Chamber, Federation of Indian Chambers of Commerce & Industry (FICCI), International Chambers of Commerce (ICC) and World Chambers Federation which has benefited the Company from time to time. It is in the interest of the Company to continue to avail his services and guidance.

As per the provisions of Regulation 17(6)(ca) and other applicable provisions, if any, of the Listing Regulations, the approval of Members by special resolution shall be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the

total annual remuneration payable to all Non-Executive Directors, giving details of the remuneration thereof.

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

The payment of such remuneration was approved by the Board of Directors in their meeting held on 15<sup>th</sup> May, 2024 based on the recommendation of the Remuneration and Nomination Committee and subject to the approval of Members.

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

### I. GENERAL INFORMATION:

#### i. Nature of Industry:

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

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

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

#### iii. Financial Performance based on given indicators –

		(₹ In Lakhs)		
Sr. No.	Particulars	2023-24	2022-23	2021-22
1	Revenue from operations (Net)	81589.33	77494.32	50847.23
2	Profit /(Loss) before tax	5938.23	3514.48	(472.85)
3	Profit / (Loss) after tax	4383.20	2444.73	(472.85)

#### iv. Foreign Investments or Collaborations, if any.

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

Kokuyo Co. Ltd., Japan, Promoters and also our holding Company hold 7,46,65,950 equity shares of the Company constituting 74.44% of the total paid up share capital of the Company.



## II. INFORMATION ABOUT MR. DILIP DANDEKAR:

### i. Background Details:

Mr. Dilip D. Dandekar (72) G.C.D, is one of the promoter of the Company. He is associated with the Company since 1971 and was later appointed as Whole-time Director in the year 1979 and as Chairman & Managing Director of the Company, from 1<sup>st</sup> June, 2002. The Board of Directors in its meeting held on 1<sup>st</sup> February, 2013 appointed Mr. Dilip D. Dandekar as Chairman & Executive Director of the Company. Further, the Board of Directors approved his re-designation as 'Chairman & Non-Executive Director' with effect from 1<sup>st</sup> September, 2021.

### ii. Past Remuneration:

- a) ₹ 9.61 Lakhs by way perquisites in the form of Annual subscription towards club membership and Provision of car and Driver with maintenance expenses; and
- b) ₹ 7.60 Lakhs by way of sitting fees.

### iii. Recognition & Awards:

Not applicable.

### iv. Job Profile and his suitability:

Mr. Dilip D. Dandekar has wide experience of over 53 years in the field of Marketing, Administration and overall Management of the Company. With his long standing experience and knowledge, he has successfully and in a sustained way contributed towards the growth of the Company. Mr. Dilip Dandekar is associated and held various positions with industry bodies namely, Indian Merchants' Chamber, Federation of Indian Chambers of Commerce and Industry (FICCI) and International Chambers of Commerce (ICC), World Chambers Federation which has benefited the Company from time to time. It is in the interest of the Company to continue to avail his services and guidance.

### v. Remuneration Proposed:

As stated in the resolution and the explanatory statement.

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

Taking into consideration, the size of the Company, the profile of Mr. Dilip Dandekar and the industry

benchmarks, the remuneration proposed to be paid is commensurate with the remuneration paid to Non-Executive Chairman in other Companies.

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

Besides the remuneration proposed, Mr. Dilip D. Dandekar does not have any other pecuniary relationship with the Company and its managerial personnel except that of Ms. Aditi D. Dighe, daughter of Mr. Dilip D. Dandekar, employed with the Company as General Manager (Marketing) and Mr. Rahul D. Dandekar, son of Mr. Dilip D. Dandekar, employed with Company as Sr. General Manager, Business Development (Fine Art & Hobby).

## III. OTHER INFORMATION:

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

Not applicable as the Company has made a profit before tax of Rs.5938.23 Lakhs for the financial year 2023-24. However, minimum remuneration in the event of inadequate profit is being proposed as abundant caution.

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

Not Applicable

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

Not Applicable

## IV. Disclosures:

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

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

The Directors recommends the Special Resolution as set out at item no.4 of this Notice for your approval.

## Annexure to the Notice (Continued)

**Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting**

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

<b>Name</b>	<b>Mr. Masaharu Inoue</b>
Designation	Non-Executive Director
Director Identification Number	10154904
Age	56 years
Date of first Appointment on the Board	12 <sup>th</sup> May, 2023
Brief Resume / Expertise in Specific Functional Area	Mr. Inoue has a wide experience in the field of sales, planning M&A, Management etc.
Qualification	Commerce Graduate from Kwansei Gakuin University
Terms and Conditions of re-appointment	Liable to retire by rotation
Details of remuneration sought to be paid	Nil
Last drawn remuneration	Nil
Relationship with other Directors and Key Managerial Personnel	Nil
Directorship in other Companies	Nil
<b>Listed entities from which the person has resigned in the past three years</b>	Nil
Chairman/Member in the Committees of the Boards of other Listed Companies	Nil
No. of Shares held in the Company	Nil
Number of meetings of the Board attended during the year	5

# Directors' Report

To,

The Shareholders of Kokuyo Camlin Limited

Your Directors have pleasure in presenting the 77<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2024.

## FINANCIAL RESULTS:

Particulars	(₹ In Lakhs)	
	2023-2024	2022-2023
Gross Sales/Income from Business	86452.89	82579.32
Less : Discount on Sales	4863.56	5085.00
Net Sales/Income from Business	81589.33	77494.32
Other Income	567.59	207.93
Total Income	82156.92	77702.25
Profit Before Interest and Depreciation	8226.48	5644.74
Less : Interest	422.03	444.97
Less : Depreciation	1866.22	1685.29
(Loss)/Profit Before Tax	5938.23	3514.48
Less : Provision for Tax		
- Current	1491.11	846.62
- Deferred	54.43	223.13
- Prior Years (Net)	9.49	-
Profit/(Loss) after Tax	4383.20	2444.73
Balance carried to Balance Sheet		
Earnings per share (Basic)	4.37	2.44
Earnings per share (Diluted)	4.37	2.44

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

During the year, the Company reported gross sale/ income of Rs.86452.89/- Lakhs as compared to Rs.82579.32 Lakhs for the previous year. The Company reported a profit after tax for FY 2023-24 of Rs.4383.20 Lakhs in comparison with a profit after tax of Rs.2444.73 Lakhs for FY 2022-23, higher by 79.29%.

## DIVIDEND:

The Board of Directors of your Company is pleased to recommend the payment of dividend on equity shares at the rate of 50% viz. Rs.0.50 per equity share of Rs.1/- each, subject to the approval by the Shareholders at the ensuing Annual General meeting and the payment is subject to deduction of tax at source as may be applicable. The Board has recommended a dividend based on the parameters laid down in the Dividend Distribution Policy. The Dividend Distribution policy is available on the website of the Company at <https://www.kokuyocamlin.com/policies>.

The dividend would result in cash outflow of Rs. 5,01,51,903/-. This payment represents a dividend payout ratio of 11.44%.

## TRANSFER TO RESERVE:

The Board does not propose to transfer any amount to general reserve and has decided to retain the entire amount of profit for the financial year 2023-24 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 2023-2024.

## SHARE CAPITAL:

During the year under review, there was no change in the share capital structure and the paid-up capital of the Company as on 31<sup>st</sup> March, 2024 was Rs.1003.04 Lakhs.

## Directors' Report (Continued)

### **CONSOLIDATED FINANCIALS STATEMENTS:**

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

### **SUBSIDIARIES:**

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

### **DEPOSITS:**

The Company has not accepted any deposits from the public during the year under review. No amount on account of principal or interest on deposits from the public was outstanding as on 31<sup>st</sup> March, 2024.

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

There have been no material changes or commitments that have affected the financial position of the Company subsequent to the close of FY 2023-24 till the date of this report. There is no change in the nature of the business of the Company.

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

The Company has not granted any Loans, Guarantees or Investments during the financial year ended 31<sup>st</sup> March, 2024.

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

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

### **RELATED PARTY TRANSACTIONS:**

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus

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

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

### **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, Practicing Company Secretaries confirming compliance of Corporate Governance forms part of this Report. Certificate of the Managing Director, confirming the correctness of the financial statements, compliance with the Company's Code of Conduct and the Audit Committee in terms of Regulation 17 of the Listing Regulations is attached in the Corporate Governance report and forms part of this report.

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

#### **Retirement by Rotation**

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





### Appointment / Re-appointment of Directors

During the year under review, Mr. Masaharu Inoue was appointed as an Additional Director in the capacity of Non-Executive Director by the Board of Directors with effect from 12<sup>th</sup> May, 2023. The said appointment was also approved by the Members of the Company by passing an ordinary resolution at the 76<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> July, 2023.

The Board of Directors at its meeting held on 25<sup>th</sup> January, 2024 had:

- a) approved the appointment of Ms. Naho Shigeta as an Additional Director in the capacity of Non-Executive Independent Director effective from 1<sup>st</sup> February, 2024 for a period of five consecutive years up to 31<sup>st</sup> January, 2029.
- b) approved the appointment of Mr. Takeo Iguchi as an Additional Director in the capacity of Director in whole-time employment designated as 'Executive Director' for the period of 3 (three) years effective from 1<sup>st</sup> February, 2024 up to 31<sup>st</sup> January, 2027.
- c) approved the re-appointment of Mr. Shriram S. Dandekar as 'Vice-Chairman & Executive Director' for a further period commencing 1<sup>st</sup> February, 2024 to 31<sup>st</sup> March, 2025.

Further, the Board of Directors at its meeting held on 8<sup>th</sup> February, 2024 had:

- a) approved the appointment of Mr. Nilesh Modi as an Additional Director in the capacity of Non-Executive Independent Director for five consecutive years commencing on 8<sup>th</sup> February, 2024 up to 7<sup>th</sup> February, 2029.
- b) approved the appointment of Mr. Naganath Subramanian Iyer as an Additional Director in the capacity of Non-Executive Independent Director for five consecutive years commencing on 8<sup>th</sup> February, 2024 up to 7<sup>th</sup> February, 2029.
- c) approved the appointment of Mr. Tomoya Okada as an Additional Director in the capacity of Non-Executive Independent Director for five consecutive years commencing on 8<sup>th</sup> February, 2024 up to 7<sup>th</sup> February, 2029.
- d) approved the appointment of Mr. Satish Veerappa as an Additional Director in the capacity of the Managing Director with effect from 1<sup>st</sup> April, 2024 for a period of three years.

The aforesaid appointments as approved by the Board of Directors on 25<sup>th</sup> January, 2024 and 8<sup>th</sup> February, 2024 respectively were also approved by the Members of the Company by passing special resolutions through postal ballot on 28<sup>th</sup> March, 2024.

### Cessation

During the year, Mr. Koji Higashiguchi, Non-Executive Director, resigned with effect from close of business hours on 12<sup>th</sup> May, 2023. The Board of Directors appreciated the contribution made by Mr. Higashiguchi.

Further, Mr. Shishir B. Desai and Mr. Sriram Venkataraman, retired from the position of the Independent Directors of the Company on completion of their respective second term of office as an Independent Director of the Company effecting from the close the business hours on 31<sup>st</sup> March, 2024 and ceased to be the Independent Directors of the Company thereafter. The Board placed on record its sincere appreciation for the valuable services rendered by them during their tenure with the Company.

### Key Managerial Personnel

During the year under review, Ms. Hinal Chheda, resigned from the position of the 'Company Secretary & Compliance Officer' with effect from close of business hours on 12<sup>th</sup> May, 2023. The Board of Directors at its meeting held on 12<sup>th</sup> May, 2023, appointed Mr. Vipul Bhoj as Compliance Officer with effect from 13<sup>th</sup> May, 2023 and further at the meeting held on 28<sup>th</sup> July, 2023, appointed him as the 'Company Secretary & Compliance Officer' of the Company with effect from 1<sup>st</sup> August, 2023.

During the year, Mr. Chetan R. Badal, Chief Financial Officer of the Company passed away on 16<sup>th</sup> January, 2024. He played a crucial role in the Company. The Company acknowledges his valuable contribution during his association with the Company.

Further, Mr. Satish Veerappa, 'Manager' designated as 'Chief Executive Officer' was appointed as the 'Managing Director' of the Company with effect from 1<sup>st</sup> April, 2024 by the Board of Directors at its meeting held on 8<sup>th</sup> February, 2024 and by the Members of the Company by passing a special resolution through postal ballot on 28<sup>th</sup> March, 2024.

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 rules framed thereunder:

1. Mr. Satish Veerappa – Manager designated as Chief Executive Officer (up to 31<sup>st</sup> March, 2024) and Managing Director (w.e.f. 1<sup>st</sup> April, 2024)

## Directors' Report (Continued)

2. Mr. Chetan R. Badal – Chief Financial Officer (up to 16<sup>th</sup> January, 2024)
3. Ms. Hinal Chheda – Company Secretary & Compliance Officer (up to 12<sup>th</sup> May, 2023)
4. Mr. Vipul Bhoj – Company Secretary & Compliance Officer (w.e.f. 1<sup>st</sup> August, 2023)

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

### MEETINGS OF BOARD:

During the financial year 2023-2024, six Board meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act.

### COMMITTEES OF THE BOARD:

As on 31<sup>st</sup> March, 2024, the Board had five committees: Audit committee, Corporate Social Responsibility committee, Remuneration and Nomination committee, Stakeholders Relationship committee and Risk Management Committee. During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report.

### FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

In compliance with the requirements of Listing Regulations, the Company has put in place a familiarisation programme 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 program are explained in the Corporate Governance Report.

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

### PERFORMANCE EVALUATION OF THE BOARD:

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

Feedback from Directors was sought by way of structured questionnaire covering various aspects of the Board's functioning viz. Board composition, Board procedure, strategy, flow of information etc. and performance of Directors including but not limited to knowledge, skills, contribution to the discussions, Independence etc. The result of the evaluation was presented by the Chairman to the Board and the Board has agreed on the action plan for further improvement in functioning of the Board.

Further, the Independent Directors met separately without the presence of Non-Independent Directors and the members of management and discussed the performance evaluation of the Non-Independent Directors and the Board as a whole.

### 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 applicable provisions of the Act as well as Listing Regulations. In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company.

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

### REMUNERATION POLICY:

The Board has, on the recommendation of the Remuneration and Nomination Committee framed a policy for selection, appointment, and remuneration of Directors and KMPs. The Remuneration Policy is stated in the Corporate Governance Report and is also available on the website of the Company at <https://www.kokuyocamlin.com/policies>.

### DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company



at the end of the financial year ended 31<sup>st</sup> March, 2024 and of the profit of the Company for the year ended on that date.

- c) 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) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) 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.

### CORPORATE SOCIAL RESPONSIBILITY:

Pursuant to Section 135(1) of the Act, the Company has constituted the Corporate Social Responsibility (CSR) Committee. The Composition of the CSR Committee is disclosed separately in the Corporate Governance report forming part of this Annual Report. The Company has in place, the CSR policy which outlines Company's philosophy towards Company's CSR program implementation. The CSR policy is available on the Company's website <https://www.kokuyocamlin.com/policies>. Pursuant to Section 135(5) of the Act and in accordance with the CSR policy, the Company has spent 2% of the average net profits of the Company during the three immediately preceding financial years. An annual report on CSR containing details as required under rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as "Annexure – C" and forms part of this report.

### AUDITORS & AUDITORS REPORT:

#### STATUTORY AUDITORS:

Pursuant to the provisions of Section 139(2) of the Act 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 second term of five consecutive years to hold office from the conclusion of 75<sup>th</sup> Annual General meeting held on 29<sup>th</sup> June, 2022 till the conclusion of 80<sup>th</sup> Annual General meeting 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 financial statements of the Company for the year ended 31<sup>st</sup> March, 2024 does not contain any qualifications, reservations or adverse remarks.

There have been no instances of fraud by the Company or on the Company except an event of misappropriation of funds in the financial transaction with vendors in terms of wrongful gratification and unethical procurement by an employee of the Company which has been reported by the auditors under Section 143(12) of the Act. The Company has terminated the services of an employee. The Company does not expect any material financial impact.

### SECRETARIAL AUDIT:

M/s. JHR & Associates, a firm of Company Secretaries, were appointed as Secretarial Auditor for the financial year 2023-24 pursuant to Section 204 of the Act. The Secretarial Audit Report submitted by them in the prescribed form MR-3 is attached as "Annexure – D" and forms part of this report.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Secretarial Audit/Compliance Report issued by them for the financial year 2023-24.

### RECONCILIATION OF SHARE CAPITAL AUDIT:

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

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

The Act 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 31<sup>st</sup> March, 2024.

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 weakness exists. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and /

## Directors' Report (Continued)

or improved controls wherever the effect of such gaps would have a material effect on the Company's operation.

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

The Company was not required to transfer any amount to the Investor Education and Protection Fund established by the Central Government (IEPF) during the financial year 2023-24 except the dividend declared for the financial year 2022-23 on the shares already transferred to IEPF.

### **TRANSFER OF SHARES TO IEPF:**

The Company has not transferred any shares to IEPF during the financial year 2023-24. Details of shares transferred prior to the financial year 2023-24 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 the 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 thereunder, the Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at the workplace. All women, permanent, temporary or contractual including those of service providers are covered under the policy. An Internal Committee comprising management staff has been set up at office and factory locations to redress complaints relating to sexual harassment. The Committee also includes an outside woman representative from an NGO. There was one case reported and resolved during the financial year 2023-24.

### **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.

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

The Company has adopted a 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 adhering to the highest standard of ethical, moral and legal conduct of business operations.

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

### **PREVENTION OF INSIDER TRADING:**

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

### **INSURANCE:**

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

### **RISK MANAGEMENT**

The Company operates in a dynamic business scenario that gives rise to external and internal risk factors. It has in place an integrated risk management approach called the ERM framework for risk identification, assessment and reporting.

Your Company has constituted a Risk Management committee of the Board with delegated responsibilities in relation to risk management processes within the Company. The said committee is responsible for formulating a detailed risk management policy and its implementation, putting in place a system for monitoring and evaluation of associated risks etc. As required by the Risk Management policy, the Company initiates risk identification and control testing exercise to provide briefing and reporting to the Board through Risk Management Committee.

The Risk Management policy is implemented by various department heads who take the risk ownership and monitor the risks on a periodical basis. The ERM Framework enables 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 enables effective and quick decision making and boosts the performance of the organisation. The ERM framework acts as a decision enabler which not only seeks to minimise the impact of risks but also enables effective resource allocation based on risk ranking and risk appetite. Strategic decisions are being taken after careful consideration of risks based on secondary risks and residual risks.

There are no risks which in the opinion of the Board threaten 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.

### **EXTRACT OF ANNUAL RETURN:**

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

### **PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197(12) of Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided

upon request. In terms of Section 136 of Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members through electronic mode on the website of the Company at <https://www.kokuyocamlin.com/camel/>.

### **BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)**

Pursuant to regulation 34(2)(f) and other applicable provisions of the Listing Regulations, separate section on the Business Responsibility & Sustainability Report forms part of this report. Your Company is not falling under top 1000 listed entities based on the market capitalisation as on 31<sup>st</sup> March, 2024.

### **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**

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

Place : Mumbai  
Dated : 15<sup>th</sup> May, 2024

# 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) Steps taken on conservation of energy and for utilising alternate sources of energy:**

- Installed and commissioned 564 KWp Solar Power Plant at Patalganga plant which contributes to 25% of our power consumption.
- Installed 517 KWp additional solar power plant at patalganga plant in the 2023-24, which has resulted in 45-50% solar contribution against total consumption.
- 500 KWp solar power plant is installed at Tarapur factory, which is 50% of power contribution at Tarapur factory.
- Use of Solar Energy for processing water heating.
- Diesel consumption of power generator is reduced due to the starting of express feeder power line at Patalganga plant.
- In all factories, we are not discharging treated effluents from ETP but it is recycled and reused, resulting in saving 20% of water. Also, use of stored rainwater for gardening is reducing water consumption. We have 65000 LTR rainwater storage pond at Patalganga plant.
- Installed Turbo ventilator on Roofs operated on wind to reduce heat and to improve shop floor ventilation.
- Usage of natural lights in manufacturing area to reduce power consumption and use of LED lights across all factory locations.
- Use of electric injection moulding machines in place of hydraulic machines has reduced substantial energy consumption.

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

Proposed 250 KWp solar power plant at Tarapur factory.

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

As a result of measures taken/to be taken in (a) and (b) enumerated 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 upgradation, 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 further process development work for achieving cost reduction, and improvement in quality.



(₹ in Lakhs)		
4. Expenditure on R&D	2023-24	2022-23
a) Capital	-	-
b) Recurring	540.03	490.21
Total	540.03	490.21
Total R&D Expenditure as a Percentage of total turnover	0.66	0.63

#### 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

#### C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(a) Major countries of export are SAARC, Middle East, Far East, Mauritius, Ghana, USA, Canada, Australia and Japan.

(b) Total Foreign Exchange used and earned:

(₹ in Lakhs)		
	2023-2024	2022-2023
Foreign exchange used	7,410.46	6,443.88
Foreign exchange earned	3,750.80	2,591.97

For & on behalf of the Board

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

Place : Mumbai  
Dated : 15<sup>th</sup> May, 2024

# Annexure 'B' to the Board's Report

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Designation	Ratio to median remuneration
Mr. Dilip Dandekar	Chairman and Non-Executive Director	3.11
Mr. Shriram Dandekar	Vice-Chairman and Executive Director	43.93
Mr. Takeo Iguchi*	Executive Director	3.70

\* Mr. Takeo Iguchi was appointed as an Executive Director with effect from 1<sup>st</sup> February, 2024.

- The median remuneration of employees of the Company was Rs.3,08,532/-
- Sitting Fees paid to the Directors have not been considered as remuneration.

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

Name of the Director/KMP	Designation	% increase in remuneration
Mr. Dilip Dandekar	Chairman and Non-Executive Director	6.66%
Mr. Shriram Dandekar	Vice Chairman and Executive Director	-
Mr. Takeo Iguchi*	Executive Director	0.01%
Mr. Satish Veerappa	Chief Executive Officer	33.98%
Mr. Chetan Badal**	Chief Financial Officer	32.08%
Mr. Vipul Bhoy***	Company Secretary & Compliance Officer	72.40%

\* Mr. Takeo Iguchi was appointed as an Executive Director with effect from 1<sup>st</sup> February, 2024.

\*\* Mr. Chetan R. Badal passed away on 16<sup>th</sup> January, 2024.

\*\*\* Mr. Vipul Bhoy was appointed as a Company Secretary & Compliance Officer w.e.f. 1<sup>st</sup> August, 2023.

The above increase is based on the actual remuneration paid including Performance pay for the year and performance pay for the year 2022.

3. The percentage increase in the median remuneration of employees in the financial year: 1.65%
4. The number of permanent employees on the rolls of company: 1122
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 4.01% for Employees other than Managerial Personnel and 50.50% for Managerial Personnel (considering the appointment of one more Executive Director and the payment of performance pay during the year for year under review and earlier year).

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**

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

Place : Mumbai  
Dated : 15<sup>th</sup> May, 2024



# Annexure 'C' to the Board's Report

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

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

### 1. Brief outline of the CSR Policy of the Company.

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

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

### 2. Composition of CSR Committee:

SR. NO.	NAME	POSITION	Number of meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Ms. Nandini Chopra, Independent Director (up to 31.03.2024)	Chairperson	02	02
2	Mr. Shriram Dandekar, Executive Director	Member (up to 31.03.2024) and Chairman (w.e.f. 01.04.2024)	02	02
3	Koji Higashiguchi, Non-Executive Director (up to 12.05.2023)	Member	0	0
4	Mr. Masaharu Inoue, Non-Executive Director (w.e.f. 12.05.2023 and up to 31.03.2024)	Member	02	01
5	Mr. Takeo Iguchi, Executive Director (w.e.f. 01.04.2024)	Member	-	-
6	Mr. Naganath Subramanian Iyer, Independent Director (w.e.f. 01.04.2024)	Member	-	-
7	Ms. Naho Shigeta Independent Director (w.e.f. 01.04.2024)	Member	-	-

### 3. Overview and web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.kokuyocamlin.com/policies>

During the year under review, the Company was focused on promoting education as a part of its CSR initiatives. CSR activities as approved by the Board and implemented by the Company are as follows:

#### Contribution to project Nanhi Kali:

Project Nanhi Kali is jointly managed by K.C. Mahindra Education trust and Naandi Foundation to support education of underprivileged girls enrolled in government schools. They provide academic support and access to adaptive learning software via digital tablets, Sports curriculum, school supplies kit etc. The Company through its contribution to project Nanhi Kali had supported 108 Nanhi Kalis from the location around Mumbai, Maharashtra.

#### Science Laboratory at Junior College

The Company had set up a mini science laboratory for a junior college in Bandhghar, Palghar, Maharashtra, a self-financed junior college for tribal students. This well-equipped mini science laboratory provided access to the students in the college to the practical education of science stream.

Annexure 'C' to the Board's Report (Continued)

4. **Executive summary of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**  
Not Applicable

5. (a) **Average net profit of the company as per section 135(5):** ₹ 492.60 Lakhs  
 (b) **Two percent of average net profit of the company as per section 135(5):** ₹ 9.85 Lakhs  
 (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil  
 (d) **Amount required to be set off for the financial year, if any:** Nil  
 (d) **Total CSR obligation for the financial year:** ₹ 9.85 Lakhs
6. (a) **Details of CSR amount spend against ongoing projects for the financial year:** Nil  
 (b) **Details of CSR amount spent against other than ongoing projects for the financial year:** ₹ 9.96 Lakhs  
 (c) **Amount spent in Administrative Overheads:** Nil  
 (d) **Amount spent on Impact Assessment, if applicable:** Not Applicable  
 (e) **Total amount spent for the Financial Year:** ₹ 9.96 Lakhs  
 (f) **CSR amount spent or unspent for the financial year:**

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

- (g) **Excess amount for set off, if any:** ₹ 0.11 Lakhs
7. (a) **Details of Unspent CSR amount for the preceding three financial years:** Nil
8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No  
**If Yes, enter the number of Capital assets created/ acquired:** Not Applicable
9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**  
Not Applicable.

Satish Veerappa  
 Managing Director

Shriram Dandekar  
 Chairman – CSR Committee

Place : Mumbai  
 Dated : 15<sup>th</sup> May, 2024

# Annexure 'D' to the Board's Report

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024

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

The Members,  
Kokuyo Camlin Limited  
Hilton House, Central Road  
MIDC, Andheri (East),  
Mumbai- 400 093

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024, 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, 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.

- 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 and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during audit period);**
  - e. 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 **(Not applicable to the Company during the audit period);**
  - f. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during audit period);**
  - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during audit period);**
  - h. The Securities and Exchange Board of India (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, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, etc. mentioned above.

## Annexure 'D' to the Board's Report (Continued)

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice of at least 7 days was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally 7 days in advance. The Company has system in place for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

Place : Thane  
Date : 15<sup>th</sup> May, 2024

**For JHR & Associates**  
Company Secretaries

**J. H. Ranade**  
Partner  
(FCS:4317, CP:2520)  
UDIN: F004317F000371167

The Members,  
Kokuyo Camlin Limited  
Hilton House, Central Road  
MIDC, Andheri (East),  
Mumbai- 400 093

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

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

Place : Thane  
Date : 15<sup>th</sup> May, 2024

**For JHR & Associates**  
Company Secretaries

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



# Management Discussion and Analysis

## GLOBAL ECONOMIC OVERVIEW

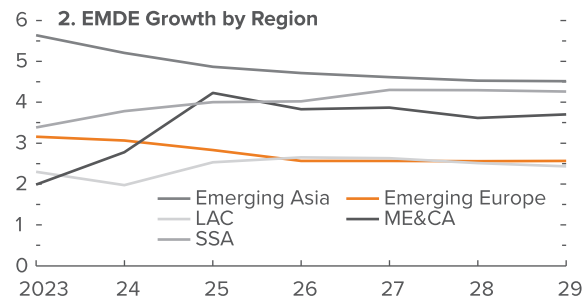
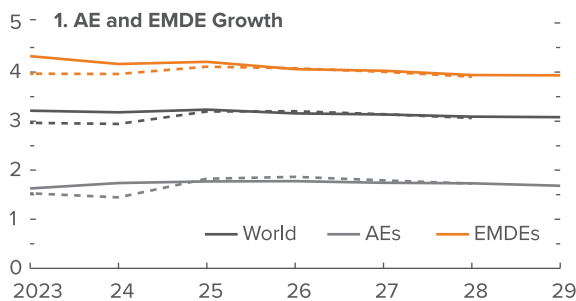
In its April 2024 edition of the ‘World Economic Outlook’, the International Monetary Fund (IMF) highlights the resilience of the global economy, marked by sustained growth amid receding inflationary pressures. The report indicates that the global Real Gross Domestic Product (GDP) expanded by an estimated 3.2% in CY 2023, with projections indicating continuation at the same trajectory for CY 2024 and CY 2025. The IMF attributes this growth with low pace of expansion to factors such as elevated borrowing costs, phased withdrawal of fiscal stimuli, enduring post-pandemic effects, adverse climate-related disasters, weakened activity

in China, geopolitical disruptions such as Russian invasion of Ukraine, the Red Sea crisis, the recessionary trend in Europe, sluggish productivity growth, and escalating geoeconomic fragmentation.

The IMF anticipates that, as compared to 2023, global headline inflation is expected to decline to 5.9% in 2024 and 4.5% in 2025, with advanced economies converging to their inflation targets sooner than emerging markets and developing economies. Although there are predictions of regional differences, emerging market and developing economies, on the other hand, are expected to experience stable growth during FY 2024-25.

## OUTLOOK

According to the IMF, risks to the global economic outlook for 2024 are expected to be balanced, stemming from potential price surges triggered by geopolitical tensions, regional conflicts, slower-than-expected deceleration in core inflation, and higher-than-anticipated interest rates. The upside factors include the potential for short-term fiscal stimulus due to elections, numerous countries holding elections in 2024, expedited monetary policy accommodation, and productivity enhancements facilitated by advancements in technologies such as artificial intelligence.



Note: AE = advanced economy; EMDE = emerging market and developing economy; LAC = Latin America and the Caribbean; ME&CA = Middle East and Central Asia; SSA = sub-Saharan Africa; WEO = World Economic Outlook.

Source: IMF staff calculations.

## INDIAN ECONOMIC OVERVIEW

India is the world’s fifth-largest economy by nominal GDP and third largest by purchasing power parity (PPP). The GDP growth rate for fiscal year 2023-24 is estimated at 7.6%, showing improvement from the previous year’s growth rate of 7.0%. Consumption, which constitutes 56% of GDP, experienced a modest growth of 3.0% in FY 2023-24. Exports saw marginal growth at 1.5%, while imports surged by 10.9%, with government initiatives focusing on capital expenditure (capex) facilitated private investment. This led to a robust Gross Fixed Capital Formation (GFCF) growth rate of 10.2% in FY 2023-24, which accounted for 31.3% of GDP.

by 7.5% in FY 2023-24. Within the services sector, trade, hotels, transport, communication, and broadcasting-related services, representing approximately one-third of overall services, grew by 6.5%.

Indian economy has been resilient through factors such as inflationary pressures, exchange rate volatility, and geopolitical flareups, with INR exhibiting the lowest volatility and being the most stable amongst major currencies in FY 2023-24. Rural demand is catching up with consumption expected to support to economic growth in FY 2024-25; urban consumption has remained buoyant.

On the supply side, agriculture expanded by 0.7%, manufacturing by 8.5%, construction by 10.7%, and services

## Management Discussion and Analysis (Continued)

### OUTLOOK

India will continue to remain the fastest-growing economy, with the RBI projecting the FY 2024-25 real Gross Domestic Product (GDP) growth at 7 percent. The Indian Rupee's stability reflects sound macroeconomic fundamentals, financial stability, and various improvements in external position as its economy surges forward with advantageous demography, a domestic consumer-oriented market, and rising disposable expenditure, amongst other factors. Certain headwinds, however, pose risks to this outlook, including ongoing geopolitical tensions and increased trade route disruptions.

India's strategic investments include establishing a scalable, digitised public infrastructure with identity verification platforms, digital payment interfaces, and an open e-commerce network, positioning the country to channel growth through its dynamic small and medium-sized enterprises and start-up ecosystem. The forecast for FY 2024-25 remains optimistic as agricultural activities stand to benefit from an anticipated normal south-west monsoon, strengthening private consumption, increased rural activity, and a rise in discretionary spending among urban households owing to improving income levels, according to the RBI Consumer Survey.

### STATIONERY INDUSTRY OVERVIEW

The global stationery industry is estimated to be valued at US\$ 160.9 billion in 2024 and is projected to progress at a CAGR of 5.3% during the forecast period of 2024-2034 and will reach US\$ 271.0 billion by 2034. The industry serves both paper and non-paper markets and witnessed a surge in product demand owing to an increased number of educational centres and rising adoption of innovative stationery items.

#### Indian Stationery Industry

The Indian stationery industry is showcasing a significant upward trend fuelled by an increasing number of students and the expansion of offices that is driving higher demand for stationery products such as wooden pencils, notebooks, and colours. The market comprises two major categories: paper stationery products and non-paper stationery products.

Paper stationery products	Non-paper stationery products
can be further categorised into those intended for office use and those for non-office use.	include a diverse range, such as writing instruments, office supplies, colouring materials, adhesives, and technical instruments.

#### Indian Paper Stationery Market

The Indian paper stationery market can be divided into notebooks, copier papers, and printing papers, with notebooks forming the majority share within the market space

contributing 42% to the larger Indian stationery industry. The domestic paper stationery market is estimated to grow at a CAGR of 12% till FY 2028.

#### Indian Non-paper Stationery Market

The Indian non-paper stationery market can be divided into four major segments namely, writing instruments, office supplies, art and craft, and other instruments and items, contributing approximately 58% to the larger Indian stationery industry. The domestic non-paper stationery market is estimated to grow at a CAGR of 14% during FY 2023-28.

#### Outlook

In the colour segment, double-digit growth is seen in the Y-o-Y retail sales value and CAGR, with colour pencils having the highest growth since pre-COVID times. Crayons continue to remain the top contributor within the colour segment, with a 5-year CAGR at 16% with high y-o-y growth, even as volume growth declined in the last quarter of 2023. The oil pastel segment saw an 11% in its average selling price (ASP) compared to plastic crayons (4%) during 2023. Wax crayons recorded the highest ASP change at 13%. The Indian stationery industry is forecasted to grow at 8.2% CAGR over the 2023-2029 period.

With an approximate 472 million Gen Z population, the Indian stationery market is influenced by various factors like educational opportunities, rising literacy rates, growing younger consumer base, and demand for customised products.

Rising literacy rates have led to increased enrolment in educational institutions, supported by government initiatives like the Sarva Shiksha Abhiyan (SSA) and Rashtriya Madhyamik Shiksha Abhiyan (RMSA) driving demand for stationery goods. The startup ecosystem along with government policies like Make in India, Atmanirbhar Bharat Abhiyan, and Startup India are attracting new businesses to the stationery market.

Consumer preferences for eco-friendly has also created a niche market space for recycled and environmentally friendly materials. The popularity of e-commerce platforms offers convenience and a wide range of products. Personalised stationery products are gaining popularity, especially among the younger consumers as means for self-expression and gifting.

#### Emerging Industry Trends

##### Young Demography

A growing younger demography presents opportunities for stationery manufacturers to expand their product offerings and venture into newer product verticals that would appeal to the young consumer base.

**Growing Literacy**

India’s literacy rate stands at 77.7%, as per available data. Improving literacy rates and quality educational opportunities have given rise to a demand for traditional stationery instruments such as notebooks, pencils, pens, geometry and arithmetic kits, etc. among other products to cater effectively to an expanding industry.

**Brand Partnerships**

Many stationery Companies have started to collaborate and work together, driven by increasing complexity, changing customer expectations, and globalisation. The competitor ecosystem reflects a broader shift, creating greater value for customers and stakeholders.

**Eco-friendly Materials**

The growing demand for sustainable and eco-friendly stationery products have prompted established manufacturers to use recycled materials, biodegradable packaging, and sustainable production practices to reduce their environmental footprint. Consumers are also becoming more inclined towards environment-friendly and ethically sourced stationery items.

**Customisation**

There is a rising preference for customised stationery products amongst the Gen Z consumer base in recent years reflecting unique individual sensibilities. This has also given rise to a niche market space of stationery customisation and personalised gifting and keepsakes.

**Vintage Revival**

Established manufacturers are also bringing back various hard-to-find or rarely-used vintage stationery products such as wax seals, fountain pens and inks, blotters, etc. creating an evolving base for retro-inspired products and items for the younger consumers.

**BUSINESS OVERVIEW**

**Kokuyo Camlin Limited**

At Kokuyo Camlin, we specialise in manufacturing, production, and marketing of stationery instruments and art supplies. We cater to local as well as international markets.

Our success and recall value are built on our flagship brands ‘Camel’ and ‘Camlin’, that has captivated the loyalty and preference of households through generations. Our recent brand campaigns emphasised on making them distinctive yet retaining each brand’s core essence – Camel for ‘All things art’ and Camlin for ‘All things stationery’.

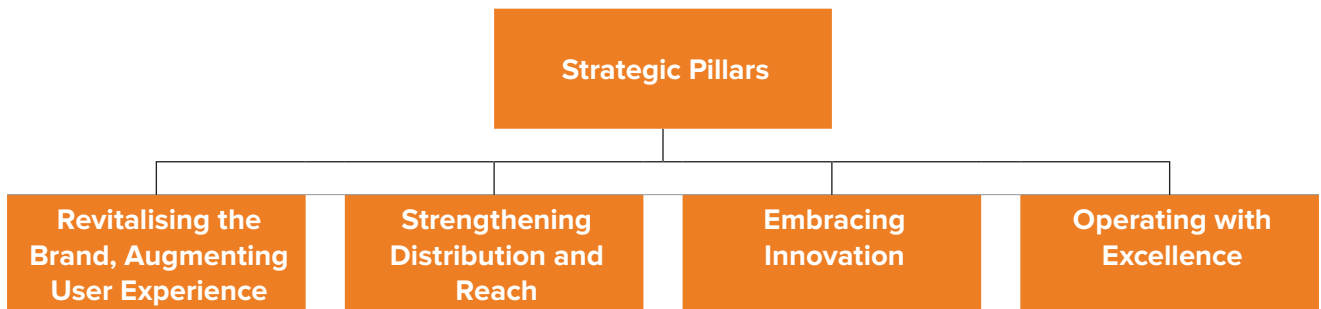
We have three manufacturing facilities: two in Maharashtra (Patalganga and Tarapur) and one in Jammu.

We have focused its attention on reassessing business opportunities, resource allocation to accelerate our development capabilities, expand our social media engagement, enhance customer experiences through newer offerings, and optimise our existing distribution management. These have resulted in increased efficiency and deepened consumer insight – propelling our progress towards sustainability and profitability.

**Leading player**  
in 16 shades Crayons offering

**41%**  
Average category growth registered in colour pencils

**CAMLIN’S STRATEGIC PRIORITIES**



## Management Discussion and Analysis (Continued)

- Revitalising the Brand, Augmenting User Experience** – During the year under review, the Company focused on building its portfolio of products introducing new products as well as revitalising existing categories. Using user centered design, the Company managed to improve its product portfolio and its appeal to its users. There was also a focus on building a community of artists through digital reach. The Company has leveraged its brand and social presence to build a large community of art enthusiasts.
- Strengthening Distribution and Reach** – The Company has Implemented SFA (Sales Force automation) at Fine Art, Stationery and Notebook divisions to collect the secondary orders (Orders from Retailers) electronically. The Company has developed DMS (Distribution management system) for its Distributors and Super stockiest for the convenience of invoicing. There was an implementation of stock upload software at some of the stationery distributors to understand the stock closing at the distributor level.
- Embracing Innovation** – The Company is committed towards developing new products to fulfil consumer demands and at the same time focusing on improving the existing products for improved customer satisfaction.
- Operating with excellence** – The Company has an increased focus on cost optimisation across Procurement, Manufacturing and Logistics over the last one year with curated targeted solutions to bring sustainable cost savings and efficiency. Projects have been implemented to get the best pricing and terms for business purchases, category specific procurement models and streamlined processes. In the manufacturing front there has been an increased focus on asset utilisation, productivity improvement & processing cost optimisation.

## FINANCIAL PERFORMANCE

(₹ in Lakhs)

Particulars	2023-24	2022-23	y-o-y change %
Revenue from Operations	81,589.33	77,494.32	5.28
Other Income	567.59	207.93	172.97
Cost of Material	32270.68	31,959.17	0.97
Employee Benefit Expenses	9448.10	8895.71	6.21
Other Expenses	15127.99	14338.52	5.51
EBITDA	6671.45	4,574.99	45.82
Finance Cost	422.03	444.97	(5.16)
Depreciation and Amortisation Expenses	1866.22	1,685.29	10.74
Tax Expense			
(a) Current Tax	1491.11	846.62	76.13
(b) Deferred Tax	54.43	223.13	(75.60)
(c) Prior Years-Income Tax	9.49	-	-
PAT	4383.20	2,444.73	79.29

Particulars	2023-24	2022-23
Debtors Turnover Ratio	10.42	11.63
Inventory Turnover Ratio	2.82	3.41
Current Ratio	1.77	1.58
Debt to Equity Ratio	0.22	0.21
Operating Profit Margin (%)	8.18	5.90
Revenue Growth (%)	5.28	52.41
Return on Net Worth	15.68	9.74





## SCOT ANALYSIS

<b>Strengths</b>	<ul style="list-style-type: none"> <li>• Strong financials</li> <li>• Exceptional user experience</li> <li>• Robust distribution model enabling retail market reach</li> <li>• Strong brand equity</li> <li>• Quality products and design</li> <li>• Innovative offerings and packaging</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• People more dependent on technology</li> <li>• Price sensitivity - consumers look for best deals, discounts, competitive pricing</li> <li>• Price competition due to e-commerce convenience</li> <li>• Increase raw materials cost</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• Growing quality educational opportunities in India</li> <li>• Prominence of e-commerce channels</li> <li>• New market expansion in South-East Asia and Africa with demand for quality stationery and art materials</li> </ul>
<b>Threats</b>	<ul style="list-style-type: none"> <li>• Emerging digital technology like mobile phones, laptops, tabs, digital pads, etc.</li> <li>• Increasing popularity of online learning – reducing dependence on traditional stationery products</li> </ul>

## RISK MANAGEMENT

Key Risk	Risk Description	Mitigation measures	Severity of Risk
Market Risk	Digitisation has changed the way businesses operate, but it has also introduced new risks such as market risk. As consumers become more comfortable with digital channels, demand for traditional channels could decline.	<ul style="list-style-type: none"> <li>• We are expanding our presence across digital platforms to revitalise our brand and make it future-ready. We have revamped our website, with enhanced user experience for our customers.</li> <li>• We have offered personalised services online while continuing to serve customers offline.</li> </ul>	Medium
Raw Material Risk	The impact of global economic problems, such as inflation, and geopolitical tensions have caused a surge in raw material prices, leading to supply chain disruptions and a shortage of raw materials. Consequently, the cost of essential goods has increased, which may result in higher expenses for companies and a rise in production costs of finished products.	<ul style="list-style-type: none"> <li>• We are keeping a close eye on price changes and managing our inventory carefully to respond to market changes and potential risks.</li> <li>• We have an efficient inventory management system, helping us keep our production optimised.</li> <li>• Our Research and Development (R&amp;D) division undertakes import substitution projects to minimise imported raw materials reliance.</li> </ul>	High
Business Volatility	The Company is a part of the industry which generally observes volatile sales patterns and temporary surges in demand. For the rest of the year, the market demand remains mostly in a low-to-moderate range, which affects the Company's production and sales volume.	<ul style="list-style-type: none"> <li>• We have expanded our product range, engaging with hobbyists, artists, and professionals.</li> <li>• We have increased our consumer base, with improved ways to meet industry demands.</li> </ul>	Medium

## Management Discussion and Analysis (Continued)

### **INTERNAL CONTROL SYSTEM & ADEQUACY**

The Company has implemented a comprehensive system to ensure that all operations are conducted with utmost accuracy and potential risks are managed effectively. This includes robust monitoring of the Company's financial assets and ensuring their safety from any unauthorised access. A designated team conducts regular inspections to guarantee compliance and a computerised system is employed to accurately track expenses. Such an efficient system is crucial for the Company's success and reinforces the confidence of all stakeholders in adhering to regulatory and legal requirements.

### **HUMAN RESOURCES**

The year has been about developing capabilities amongst our workforce and recognising talent contributing to the company's success. With an aim of developing capabilities and helping employees realise their full potential, the Company's training programmes focus on developing functional and behavioral capabilities across all employees, including young talent, mid-level executives, and top management. In addition to this, training programmes like "Prevention of sexual harassment at workplace" and "Code of Conduct" are conducted to create a safe and respectful workplace.

Rewards and Recognition is a critical cornerstone of the people strategy, focusing on recognising talent across the Company. The Company organises various engagement activities to boost employee morale and increase interdepartmental bonding, creating a sense of belongingness among employees. The Company spread awareness of health and safety among employees to drive 'Focus on Safety Leadership for ESG Excellence'. The Company celebrates diversity, equity, and inclusion by conducting sessions, as it considers it crucial in promoting fairness and inclusion for all employees, irrespective of their background, identity, or circumstances.

### **CAUTIONARY STATEMENT**

Statement made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws, other statutes, and other incidental factors.



# Corporate Governance Report

Your Director's present the Company's report on Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the year ended 31<sup>st</sup> March, 2024.

## 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 the Company's Management, its Board, Shareholders and Stakeholders. It is one of the key elements in improving the economic efficiency of the enterprise. Credibility generated by sound Corporate Governance enables an enterprise in enhancing the confidence of the investors – both domestic and foreign, and in establishing productive and lasting business relationships 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 with members from diverse experience and expertise.

The composition of the Board as on 31<sup>st</sup> March, 2024 is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 (the Act). The Board is chaired by Non-Executive Promoter Chairman and has an optimum combination of Executive, Non-Executive and Independent Directors.

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

The Board, based on the declaration received from the Independent Directors, confirms that in their opinion, the independent directors fulfill the conditions specified in the Act 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 Act 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/policies>.

## Corporate Governance Report (Continued)

**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 31<sup>st</sup> March, 2024 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 <sup>#</sup>	
						Chairman of Committee	Member of Committee
Mr. Dilip D. Dandekar Chairman & Non-Executive Director (00846901)	NED(P)	6	8	Datamatics Global Services Limited - NED (I)	Yes	Nil	1
Mr. Koji Higashiguchi* Sr. Vice Chairman & Non-Executive Director (09263193)	NED	1	Nil	Nil	NA	Nil	Nil
Mr. Masaharu Inoue** Sr. Vice Chairman & Non-Executive Director (10154904)	NED	5	Nil	Nil	Yes	Nil	Nil
Mr. Shriram S. Dandekar Vice Chairman & Executive Director (01056318)	ED(P)	6	Nil	Nil	Yes	Nil	Nil
Mr. Takeo Iguchi*** Executive Director (03599826)	ED	1	1	Nil	NA	Nil	Nil
Mr. Shishir B. Desai ^ Non-Executive Independent Director (01453410)	NED (I)	5	5	1. Nuvoco Vistas Corporation Limited - NED(I) 2. Zee Entertainment Enterprises Limited - NED (I)	Yes	Nil	1
Mr. Sriram Venkataraman^^ Non-Executive Independent Director (06790179)	NED (I)	6	Nil	Nil	Yes	Nil	Nil
Ms. Nandini Chopra Non-Executive Independent Director (07891312)	NED (I)	6	Nil	Nil	Yes	Nil	Nil
Ms. Naho Shigeta^^^ Non-Executive Independent Director (02014640)	NED (I)	1	5	Nil	NA	Nil	Nil
Mr. Nilesh Modi§ Non-Executive Independent Director (07365188)	NED (I)	Nil	1	Nil	NA	Nil	Nil
Mr. Naganath Subramanian Iyer§§ Non-Executive Independent Director (10482193)	NED (I)	Nil	Nil	Nil	NA	Nil	Nil
Mr. Tomoya Okada§§§ Non-Executive Independent Director (03434839)	NED (I)	Nil	Nil	Nil	NA	Nil	Nil

<sup>#</sup> excludes Committees other than Audit Committee and Stakeholders Relationship Committee.

\* Resigned with effect from 12<sup>th</sup> May, 2023.

\*\* Appointed with effect from 12<sup>th</sup> May, 2023

\*\*\* Appointed with effect from 1<sup>st</sup> February, 2024

^ Retired due to completion of second term of five years with effect from close of business hours on 31<sup>st</sup> March, 2024

^^ Retired due to completion of second term of five years with effect from close of business hours on 31<sup>st</sup> March, 2024

^^^ Appointed with effect from 1<sup>st</sup> February, 2024

§ Appointed with effect from 8<sup>th</sup> February, 2024

§§ Appointed with effect from 8<sup>th</sup> February, 2024

§§§ Appointed with effect from 8<sup>th</sup> February, 2024



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

The Non-Executive / Independent Directors do not hold any shares in the Company as on 31<sup>st</sup> March, 2024 except Mr. Dilip D. Dandekar who holds 2,00,000 Equity shares of the Company.

List of core skills/expertise/competencies identified by the Board 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. Details of the directors who have such skills / expertise / competence are as under:

Name of the Director	Skills / Expertise / Competence
Mr. Dilip Dandekar	Wide experience in the field of Marketing, Administration and overall Management of the Company.
Mr. Masaharu Inoue	Vast experience in the field of sales, planning, M & A and Management.
Mr. Shriram Dandekar	Wide experience in the field of Business Expansion, Diversification, Research and Development, Product Development, Business Planning and Marketing.
Mr. Takeo Iguchi	Broad experience in the field of production, planning and control in the stationery business.
Ms. Nandini Chopra	Extensive experience in financial advisory especially to the consumer and retail sector in India, mergers and acquisitions, sales and divestitures, JV advisory, private equity raises, IPOs, debt syndication and valuations.
Ms. Naho Shigeta	Vast experience in the field of business development.
Mr. Nilesh R. Modi	Wide experience as practicing advocate in real estate, testamentary, arbitrations, mediations and civil litigation matters in all tribunals and Courts in India including Supreme Court.
Mr. Naganath Subramanian Iyer	Broad experience in the areas of Human Resources, Industrial Relations, Employee Relations and Labour Laws.
Mr. Tomoya Okada	Vast experience in the areas of Merger and Acquisition advisory.

### NUMBER OF BOARD MEETINGS:

During the financial year 2023-2024, 6 (six) meetings of the Board were held, details of which are given below and the maximum gap between two meetings did not exceed one hundred and twenty days:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1	12.05.2023	6	6
2	28.07.2023	6	6
3	31.10.2023	6	5
4	15.12.2023	6	6
5	25.01.2024	6	6
6	08.02.2024	8	8

### CODE OF CONDUCT:

The Board has laid down a Code of Conduct for all Board members and Senior Managerial personnel of the Company. The Code of Conduct is available on the website of the Company at <https://www.kokuyocamlin.com/code-of-conduct>. 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 Managing Director has been obtained.

### INDUCTION AND FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

The Company organises induction programmes for new Directors and an ongoing familiarisation programmes 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. A visit to the Company plant has been arranged for the Directors to get familiarised with factory operations. The Directors are also explained the compliances required to be done by them 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 is updated on a quarterly basis on overall economic trends, business performance and the initiatives taken/ proposed to be taken to bring about an overall improvement in the performance of the Company. Further, training is conducted and presentations are given to the Directors, updating them with statutory changes and compliances applicable to the Company.

The details of the familiarisation program can be accessed from the website at <https://www.kokuyocamlin.com/policies>.

## Corporate Governance Report (Continued)

**3. COMMITTEES OF THE BOARD:**

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

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

**COMPOSITION OF COMMITTEES OF BOARD AND THEIR ATTENDANCE AT THE MEETINGS:**

The Company has the following Board Level Committees:

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

Various Committees of the Board have been constituted to take 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 the Act and Listing Regulations. Further the Committee invites the Chairman of the Board, Whole time Directors, Chief Executive Officer, Chief Financial Officer, Statutory and Internal Auditor to attend the Audit Committee meetings. Minutes of the Audit Committee meetings are placed 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 31<sup>st</sup> March, 2024, are given below.

**Meetings, Members and Attendance:**

During the financial year 2023-24, the Audit Committee held 6 (six) meetings on 12<sup>th</sup> May, 2023, 28<sup>th</sup> July, 2023, 31<sup>st</sup> October, 2023, 15<sup>th</sup> December, 2023, 25<sup>th</sup> January, 2024 and 8<sup>th</sup> February, 2024. The time gap between any two meetings was less than one hundred twenty days. The details of attendance of Audit Committee meetings are as under:

Name of the Member	Category	Status	No of Meetings	
			Held#	Attended
Mr. Shishir Desai*	NED(I)	Chairman	6	5
Mr. Sriram Venkataraman**	NED(I)	Member	6	6
Ms. Nandini Chopra	NED(I)	Member	6	6
Mr. Koji Higashiguchi^	NED	Member	1	1
Mr. Masaharu Inoue^^	NED	Member	5	5

# Number of meetings held during the tenure of respective members of the Committee.

\* Ceased to be a member of the Audit Committee consequent to his retirement due to completion of his second term with effect from close of business hours on 31<sup>st</sup> March, 2024.

\*\* Ceased to be a member of the Audit Committee consequent to his retirement due to completion of his second term with effect from close of business hours on 31<sup>st</sup> March, 2024.

^ Ceased to be a Committee member with effect from 12<sup>th</sup> May, 2023.

^^ Appointed as a Committee member with effect from 12<sup>th</sup> May, 2023.

Consequent to the retirement of Mr. Shishir Desai and Mr. Sriram Venkataraman, Independent Directors of the Company, the Audit Committee was re-constituted with effect from 1<sup>st</sup> April, 2024. The Composition of the Audit Committee is in compliance with the requirements as prescribed under the Act and Listing Regulations. Members of the Audit Committee have accounting and financial management expertise. The Chairman of the Audit Committee attended the AGM held on 28<sup>th</sup> July, 2023 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, the Act 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 from time to time.

The Board has designated Mr. Vipul Bhoj, Company Secretary & Compliance Officer to act as Secretary to the Committee.



**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 Act, besides other terms as may be referred by the Board, from time to time. These broadly includes (i) review of financial reporting processes, risk management, internal control and governance processes, (ii) develop an Audit plan (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) approval of related party transactions.

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

**B. REMUNERATION AND NOMINATION COMMITTEE:**

As on 31<sup>st</sup> March, 2024, the Remuneration & Nomination Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Act and the Listing Regulations.

**Meetings, Members and Attendance**

During the financial year 2023-24, the Remuneration & Nomination Committee held 5 (five) meetings on 3<sup>rd</sup> May, 2023, 21<sup>st</sup> July, 2023, 27<sup>th</sup> October, 2023, 25<sup>th</sup> January, 2024 and 6<sup>th</sup> February, 2024. The details of attendance of the Members are as under:

Name of the Member	Category	Status	No of Meetings	
			Held#	Attended
Mr. Shishir Desai*	NED(I)	Chairman	5	5
Mr. Sriram Venkataraman**	NED(I)	Member	5	5
Ms. Nandini Chopra	NED(I)	Member	5	5
Mr. Dilip Dandekar	NED	Member	5	4

# Number of meetings held during the tenure of respective members of the Committee.

\* Ceased to be a member of the Remuneration & Nomination Committee consequent to his retirement due to completion of his second term with effect from close of business hours on 31<sup>st</sup> March, 2024.

\*\* Ceased to be a member of the Remuneration & Nomination Committee consequent to his retirement due to completion of his second term with effect from close of business hours on 31<sup>st</sup> March, 2024.

Consequent to the retirement of Mr. Shishir Desai and Mr. Sriram Venkataraman, Independent Directors of the Company, the Remuneration & Nomination Committee was re-constituted with effect from 1<sup>st</sup> April, 2024. The Composition of the Remuneration & Nomination Committee is in compliance with the requirements as prescribed under the Act and Listing Regulations.

The Board has designated Mr. Vipul Bhoj, Company Secretary & Compliance Officer to act as Secretary to the Committee.

**Terms of reference:**

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

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

**Performance Evaluation**

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

## Corporate Governance Report (Continued)

**Policy for Remuneration to Director/ Key Managerial Personnel****1. Remuneration to Managing/ Whole-time Directors:**

- a) 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.
- b) The Remuneration and Nomination Committee shall make such a 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:**

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

- ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**3. Remuneration to key managerial personnel:**

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

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

**Directors:**

(₹ In Lakhs)

Name of Director	Sitting Fees	Salary Including HRA	Perquisites	Total
Mr. Dilip D. Dandekar	7.60	N.A.	9.61	17.21
Mr. Koji Higashiguchi*	0.00	N.A.	N.A.	0.00
Mr. Masaharu Inoue**	0.00	N.A.	N.A.	0.00
Mr. Shriram S. Dandekar	N.A.	97.32	38.23	135.55
Mr. Takeo Iguchi***	N.A.	8.82	2.60	11.42
Mr. Shishir B. Desai^	12.80	N.A.	N.A.	12.80
Mr. Sriram Venkataraman^^	14.00	N.A.	N.A.	14.00
Ms. Nandini Chopra	15.60	N.A.	N.A.	15.60
Ms. Naho Shigeta^^^	1.00	N.A.	N.A.	1.00
Mr. Nilesh Modi§	N.A.	N.A.	N.A.	N.A.
Mr. Naganath Subramanian Iyer§§	N.A.	N.A.	N.A.	N.A.
Mr. Tomoya Okada§§§	N.A.	N.A.	N.A.	N.A.

\* Resigned with effect from 12<sup>th</sup> May, 2023

\*\* Appointed with effect from 12<sup>th</sup> May, 2023

\*\*\* Appointed with effect from 1<sup>st</sup> February, 2024

^ Retired due to completion of second term of five years with effect from close of business hours on 31<sup>st</sup> March, 2024

^^ Retired due to completion of second term of five years with effect from close of business hours on 31<sup>st</sup> March, 2024

^^^ Appointed with effect from 1<sup>st</sup> February, 2024

§ Appointed with effect from 8<sup>th</sup> February, 2024

§§ Appointed with effect from 8<sup>th</sup> February, 2024

§§§ Appointed with effect from 8<sup>th</sup> February, 2024





### Executive Directors:

The Board at its meeting held on 25<sup>th</sup> January, 2024 has re-appointed Mr. Shriram S. Dandekar as Director in Whole time employment designated as 'Vice Chairman and Executive Director' for a further period commencing 1<sup>st</sup> February, 2024 to 31<sup>st</sup> March, 2025 and approved the remuneration payable to him during the term. Further, the Board has also approved the appointment of Mr. Takeo Iguchi as Director in whole-time employment designated as 'Executive Director' with effect from 1<sup>st</sup> February, 2024 for the period of 3 (three) years and remuneration payable to him during the 3 (three) year term. The aforesaid appointments and remuneration were approved by the Members of the Company by passing special resolutions through postal ballot on 28<sup>th</sup> March, 2024. The Executive Directors do not have performance-linked incentives as a part of their remuneration. The notice period for both above-mentioned Executive Directors is 2 (two) months. The Company does not have a practice of paying severance fee to any of its Directors. Further, the Company does not have any stock option program.

### Manager / Managing Director

Mr. Satish Veerappa, Manager designated as Chief Executive Officer was paid a remuneration of ₹ 293.59 Lakhs during the year including performance linked incentives.

The Board of Directors at its meeting held on 8<sup>th</sup> February, 2024, had approved the appointment of Mr. Satish Veerappa as Managing Director of the Company with effect from 1<sup>st</sup> April, 2024 for the period of 3 (three) years and remuneration payable to him up to 31<sup>st</sup> December, 2024. The said appointment and remuneration were approved by the Members of the Company by passing a special resolution through postal ballot on 28<sup>th</sup> March, 2024.

### Senior Management Personnel

The Senior Management comprises the leadership team, consisting of core management members and functional heads. As on 31<sup>st</sup> March, 2024, the following individuals served as senior management personnel of the Company:

Sr. No.	Name	Designation
1	Mr. Rishi Kakar	Chief Marketing and Strategy Officer
2	Mr. Srinivasa Kaza	Vice President – Sales
3	Mr. Harjinder Singh	Vice President – Notebook & Sales Development
4	Mr. Rahul Dandekar	General Manager – Business Development (Fine Art & Hobby)
5	Mr. Shyam Wani	Head – International Operations
6	Mr. Mandar Bodke	Vice President – Demand Chain Management
7	Dr. C. P. Deshmukh	Chief Human Resources Officer & Legal Head
8	Mr. Takashi Itoguchi	Senior Corporate Officer – Planning
9	Mr. Keiji Kai	President – Research & Development
10	Mr. Vipul Bhoj	Company Secretary & Compliance Officer

During the year, Mr. Chetan Badal, Chief Financial Officer passed away on 16<sup>th</sup> January, 2024.

## C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

### Meetings, Members and Attendance:

During the financial year 2023-2024 the Committee held 2 (two) meetings on 28<sup>th</sup> July, 2023 and 28<sup>th</sup> March, 2024.

The details of attendance of Members are as under:

Name of the Member	Category	Status	No of Meetings	
			Held#	Attended
Mr. Shishir Desai*	NED(I)	Chairman	2	2
Mr. Shriram Dandekar	ED	Member	2	2
Mr. Koji Higashiguchi**	NED	Member	0	0
Mr. Masaharu Inoue***	NED	Member	2	1

# Number of meetings held during the tenure of respective members of the Committee.

\* Ceased to be a member of the Stakeholders Relationship Committee consequent to his retirement due to completion of his second term with effect from close of business hours on 31<sup>st</sup> March, 2024.

\*\* Resigned with effect from 12<sup>th</sup> May, 2023.

\*\*\* Appointed with effect from 12<sup>th</sup> May, 2023

Consequent to the retirement of Mr. Shishir Desai, Independent Director of the Company, the Stakeholders Relationship Committee was re-constituted with effect from 1<sup>st</sup> April, 2024. The Composition of the Stakeholders Relationship Committee is in compliance with the requirements as prescribed under the Act and Listing Regulations.

Mr. Vipul Bhoj is the Company Secretary & Compliance Officer of the Company.

The Board has designated Mr. Vipul Bhoj, Company Secretary & Compliance Officer to act as Secretary to the Committee.

### Terms of reference:

The terms of reference to this committee, inter alia covers all the matters specified under regulation 20 of Listing Regulations, as well as in Section 178 of the Act, besides other terms as may be referred by the Board, 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.

## Corporate Governance Report (Continued)

Complaints received and redressed by the Company during the financial year 2023-2024:

During the financial year 2023-24, no complaint was received from the shareholders.

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

### Meetings, Members and Attendance

During the financial Year 2023-24 the Committee held 2 (two) meetings on 21<sup>st</sup> July, 2023 and 28<sup>th</sup> March, 2024.

The details of attendance of Members are as under:

Name of the Member	Category	Status	No of Meetings	
			Held#	Attended
Ms. Nandini Chopra	NED(I)	Chairperson	2	2
Mr. Shriram Dandekar	ED	Member	2	2
Mr. Koji Higashiguchi*	NED	Member	0	0
Mr. Masaharu Inoue**	NED	Member	2	1

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

\* Ceased to be a Committee member with effect from 12<sup>th</sup> May, 2023.

\*\* Appointed as a Committee member with effect from 12<sup>th</sup> May, 2023.

The Corporate Social Responsibility Committee was re-constituted with effect from 1<sup>st</sup> April, 2024. The Composition of the Corporate Social Responsibility Committee is in compliance with the requirements as prescribed under the Act.

The Board has designated Mr. Vipul Bhoj, Company Secretary & Compliance Officer to act as Secretary to the Committee.

### Terms of Reference:

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

## E. RISK MANAGEMENT COMMITTEE

### Meetings, Members and Attendance

During the financial year 2023-2024, the Committee held 2 (Two) meetings on 15<sup>th</sup> September, 2023 and 8<sup>th</sup> March, 2024,

The details of attendance of Members are given below:

Name of the Member	Category	Status	No of Meetings	
			Held#	Attended
Mr. Shriram Dandekar	ED	Chairman	2	2
Ms. Nandini Chopra	NED(I)	Member	2	2
Mr. Koji Higashiguchi*	NED	Member	0	0
Mr. Masaharu Inoue**	NED	Member	2	1
Mr. Satish Veerappa	CEO	Member	2	2

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

\* Ceased to be a Committee Member with effect from 12<sup>th</sup> May, 2023.

\*\* Appointed as a Committee Member with effect from 12<sup>th</sup> May, 2023.

The Risk Management Committee was re-constituted with effect from 1<sup>st</sup> April, 2024. The Composition of the Risk management Committee is in compliance with the requirements as prescribed under the Listing Regulations.

The Board has designated Mr. Vipul Bhoj, Company Secretary & Compliance Officer to act as Secretary to the Committee.

### Terms of reference:

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

- i. Formulation of a detailed risk management policy which shall include:
  - a. framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business Continuity Plan.
- ii. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;



- iv. Periodical review of the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- v. Keeping the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vi. Review of appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

**F. INDEPENDENT DIRECTORS MEETING:**

In accordance with provisions of the Schedule IV (Code for Independent Directors) of the Act and Listing Regulations, a meeting of the Independent Directors of the Company was held on 28<sup>th</sup> March, 2024 through video conferencing. The meeting was attended by all Independent Directors in absence of Non-Independent Directors and Members of the Management.

**4. GENERAL BODY MEETINGS:**

**I. DETAILS OF THE ANNUAL GENERAL MEETING HELD DURING THE PRECEDING THREE YEARS AND SPECIAL RESOLUTIONS PASSED THEREAT:**

FINANCIAL YEAR	VENUE	DATE & TIME	DETAILS OF SPECIAL RESOLUTION PASSED
2022-2023	Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”)	28 <sup>th</sup> July, 2023 at 11.00 a.m.	1. Payment of remuneration by way of perquisites to Mr. Dilip D. Dandekar (DIN: 00846901), Chairman & Non- Executive Director.
2021-2022	Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”)	29 <sup>th</sup> June, 2022 at 11.00 a.m.	1. Re-appointment of Ms. Nandini Chopra (DIN: 07891312) as an Independent Non-Executive Director for the Second term of five (5) consecutive years from 3 <sup>rd</sup> August, 2022 to 2 <sup>nd</sup> August, 2027. 2. Payment of remuneration by way of perquisites to Mr. Dilip D. Dandekar (DIN: 00846901), Chairman & Non-Executive Director.
2020-2021	Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”)	31 <sup>st</sup> August, 2021 at 11.00 a.m.	There was no special resolution passed.

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

During the year 2023-24, the Company sought the approval of the Members through special resolutions by postal ballot (remote e-voting process only) in respect of the items mentioned below. After receiving the approval of the Board of Directors, the notice of the postal ballot dated 8<sup>th</sup> February, 2024 along with the explanatory statement was circulated to the Members on 27<sup>th</sup> February, 2024. Remote e-voting began on 28<sup>th</sup> February, 2024 and concluded on 28<sup>th</sup> March, 2024.

The Company had appointed Mr. J. H. Ranade (FCS No. 4317, C.P. No. 2520) or Mr. S. J. Ranade (ACS No.33416, C.P. No.12520), partners of M/s. JHR & Associates, Practicing Company Secretaries, as scrutinizer for conducting the postal ballot/ e-voting process in a fair and transparent manner. After the last date of receipt of postal ballot responses, the scrutinizer, after due verification, submitted his report on 29<sup>th</sup> March, 2024.

Mr. Dilip D. Dandekar, Chairman & Non-Executive Director, announced the Postal Ballot results, based on the scrutinizer’s report on 29<sup>th</sup> March, 2024 in respect of the resolutions mentioned in the postal ballot notice. The result was 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 Scrutinizer’s report on the Company’s website, <https://www.kokuyocamlin.com/camel/gallery/uploads/notices/Postalballotresults29032024.pdf> . The resolutions were passed with the requisite majority.

## Corporate Governance Report (Continued)

Details of the Voting pattern in respect of the Special Resolutions passed through postal ballot was as under:

**Special Resolution 1**

Appointment of Ms. Naho Shigeta (DIN:02014640) as an Independent Woman Director of the Company for a period of five consecutive years commencing 1<sup>st</sup> February, 2024 up to 31<sup>st</sup> January, 2029 (both days inclusive):

Particulars	No. of Members voted	No. of votes exercised	Percentage of total nos. of votes cast
Votes in Favour	189	7,58,38,964	99.9973
Votes against	7	2,057	0.0027

**Special Resolution 2**

Appointment of Mr. Takeo Iguchi (DIN:03599826) as Director in whole-time employment designated as 'Executive Director' for the period of 3 (three) years commencing 1<sup>st</sup> February, 2024 up to 31<sup>st</sup> January, 2027 (both days inclusive) and payment of remuneration during the 3 (three) year term:

Particulars	No. of Members voted	No. of votes exercised	Percentage of total nos. of votes cast
Votes in Favour	174	7,54,23,178	99.4506
Votes against	18	4,16,692	0.5494

**Special Resolution 3**

Re-appointment of Mr. Shriram S. Dandekar (DIN:01056318) as Director in whole-time employment designated as 'Vice-Chairman & Executive Director' for a further period commencing 1<sup>st</sup> February, 2024 to 31<sup>st</sup> March, 2025 and payment of remuneration during the term:

Particulars	No. of Members voted	No. of votes exercised	Percentage of total nos. of votes cast
Votes in Favour	174	7,51,73,278	99.4489
Votes against	17	4,16,592	0.5511

**Special Resolution 4**

Appointment of Mr. Nilesh Modi (DIN:07365188) as an Independent Director of the Company for a period of five consecutive years commencing 8<sup>th</sup> February, 2024 up to 7<sup>th</sup> February, 2029 (both days inclusive):

Particulars	No. of Members voted	No. of votes exercised	Percentage of total nos. of votes cast
Votes in Favour	181	7,58,37,503	99.9969
Votes against	11	2,367	0.0031

**Special Resolution 5**

Appointment of Mr. Naganath Subramanian Iyer (DIN:10482193) as an Independent Director of the Company for a period of five consecutive years commencing 8<sup>th</sup> February, 2024 up to 7<sup>th</sup> February, 2029 (both days inclusive):

Particulars	No. of Members voted	No. of votes exercised	Percentage of total nos. of votes cast
Votes in Favour	185	7,58,37,813	99.9973
Votes against	7	2,057	0.0027

**Special Resolution 6**

Appointment of Mr. Tomoya Okada (DIN:03434839) as an Independent Director of the Company for a period of five consecutive years commencing 8<sup>th</sup> February, 2024 up to 7<sup>th</sup> February, 2029 (both days inclusive):

Particulars	No. of Members voted	No. of votes exercised	Percentage of total nos. of votes cast
Votes in Favour	184	7,58,37,713	99.9972
Votes against	8	2,157	0.0028

**Special Resolution 7**

Appointment of Mr. Satish Veerappa (DIN:00507955) as 'Managing Director' of the Company with effect from 1<sup>st</sup> April, 2024 for a period of 3 (three) years and payment of remuneration up to 31<sup>st</sup> December, 2024:

Particulars	No. of Members voted	No. of votes exercised	Percentage of total nos. of votes cast
Votes in Favour	184	7,58,06,600	99.9561
Votes against	8	33,270	0.0439

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

**5. MEANS OF COMMUNICATION**

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

**WEBSITE:** The Company's website [www.kokuyocamlin.com](http://www.kokuyocamlin.com) contains a separate section 'Investors' for use of investors. The quarterly, half yearly and annual financial results are promptly and prominently displayed on website. Notices, annual reports, quarterly shareholding patterns and other Communications are also available on the website.



**FINANCIAL RESULTS:** The quarterly, half-yearly and annual financial results are regularly posted by the Company on its website. These are also submitted to the stock exchanges i.e. BSE (BSE Listing Centre) and NSE through NEAPS (NSE Electronic Application Processing System) in accordance with Listing Regulations. The quarterly, half yearly and annual financial results are normally published in one English language national daily newspaper circulating the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where registered office of the Company is situated, within 48 hours of approval.

**ANNUAL REPORT:** Annual report containing interalia, salient features of the audited financial statements, Director’s report (Including Management Discussion and Analysis), Corporate Governance Report and other important information is circulated to Members and others entitled thereof.

**CORPORATE FILING:** Announcements, quarterly results, shareholding patterns 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 [www.kokuyocamlin.com](http://www.kokuyocamlin.com). There were no presentations made to the institutional investor analysts during the year.

## 6. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting (Day, Date, Time)	Tuesday, 6 <sup>th</sup> August, 2024, 11:00 am
Mode	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circulars Viz. Circular No. 14/2020 dated 8 April, 2020, Circular No. 17/2020 dated 13 April, 2020 and subsequent circulars issued in this regard, the latest being Circular No. 9/2023 dated 25 September, 2023, as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.
Financial Year	1 <sup>st</sup> April, 2023 – 31 <sup>st</sup> March, 2024
Dividend payment date	After 10 <sup>th</sup> August, 2024 subject to the approval by Shareholders at the Annual General Meeting
Date of Book Closure	Wednesday, 31 <sup>st</sup> July, 2024 to Tuesday, 6 <sup>th</sup> August, 2024 (both days inclusive)
Financial Results	First Quarter Results: by 14 <sup>th</sup> August, 2024 Second Quarter Results: by 14 <sup>th</sup> November, 2024 Third Quarter Results: by 14 <sup>th</sup> February, 2025 Fourth Quarter Results: by 30 <sup>th</sup> May, 2025
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 2024-25 have been paid to BSE & NSE.

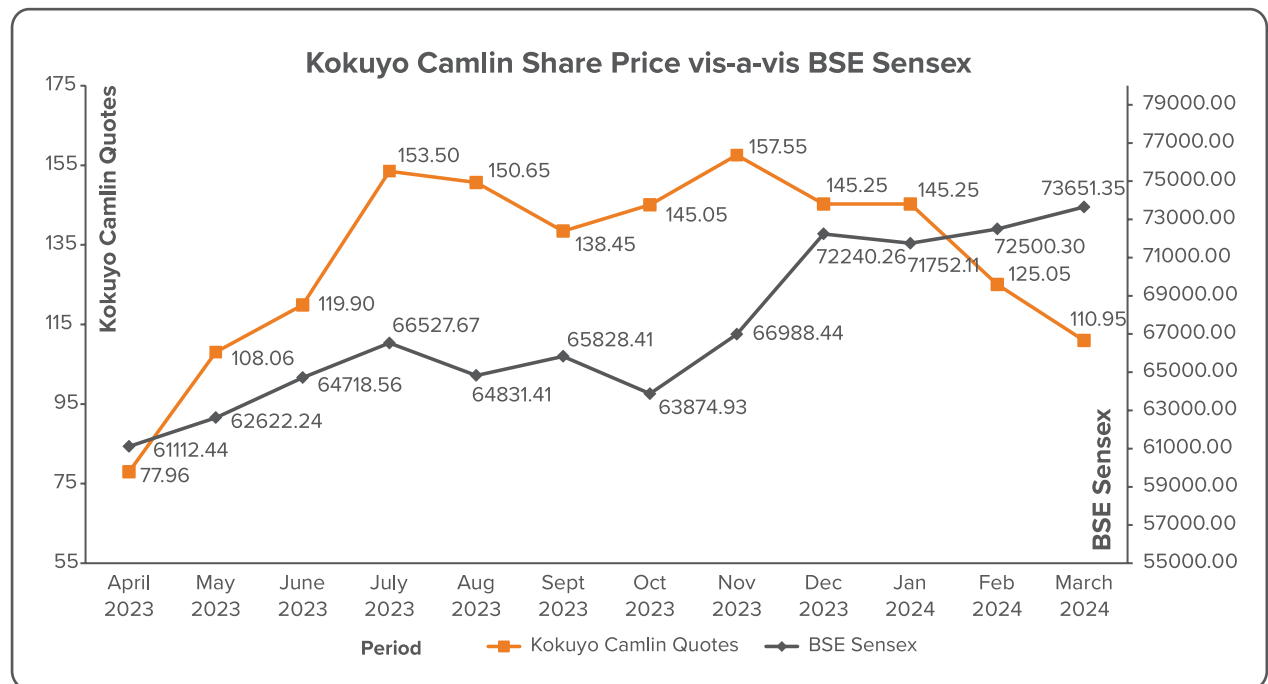
Corporate Governance Report (Continued)

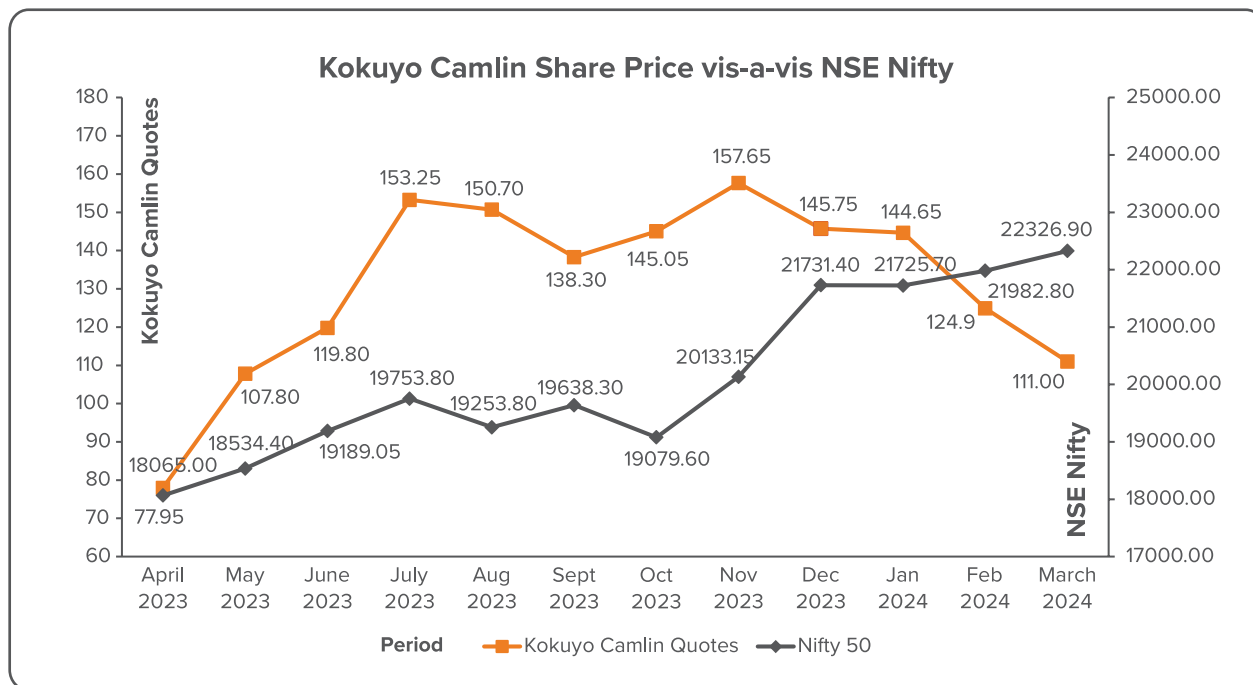
**7. STOCK MARKET DATA:**

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

Month	BSE		NSE	
	High	Low	High	Low
April, 2023	78.50	67.10	78.70	68.40
May, 2023	117.45	73.50	117.80	74.80
June, 2023	124.80	107.95	124.80	108.00
July, 2023	164.95	114.00	165.00	113.95
August, 2023	162.50	138.80	162.65	141.70
September, 2023	152.00	130.85	152.75	130.90
October, 2023	147.95	131.15	146.80	131.20
November, 2023	164.20	123.50	164.45	123.70
December, 2023	179.30	132.25	178.40	140.95
January, 2024	156.90	134.95	153.45	135.00
February, 2024	159.40	124.55	159.40	124.00
March, 2024	143.95	109.65	131.40	109.60

**8. STOCK PERFORMANCE:**





## 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) 49186000, Fax: (022) 49186060 email id: rnt.helpdesk@linkintime.co.in is acting as Registrar & Transfer Agents (RTA) for handling the shares related matters both in Physical & Dematerialised mode.

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

## 10. SHARE TRANSFER SYSTEM:

In terms of Regulation 40 (1) of Listing Regulations, as amended from time to time, securities can be transferred only in dematerialised form, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 mandated the listed Companies to issue the securities only in dematerialised form while processing the service requests viz. issue of duplicate Securities certificate, claim from unclaimed Suspense Account, renewal /

exchange of Securities certificate, Endorsement, Sub-division / splitting of Securities certificate, Consolidation of Securities certificate / folios, Transmission and Transposition. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Shareholders who desire to demat their shares, can get in touch with any Depository Participant having registration with SEBI to open a demat account and follow the procedure for dematerialisation of share.

## 11. RECONCILIATION OF SHARE CAPITAL AUDIT:

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

## Corporate Governance Report (Continued)

**12. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2024:**

No. of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
Up to 5000	30934	98.07	11551800	11.52
5001-10000	358	1.13	2652001	2.64
10001-20000	132	0.42	1945749	1.94
20001-30000	41	0.13	1006658	1.00
30001-40000	25	0.08	852919	0.85
40001-50000	12	0.04	551311	0.55
50001-100000	22	0.07	1663580	1.66
100001-999999	18	0.06	5413838	5.40
1000000 & above	1	0.00	74665950	74.44
<b>Total</b>	<b>31543</b>	<b>100.00</b>	<b>100303806</b>	<b>100.00</b>

**13. CATEGORY OF SHAREHOLDING AS PER 31ST MARCH, 2024:**

Category of Shareholder	Total No. of Shares	Percentage of Total Shares
Promoter and Promoter Group (A)	75215950	74.99
Public Shareholding (B)		
Nationalised Banks	2125	0.00
Foreign Portfolio Investors (Corporate)	522041	0.52
Investor Education and Protection Fund	718718	0.72
Bodies Corporate	2087182	2.08
Clearing Member	2534	0.00
Individuals	19103225	19.04
Non Resident (Rep)	1084591	1.08
Non – Resident (Non-Rep.)	539142	0.54
Hindu Undivided Family	973797	0.97
Escrow Account	500	0.00
Unclaimed Shares	54001	0.05
Total Public Shareholding (B)	25087856	25.01
<b>Total Shareholding = (A) + (B)</b>	<b>100303806</b>	<b>100.00</b>

**14. DEMATERIALISATION OF SHARES:**

The Company's Equity Shares are held in dematerialised form by National Securities Depository Ltd. (NSDL) and Central Depository Services India Ltd. (CDSL) under ISIN No. INE760A01029. As on 31<sup>st</sup> March, 2024, 99.15% of the total shares of the Company have been dematerialised. The Shareholders holding shares in physical form are requested to dematerialise their shares as the Company's shares are required to be compulsorily traded at the stock exchanges in dematerialised form only. Further, SEBI, vide Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 has mandated issuance of securities in dematerialised form while processing the service request viz. issue of duplicate securities certificate, claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / splitting of securities certificate, Consolidation of securities certificates/folios, Transmission and Transposition. The shares of the company are regularly traded at the National Stock Exchange of India Limited and the BSE Limited.





## 15. UNCLAIMED SUSPENSE ACCOUNT:

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

Particulars		No. of shareholders	No. of Equity Shares
Opening Balance	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 1 <sup>st</sup> April, 2023	30	54001
Add	No. of Shareholders whose shares got transferred during the year and No. of shares transferred	-	-
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	-	-
Closing Balance	Aggregate number of shareholders and outstanding shares lying in the suspense account as on 31 <sup>st</sup> March, 2024	30	54001

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, the 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 the 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.

## 16. SUBSIDIARY COMPANY:

The Company does not have any Subsidiary Company.

## 17. CREDIT RATINGS AND ANY REVISIONS THERETO FOR DEBT INSTRUMENTS OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL INVOLVING MOBILISATION OF FUNDS, WHETHER IN INDIA OR ABROAD:

The Company has not issued any debt instruments and does not have any fixed deposit program or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended 31<sup>st</sup> March, 2024. The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1 and A/Stable respectively. There was no revision in the said ratings during the year under review.

## 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
Jammu	:	Industrial Growth Center, Samba Phase I, Jammu, J&K State.

## 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

## Corporate Governance Report (Continued)

**20. SECRETARIAL DEPARTMENT:**

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

Name of the Company Secretary	:	Mr. Vipul Bhoj
Designation	:	Company Secretary & Compliance Officer
Telephone	:	022- 6655 7000
Fax No.	:	022- 2836 6579
Email	:	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:**

Consequent to the demise of Mr. Chetan Badal, former Chief financial Officer of the Company on 16<sup>th</sup> January, 2024, the Company is in the process of appointing a new Chief Financial Officer. The Board of Directors at its meeting held on 15<sup>th</sup> May, 2024 has approved the appointment of Mr. Nilesh Choudhary as Chief Financial Officer of the Company w.e.f. 8<sup>th</sup> July, 2024. Hence, the Managing Director of the Company has furnished the requisite certificate to the Board of Directors as per the provisions outlined in regulation 17(8) of the Listing Regulations verifying that the financial statements are free from any materially false statement, and accurately reflect the Company's current state of affairs. The same is annexed to this Report.

**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.

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.

**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 Act 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 no. 34 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 <https://www.kokuyocamlin.com/policies>.

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

There were no instances during the financial year 2023-24, wherein the Board had not accepted recommendations made by any Committee of the Board.

**vii. Risk Management:**

The Company operates in a dynamic business scenario that gives rise to external and internal



risk factors. It has in place an integrated risk management approach called the ERM framework for risk identification, assessment and reporting.

Your Company has constituted a Risk Management committee of the Board with delegated responsibilities in relation to risk management processes within the Company. The said committee is responsible for formulating a detailed risk management policy and its implementation, putting in place a system for monitoring and evaluation of associated risks etc. As required by the Risk Management policy, the Company initiates risk identification and control testing exercise to provide briefing and reporting to the Board through Risk Management Committee.

The Risk Management policy is implemented by various department heads who take the risk ownership and monitor the risks on a periodical basis. The ERM Framework enables 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 enables effective and quick decision making and boosts the performance of the organisation. The ERM framework acts as a decision enabler which not only seeks to minimise the impact of risks but also enables effective resource allocation based on risk ranking and risk appetite. Strategic decisions are being taken after careful consideration of risks based on secondary risks and residual risks.

There are no risks which in the opinion of the Board threaten 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.

**viii. Vigil Mechanism (Whistle Blower Policy):**

The Company has a vigil mechanism called 'Whistle Blower Policy' with a view to provide a mechanism

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

a)	Number of complaints pending at the beginning of the financial year 2023-2024	:	Nil
b)	Number of complaints filed during the financial year 2023-2024	:	1
c)	Number of complaints disposed off during the financial year 2023-2024	:	1
d)	Number of complaints pending as at end of the financial year 2023-2024.	:	Nil

for Directors and employees of the Company to raise concerns of any violations of any legal or regulatory requirement, incorrect or misrepresentation of any financial statement and reports etc. The policy also includes reporting of instances relating to the leak of Unpublished Price Sensitive Information. The Company is committed to adhering to the highest standards of ethical, moral and legal conduct of business operations. No person has been denied access to the Chairperson of the Audit Committee.

**ix. Secretarial Compliance Report:**

The Company has obtained a certificate pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 read with Regulation 24 (A) of the Listing Regulations from Mr. J. H. Ranade (CP no.2520), Partner of M/s. JHR & Associates, Practicing Company Secretaries and Secretarial Auditor of the Company for FY 2023-24.

**x. Certificate from Practicing Company Secretary:**

Certificate as required under Part C of Schedule V of the Listing Regulations has been 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 and is annexed to this Report.

**xi. Total fees paid to the Statutory Auditor:**

Total fees of Rs.46.34 Lakhs during the financial year 2023-24, for all the services was paid by the Company, to the Statutory Auditor and all entities in the network firm/ network entity of which the Statutory Auditor is a part.

## Corporate Governance Report (Continued)

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

The Company has adopted Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

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

The Corporate Governance Report of the Company for the year ended 31<sup>st</sup> March, 2024 is in compliance with the requirements of Corporate Governance under Listing Regulations.

## 22. THE STATUS OF ADOPTION OF THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II IS AS UNDER:

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

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

- **Shareholders Rights:**

Extract of the Quarterly, Half Yearly and Annual Financial Results of the Company are published in the Newspaper and are also posted on Company's website <https://www.kokuyocamlin.com/quarterly-results>. 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 31<sup>st</sup> March, 2024 does not contain any modified audit opinion.

- **Separate posts of Chairperson and Managing Director:**

The Chairman of the Board is a Non-Executive Director. The Company has also appointed Managing Director.

- **Reporting of Internal Auditor:**

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

**For & on behalf of the Board**

**Dilip D. Dandekar**

Chairman & Non-Executive Director

Place : Mumbai  
Dated : 15<sup>th</sup> May, 2024

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## COMPLIANCE WITH CODE OF BUSINESS CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2024.

**For Kokuyo Camlin Limited**

**Satish Veerappa**  
Managing Director

Place : Mumbai  
Dated : 15<sup>th</sup> May, 2024



## CERTIFICATE

[Pursuant to Regulation 17(8) read with part B of Schedule II of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

**To,  
The Board of Directors  
Kokuyo Camlin Limited**

I, Satish Veerappa, Managing Director, heading the Finance Functions, to the best of my knowledge and belief, hereby certify that:

1. I have reviewed the Balance Sheet as at 31<sup>st</sup> March, 2024, 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 my 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. I, along with the Company's other certifying officers accept responsibility for establishing and maintaining internal controls for financial reporting 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. I, along with the Company's other certifying officers, have indicated to the Auditors and the Audit Committee of the Company, the following:
  - a. Significant changes in internal control over financial reporting during the year;
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having significant role in the Company's internal Control System over financial reporting.

**Satish Veerappa**  
Managing Director

Place : Mumbai  
Date : 15<sup>th</sup> May, 2024

## Corporate Governance Report (Continued)

### Certificate from Practicing Company Secretaries Regarding

#### Non-Disqualification of Directors

Based on our verification of the records maintained by Kokuyo Camlin Limited CIN - L24223MH1946PLC005434 (hereinafter called 'the Company') including declarations / notices received from its Directors and also information / record available on the website(s) of the Ministry of Corporate Affairs, Securities and Exchange Board of India and Stock Exchanges where the equity shares of the Company are listed, we hereby certify that, during the financial year 2023-24, none of the Directors on the Board of the Company were debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

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

**For JHR & Associates**  
Company Secretaries

Place: Thane  
Date: 15<sup>th</sup> May, 2024  
UDIN: F004317F000371112

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

### 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 - CIN: L24223MH1946PLC005434 ('the Company') for the year ended on 31<sup>st</sup> March, 2024 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreements of the said Company with Stock Exchanges ('the Regulations').

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

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

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

**For JHR & Associates**  
Company Secretaries

Place : Thane  
Date : 15<sup>th</sup> May, 2024  
UDIN: F004317F000371145

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



# Business Responsibility and Sustainability Report

(The Company was not falling under top 1000 listed entities based on the market capitalisation as on 31<sup>st</sup> March, 2023)

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L24223MH1946PLC005434
2	Name of the Listed Entity	Kokuyo Camlin Limited
3	Year of incorporation	1946
4	Registered office address	48/2, Hilton House, Central Road, MIDC, Andheri East, Mumbai - 400093
5	Corporate address	48/2, Hilton House, Central Road, MIDC, Andheri East, Mumbai - 400093
6	E-mail	corporate@kokuyocamlin.com
7	Telephone	022 66557000
8	Website	www.kokuyocamlin.com
9	Financial year for which reporting is being done	1 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024
10	Name of the Stock Exchange(s) where shares are listed	i) The BSE Ltd. ii) The National Stock Exchange of India Ltd.
11	Paid-up Capital	Rs. 10,03,03,806/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Vipul Bhoj, Company Secretary & Compliance Officer, Telephone - 022 66557000, email- corporate@kokuyocamlin.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which of its consolidated financial statements, taken together), form a part	Standalone basis
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

### II. Products/services

#### 16. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and trading	Manufacturing and trading of consumer products viz. Stationery and colour products used for scholastic and art purpose	100%

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product/Service	NIC Code	% of total Turnover Contributed
1	Consumer products (stationery items including fine arts & hobby products, scholastic products, markers, notebooks, technical instruments, adhesives, etc.)	32901, 32909, 46496, 47613	100%

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices
National	3	3
International	Nil	Nil

## Business Responsibility and Sustainability Report (Continued)

**19. Markets served by the entity.****a. Number of locations**

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	21

**b. What is the Contribution of exports as a percentage of the total turnover of the entity?**

4.80%

**c. A brief on types of customers**

Company is one of the oldest and recognised stationery brands in India. The Company has diversified portfolio in office and school stationery segment comprising inks, colours, writing instruments, technical and drawing instruments, office stationery, markers, notebooks, scholastic and hobby art materials. Company serves the retail market through its strong distribution network across India.

**IV. Employees****20. Details as at the end of Financial Year****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total No. (A)	Male		Female	
			No. (B)	% (B/A)	No.(C)	%(C/A)
<b>EMPLOYEES</b>						
1	Permanent (D)	867	809	93%	58	7%
2	Other than Permanent (E)	139	138	99%	1	1%
<b>3</b>	<b>Total employees (D+E)</b>	<b>1006</b>	<b>947</b>	<b>94%</b>	<b>59</b>	<b>6%</b>
<b>WORKERS</b>						
4	Permanent (F)	104	97	93%	7	7%
5	Other than Permanent (G)	12	12	100%	0	0%
<b>6</b>	<b>Total workers (F+G)</b>	<b>116</b>	<b>109</b>	<b>94%</b>	<b>7</b>	<b>6%</b>

**b. Differently abled Employees and workers:**

S. No.	Particulars	Total No. (A)	Male		Female	
			No. (B)	% (B/A)	No.(C)	%(C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1	Permanent (D)	1	1	100%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
<b>3</b>	<b>Total employees (D+E)</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4	Permanent (F)	0	0	0%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%
<b>6</b>	<b>Total workers (F+G)</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

**21. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	%(B/A)
Board of Directors	9	2	22%
Key Management Personnel	2	0	0%





**22. Turnover rate for permanent employees and workers**

	FY 2023-2024			FY 2022-2023			FY 2021-2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employee	29.38%	6.90%	28.47%	27.90%	14.16%	27.12%	22.41%	13.79%	13.79%
Permanent Workers	6.51%	0.00%	6.11%	3.26%	25.00%	4.04%	1.80%	0.00%	1.67%

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

**23.**

S. No.	Name of the holding / Subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Kokuyo Co. Ltd. Japan	Holding Company	74.44%	No

**VI. CSR Details**

**24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes

(ii) Turnover (In ₹): 81589.33 Lakhs

(iii) Net worth (in ₹): 29632.72 Lakhs

**VII. Transparency and Disclosures Compliances**

**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conducts:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-2024			FY 2022-2023		
		Number of complaints filed during the year	Number of complaints pending resolution at closure of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at closure of the year	Remarks
Communities	Yes <a href="https://www.kokuyocamlin.com/contact-us">https://www.kokuyocamlin.com/contact-us</a>	-	-	-	-	-	-
Investors (Other than shareholders)	NA	-	-	-	-	-	-
Shareholders	Yes. <a href="https://www.kokuyocamlin.com/company-info">https://www.kokuyocamlin.com/company-info</a>	0	0	-	3	0	-
Employees and workers	Yes, <a href="https://www.kokuyocamlin.com/camel/gallery/uploads/company_policies/company_policies-2014-236.pdf">https://www.kokuyocamlin.com/camel/gallery/uploads/company_policies/company_policies-2014-236.pdf</a>	1	0	-	0	0	-
Customers	Yes, <a href="https://www.kokuyocamlin.com/contact-us">https://www.kokuyocamlin.com/contact-us</a>	171	1	-	151	0	-
Value Chain Partners	Yes. The Company has provided option on its website and its inhouse application viz. Vendor sampark to raise their concerns, if any. <a href="https://www.kokuyocamlin.com/contact-us">https://www.kokuyocamlin.com/contact-us</a>	0	0	-	0	0	-

## Business Responsibility and Sustainability Report (Continued)

### 26. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material Issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Plastic Waste Management	Risk	Compliance with laws and Regulations	The Company is registered as Brand Owner by Central Pollution Control Board for disposal of Multi Layered Plastic (MLP) & other plastic waste as per Extended Producer Responsibility (ERP) Plan	-
2	Handling of flammable solvents for various manufacturing processes	Risk	<p>1) Chemical Properties: Flammable solvents possess volatile characteristics, making them prone to vaporisation and ignition at relatively low temperatures.</p> <p>2) Process Handling: Manufacturing processes involving these solvents often include activities such as transferring, mixing, or dispensing, which increase the risk of accidental spills or releases.</p> <p>3) Ignition Sources: Presence of ignition sources such as hot surfaces, sparks, static electricity, or open flames in the vicinity can lead to rapid combustion.</p>	<p>1) Engineering Controls:</p> <ul style="list-style-type: none"> <li>- Implementing adequate ventilation systems (Exhaust fans / wall - windows to ensure proper air exchange and dilution of solvent vapors.</li> <li>- Installing explosion-proof equipment and electrical systems to mitigate ignition risks.</li> </ul> <p>2) Administrative Controls:</p> <ul style="list-style-type: none"> <li>- Developed standard operating procedures (SOPs) for safe handling, storage, and disposal of flammable solvents.</li> <li>- Conducting regular inspections and maintenance of equipment to identify and rectify potential hazards.</li> </ul> <p>3) Personal Protective Equipment (PPE): Providing appropriate PPE such as fire suits, safety goggles, and respiratory protection for workers.</p> <p>4) Training and Awareness:</p> <ul style="list-style-type: none"> <li>- Providing comprehensive training programs to educate personnel on the hazards associated with flammable solvents and the proper procedures for risk mitigation.</li> <li>- Conducting periodic drills and simulations to ensure preparedness for emergency situations.</li> </ul>	<p>Financial Implications:</p> <p>1) Initial Investment:</p> <ul style="list-style-type: none"> <li>- Upfront costs for engineering controls, such as ventilation systems and explosion-proof equipment, can be significant.</li> <li>- Expenses associated with training programs and PPE provision also contribute to the initial investment.</li> </ul> <p>2) Operational Costs:</p> <ul style="list-style-type: none"> <li>- Ongoing expenses for maintenance, inspections, and replacement of equipment to ensure continued safety compliance.</li> <li>- Costs related to monitoring and testing for solvent concentrations in the air to maintain safe working environments.</li> </ul> <p>3) Insurance Premiums:</p> <ul style="list-style-type: none"> <li>- The presence of flammable solvents increases the risk profile of the manufacturing facility, potentially leading to higher insurance premiums.</li> </ul> <p>4) Potential Losses:</p> <ul style="list-style-type: none"> <li>- Financial losses resulting from workplace accidents, including property damage, business interruption, and legal liabilities, can be substantial.</li> <li>- Reputational damage and loss of customer trust in the event of a serious incident may also have long-term financial implications.</li> </ul>



## SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
<b>Policy and management processes</b>									
1 a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Yes. The policies have been approved by the Board or through its delegated authorities								
c. Web Link of the Policies, if available	The statutory policies mandated under applicable laws are available on the Company's website viz. <a href="https://www.kokuyocamlin.com/policies">https://www.kokuyocamlin.com/policies</a>								
2 whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3 Do the enlisted policies extent to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4 Name of the national and international codes/certificates/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certification audits are conducted annually at each site to evaluate the organisation's Quality, Environment, and Occupational Health and Safety Management systems, respectively. The Company is also complying with BIS standard IS 9873:Part 1:2019								
5 Specific commitments, goals and targets set by the entity with defined timelines, if any.	No. The Company is complying with the applicable laws, rules and regulations								
6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								

### Governance, leadership and oversight

**7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievement (listed entity has flexibility regarding the placement of this disclosure)**

ESG framework is embedded in the culture of the Company. The Company has a dedicated policy towards ESG called 'Quality, Environment, Health and Safety (QEHS) with a view to develop long term sustainable business while minimising the environmental impact of its operations and at the same time to serve the society with safe environment friendly and quality products. The Company also ensures health and safety of its employees and other stakeholders. The Company firmly believes that Governance is pre-requisite for attaining sustainable growth. We are committed to values and ethical business conduct not just in letter but also in spirit.

**8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).**

Mr. Satish Veerappa, Managing Director

**9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? If yes, provide details.**

The Corporate Social Responsibility (CSR) is administered by the CSR Committee in line with the requirements of the Companies Act, 2013. The Managing Director is responsible for implementation of Environmental Health & Safety (EHS) policies.

## Business Responsibility and Sustainability Report (Continued)

## 10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	Respective Business Responsibility and Sustainability policies of the Company are reviewed periodically or on a need basis by the Board/Management. During this assessment, the efficacy of the policies is reviewed and necessary changes to the policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with existing regulations as applicable and a statutory compliance certificate on applicable laws is provided by the Managing Director to the Board of Directors																	

## 11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P	P	P	P	P	P	P	P	P
1	2	3	4	5	6	7	8	9
The Company conducts periodic review of the policies internally by the Senior Management which then drives the policies, projects and performance of the aspects of Business responsibility and sustainability.								

## 12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated.

Question	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

## PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

## Essential Indicators

## 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total number of training and awareness programmes held	Topics / Principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	During the year, the Board has invested time on various updates comprising matters relating to issues pertaining to the business, regulations, economy and environmental, social and governance parameters.		100%
Key Managerial Personnel	Code of Conduct, POSH		100%
Employees other than BOD and KMPs	Code of Conduct, POSH		100%
Workers	Code of Conduct, POSH		100%



**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity’s website):** Nil.

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:** Not applicable.

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes. The Company has ‘zero tolerance’ of any practice that may be classified as corruption, bribery or giving or receipt of bribes and the same has been mentioned in its Code of Conduct. The objective of this policy is to serve as a guide for all directors, executives, employees and associated persons for ensuring compliance with applicable anti-bribery laws, rules and regulations. This policy is applicable to all individuals working at all levels and grades, including Board Members and Senior Managerial Personnel and other employees of the Company and such person acting on behalf of the Company.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.**

	FY 2023-2024	FY 2022-2023
Directors	Nil	Nil
KMPs		
Employees		
Workers		

**6. Details of complaints with regard to conflict of interest**

	FY 2023-2024		FY 2022-2023	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:** Not Applicable

**8. Number of days of accounts payable (Accounts payable \*365) / Cost of goods/services procured) in the following format:**

	FY 2023-2024	FY 2022-2023
Number of days of accounts payable	49	55

## Business Responsibility and Sustainability Report (Continued)

## 9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties in following format:

Parameter	Metrics	FY 2023-2024	FY 2022-2023
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	23%	22%
	b. Number of trading houses where purchases are made from	23	22
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	86%	88%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	95.82%	95.44%
	b. Number of dealers / distributors to whom sales are made	1670	1657
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	8.83%	8.41%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.39%	0.98%
	b. Sales (Sales to related parties / Total Sales)	2.01%	1.94%
	c. Loans & advances (Loans & advances given to related parties / Total Loans & advances)	-	-
	d. Investments (Investments in related parties / Total Investments made)	-	-

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.**

## Essential Indicators

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-2024 (₹ in Lakhs)	FY 2022-2023 (₹ In Lakhs)	Details of improvements in environmental and social impacts
R&D	540.03	490.21	Most of our products are used by children/students. Our R&D efforts are dedicated to make the products user friendly, safe & non-toxic
Capex	Nil	Nil	

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) – Yes.**

**b. If yes, what percentage of inputs were sourced sustainably? - 70%.**

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

- Plastic waste from rejection, reprocessed finished goods is collected and sent for recycling or co-processing. This is being done either internally (Re-cycle) or through Authorised third parties.
- Company disposes E-waste as per in-country or local regulations.
- Hazardous waste is being disposed as per the Hazardous Waste Management Rules.
- The Other waste are disposed as per Regulations devised by Local Regulatory Bodies.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes. EPR is applicable to company activities. All plastic waste generated internally is disposed through authorised vendors. The Company complies with all the conditions of EPR defined under Plastic Waste Management Rules.



**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.**

**Essential Indicators**

**1. a. Details of measures for the well-being of employees**

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefit		Paternity Benefit		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	809	809	100%	809	100%	0	0%	0	0%	0	0%
Female	58	58	100%	58	100%	58	100%	0	0%	58	100%
<b>Total</b>	<b>867</b>	<b>867</b>	<b>100%</b>	<b>867</b>	<b>100%</b>	<b>58</b>	<b>7%</b>	<b>0</b>	<b>0%</b>	<b>58</b>	<b>7%</b>
<b>Other than Permanent employees</b>											
Male	138	138	100%	138	100%	0	0%	0	0%	0	0%
Female	1	1	100%	1	100%	1	100%	0	0%	1	100%
<b>Total</b>	<b>139</b>	<b>139</b>	<b>100%</b>	<b>139</b>	<b>100%</b>	<b>1</b>	<b>1%</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>1%</b>

**b. Details of measures for the well-being of workers**

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefit		Paternity Benefit		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	97	40	41%	97	100%	0	0%	0	0%	0	0%
Female	7	7	100%	7	100%	7	100%	0	0%	7	100%
<b>Total</b>	<b>104</b>	<b>47</b>	<b>45%</b>	<b>104</b>	<b>100%</b>	<b>7</b>	<b>7%</b>	<b>0</b>	<b>0%</b>	<b>7</b>	<b>7%</b>
<b>Other than Permanent workers</b>											
Male	12	0	0%	12	100%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>12</b>	<b>0</b>	<b>0%</b>	<b>12</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

	FY 2023-2024	FY 2022-2023
Cost incurred on well-being measures as a % of total revenue of the Company	0.12%	0.14%

## Business Responsibility and Sustainability Report (Continued)

**2. Details of retirement benefits, for Current FY and Previous Financial year**

Benefit	FY 2023-2024			FY 2022-2023		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.50%	100%	Y	99.49%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	47%	64%	Y	51%	66%	Y
Others - Please specify	-	-	-	-	-	-

\* Note - We have 5 Japanese expats on payroll. Indian Government is having Social Security Agreement (SSA) with Japan and accordingly, they do not fall under the purview of Employees provident Fund and Miscellaneous Provisions Act, 1952. Hence, they are not considered as PF covered employees.

**3. Accessibility of workplaces**

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

All the plants and Head offices are accessible to differently abled employees and workers. The Company is continuously working towards improving infrastructure for the easement in accessibility to the differently abled employees.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Principle 2 of the Company's Code of Conduct emphasises on respect for human rights and personality which talks about no discrimination based on disability. Company's code of conduct is available on <https://www.kokuyocamlin.com/code-of-conduct>.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	
Other than Permanent Workers	Yes, concerned worker/ employee can approach immediate superior if not resolved employee can escalate to Head of the Department (HOD) and / or HR dept. if not satisfied then can write on Kokuyo
Permanent Employees	Group Hotline.
Other than Permanent Employees	





**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity.**

Category	FY 2023-2024			FY 2022-2023		
	Total employees / workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or Union	% (B/A)	Total employees / workers in respective category	No. of employees / workers in respective category, who are part of association(s) or Union	% (D/C)
	(A)	(B)		(C)	(D)	
<b>Total Permanent Employees</b>	867	0	0%	856	0	0%
Male	809	0	0%	803	0	0%
Female	58	0	0%	53	0	0%
<b>Total Permanent Workers</b>	104	104	100%	112	112	100%
Male	97	97	100%	105	105	100%
Female	7	7	100%	7	7	100%

**8. Details of training given to employees and workers**

Category	FY 2023-2024					FY 2022-2023				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		on Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
<b>Employees</b>										
Male	947	947	100%	947	100%	926	926	100%	926	100%
Female	59	59	100%	59	100%	57	57	100%	57	100%
<b>Total</b>	<b>1006</b>	<b>1006</b>	<b>100%</b>	<b>1006</b>	<b>100%</b>	<b>983</b>	<b>983</b>	<b>100%</b>	<b>983</b>	<b>100%</b>
<b>Workers</b>										
Male	109	109	100%	109	100%	105	105	100%	105	100%
Female	7	7	100%	7	100%	7	7	100%	7	100%
<b>Total</b>	<b>116</b>	<b>116</b>	<b>100%</b>	<b>116</b>	<b>100%</b>	<b>112</b>	<b>112</b>	<b>100%</b>	<b>112</b>	<b>100%</b>

**9. Details of performance and career development reviews of employees and worker**

Category	FY 2023-2024			FY 2022-2023		
	Total (A)	No. (B)	% (B/A)	Total (C)	No.(D)	% (D/C)
<b>Employees</b>						
Male	947	947	100%	926	926	100%
Female	59	59	100%	57	57	100%
<b>Total</b>	<b>1006</b>	<b>1006</b>	<b>100%</b>	<b>983</b>	<b>983</b>	<b>100%</b>
<b>Workers</b>						
Male	109	109	100%	105	105	100%
Female	7	7	100%	7	7	100%
<b>Total</b>	<b>116</b>	<b>116</b>	<b>100%</b>	<b>112</b>	<b>112</b>	<b>100%</b>

**10. Health and safety management system:**

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

The Safety and Health Management System covers activities across all Manufacturing locations and ensures the protection of Environment and Health and Safety of its Employees, Contractors, Visitors and relevant stakeholders.

## Business Responsibility and Sustainability Report (Continued)

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

As an IMS certified organisation, the Company has Hazard Identification and Risk Assessment (HIRA) Register to identify hazards and risks related to each activity department-wise covering routine and non-routine activities.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes. The employees are encouraged to report all near miss, unsafe acts and similar situations through suggestion box and in safety committee meetings etc.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes. All employees are covered under Health insurance Scheme / ESI scheme.

**11. Details of safety related incidents, in the following format**

Safety Incident/Number	Category	FY 2023-2024	FY 2022-2023
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	1.35
	Workers	0.20	1.00
Total recordable work-related injuries	Employees	0.00	1.00
	Workers	0.00	0.00
No. of fatalities	Employees	0.00	0.00
	Workers	0.00	0.00
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0.00	0.00
	Workers	1.00	0.00

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company has a Steering Committee, chaired by Senior Management Committee Officers. The Committee reviews and monitors the sustainability, safety, health and environmental policies and activities of the Company on behalf of the Board to ensure that the Company is in compliance with appropriate laws and legislation. The committee's primary goal is to ensure that the organisation provides a safe and healthy workplace for its employees, visitors, and customers. The Company has integrated Safety, Health & Environment policy. The data associated with key lead and lag measures are captured through various predefined reports and log sheets to track the performance. For data analysis, tools like trends analysis, Root Cause Analysis and comparative performance analysis are used to assess current performance and the improvements required.

**13. Number of Complaints on the following made by employees and workers.**

	FY 2023-2024			FY 2022-2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remark
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

**14. Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices working conditions	100 % (Training/ awareness/ technological upgradation/ review at senior level and Steering committee. The Company is committed to its Zero Harm to life. ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 Certification Audits conducted at each site annually to evaluate Health, Safety and Environment Management system in the organisation.)



**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

All incidents are investigated by cross-functional team. All critical factors involved in an incident are determined through root cause analysis & investigation and corrective / preventive actions are identified to prevent recurrence. The detailed investigation and root causes identified by cross-functional team are reviewed by the Senior management. Learning from incident is further discussed in the morning safety meeting, toolbox talk, safety committee meet etc. to bring awareness and prevent recurrence of incidents.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

The Company has identified its internal and external stakeholders and endeavours to maintain healthy engagement with these stakeholders which allows participation and collaboration wherever possible.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ Others-please specify)	Purpose and Scope of engagement including key topics and concerns raised during such engagement.
Employees	No	Direct, Emails, Website, Trainings	Regular	Employee’s growth in terms of their career, professional development, continuing education and skill training
Suppliers	No	Direct, Emails, ‘Vendor Sampark’- an inhouse portal developed for vendor management	Regular / Periodic	Need and expectation, supply chain issue, awareness and other trainings, Regulatory compliance etc.
Stockists & Dealers	No	Emails, ‘Sampark’- an inhouse portal developed for order processing with distributors	Regular / Periodic	Need and expectation, awareness and other trainings, smooth distribution network
Customers	No	Emails, Advertisements, website, social media	Regular	Customer satisfaction and feedback, product awareness
Shareholders/ investors	No	Annual General meeting, Email, Newspaper, Submissions on Stock Exchange, company website, Advertisement	Annual / Quarterly /Periodic	Update the progress of the Company, Understand their expectations
Community	Yes	Advertisements, Website, social media	Regular	CSR Interventions and its benefits to the Community
Regulatory authority	No	Statutory filings	Periodic	Compliance and reporting requirement

## Business Responsibility and Sustainability Report (Continued)

**PRINCIPLE 5 : Businesses should respect and promote human rights.****Essential Indicators****1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format.**

Category	FY 2023-2024			FY 2022-2023		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	867	867	100%	856	856	100%
Other than permanent	139	139	100%	127	127	100%
<b>Total Employees</b>	<b>1006</b>	<b>1006</b>	<b>100%</b>	<b>983</b>	<b>983</b>	<b>100%</b>
<b>Workers</b>						
Permanent	104	104	100%	112	112	100%
Other than permanent	12	12	100%	0	0	0%
<b>Total Workers</b>	<b>116</b>	<b>116</b>	<b>100%</b>	<b>112</b>	<b>112</b>	<b>100%</b>

**2. Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-2024					FY 2022-2023				
	Total (A)	Equal to Minimum Wage		More than Minimum Wages		Total D	Equal to Minimum Wage		More than Minimum Wages	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	809	0	0%	809	100%	803	0	0%	803	100%
Female	58	0	0%	58	100%	53	0	0%	53	100%
<b>Other than Permanent</b>										
Male	138	0	0%	138	100%	123	0	0%	123	100%
Female	1	0	0%	1	100%	4	0	0%	4	100%
<b>Workers</b>										
<b>Permanent</b>										
Male	97	0	0%	97	100%	105	0	0	105	100%
Female	7	0	0%	7	100%	7	0	0	7	100%
<b>Other than Permanent</b>										
Male	12	0	0%	12	100%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%



### 3. Details of remuneration/Salary/Wages, in the following format

#### a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (Rs. In Lakhs)	Number	Median remuneration/ salary/wages of respective category (Rs. In Lakhs)
Board of Directors (BOD) (Whole time Directors)	2	73.48*	0	NA
Key Managerial Personnel	3	138.79^	1	6.17^
Employees other than BOD and KMP	943	3.23	59	6.10
Workers	109	3.08	7	4.3

\*The median is calculated basis the actual remuneration paid to Directors during the year.

^The median is calculated basis the actual remuneration paid to KMPs during the year.

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-2024	FY 2022-2023
Gross wages paid to females as % of total wages	7.46%	7.51%

### 4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

The Chief Human Resources Officer who is responsible for the human resources function shall oversee and address any issue arising from any human rights impact or issues caused or contributed to by the business.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Employee can approach immediate superior if not resolved employee can escalate to Head of the Department (HOD) and / or HR dept. if not satisfied, then he/she can write on Kokuyo Group hotline.

### 6. Number of Complaints on the following made by employees and workers.

	FY 2023-2024			FY 2022-2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

### 7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-2024	FY 2022-2023
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees / workers	1.54%	0
Complaints on POSH upheld	1	0

### 8. Mechanisms to prevent adverse consequences to the Complainant in discrimination and harassment cases.

The Company has Whistle Blower policy at place.

## Business Responsibility and Sustainability Report (Continued)

**9. Do human rights requirements form part of your business agreements and contracts?**

No

**10. Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forces/involuntary labour	
Sexual harassment	100%. The Company has policies on human rights which are applicable to all its employees. The Company has processes in place to confirm the compliance of applicable laws at the time of joining employment and thereafter the Company monitors its compliances throughout their employment.
Discrimination at workplace	
Wages	
Other-please specify	

**11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.**

Not Applicable

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.****Essential Indicators****1. Details of total energy consumption (in Joules or Multiples) and energy intensity, in the following format**

Parameter	FY 2023-2024	FY 2022-2023
<b>From renewable sources</b>		
Total electricity consumption (A)	4624.86	24465.71
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	4624.86	24465.71
<b>From non-renewable sources</b>		
Total electricity consumption (D)	13867.29	26814.94
Total fuel consumption (E)	4191.65	2708.09
Energy consumption through other sources (F)	-	-
<b>Total energy consumption from non-renewable sources (D+E+F)</b>	18058.94	29523.03
<b>Total energy consumed (A+B+C+ D+E+F)</b>	22683.8	53988.75
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	0.28 GJ / Rs. Lakhs	0.70 GJ / Rs. Lakhs
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)*	6.36 GJ / \$ Lakhs	15.94 GJ / \$ Lakhs
<b>Energy Intensity in terms of physical output</b>	3.72 GJ / tonne	8.07 GJ / tonne

\*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by the OECD for India which is 22.882.

**Note : Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) if yes, name of the external agency.** No

**2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:** No



**3. Provide details of the following disclosures related to water, in the following format.**

Parameter	FY 2023-2024	FY 2022-2023
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	50864	69703
(ii) Groundwater	0	1805
(iii) Third party water	54663	54603.02
(iv) Seawater / desalinated water	0	0
(v) Other	0	0
<b>Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)</b>	105527	126111.02
<b>Total volume of water consumption (in kilolitres)</b>	105527	126111.02
<b>Water Intensity per rupee of turnover</b> (Total Water consumption / Revenue from operations)	1.29 Kilolitres / Rs. Lakhs	1.62 Kilolitres / Rs. Lakhs
<b>Water Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Water consumption / Revenue from operations adjusted for PPP)	29.59 Kilolitres / \$ Lakhs	37.24 Kilolitres / \$ Lakhs
<b>Water intensity in terms of physical output</b>	17.32 Kilolitres / tonne	18.84 Kilolitres / tonne

**Note :** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency: No

**4. Provide the following details related to water discharged:**

Parameter	FY 2023-2024	FY 2022-2023
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
i. To Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	27648	33041
ii. To Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
iii. To Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
iv. Sent to third-parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
v. Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
- Total water discharged (in kilolitres)	27648	33041

**Note:** Indicate if any independent assessment / evaluation / assurance has been carried out by and external agency (Y/N) If yes, name of the external agency: No

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes. The Company has implemented zero liquid discharge mechanism at its Manufacturing site (Patalganga). All the wastewater is collected and treated in STP/ETPs and all the parameters are maintained as defined by State Pollution Control Board.

## Business Responsibility and Sustainability Report (Continued)

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format**

Parameter	Please specify unit for FY 2023-24	FY 2023-2024	FY 2022-2023*		
			Patalganga Plant	Tarapur Plant	Samba Plant
NOx	≤80 µg/m3	62.06 µg/m3	36.51 µg/m3	11.2 ppm	0.192 gm/KWH
Sox	≤80 µg/m3	20.11 µg/m3	26.82 µg/m3	8.60 Kg/Day	0.092 gm/KWH
Particulate matter (PM)	≤100 µg/m3	26.7 µg/m3	22.16 µg/m3	72.5 mg/Nm3	0.122 gm/KWH
Persistent organic Pollutants (POP)	---	NA	NA	NA	NA
Volatile organic compounds (VOC)	---	NA	NA	NA	NA
Hazardous air pollutants (HAP)	---	NA	NA	NA	NA
Others - please specify	---	NA	NA	NA	NA

\*Respective emissions for FY 2022-23 were measured in different units for three plants. Measurement units have been made uniform from 2023-24 onwards for reporting purpose.

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)**  
**If yes, name of the external agency:**

Yes. Emission parameters tested and assured by State Pollution Control Board Approved Lab

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format**

Parameter	Unit	FY 2023-2024	FY 2022-2023
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	232.34	26.57
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	3505.34	2323.24
<b>Total Scope 1 and Scope 2 emissions</b>	Metric tonnes of CO <sub>2</sub> equivalent	3737.68	2349.81
<b>Total Scope 1 and Scope 2 emissions intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO <sub>2</sub> equivalent	0.04 / Rs. Lakhs	0.03 / Rs. Lakhs
<b>Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO <sub>2</sub> equivalent	1.05 / \$ Lakhs	0.69 / \$ Lakhs
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	Metric tonnes of CO <sub>2</sub> equivalent	0.61 / tonne	0.35 / tonne

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)**  
**If yes, name of the external agency:** No

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes. The Company is planning to increase the generation of electricity by using solar energy by utilising roof-top of manufacturing facilities.





**9. Provide details related to waste management by the entity, in the following format.**

Parameter	FY 2023-2024	FY 2022-2023
Total Waste generated (in metric tonnes)		
Plastic waste (A)	165.84	141.87
E-waste (B)	Nil	0.1
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any (G)	0.518	3.68
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Paper	234.35	184.76
Metal	70.08	92.68
Wood (Packing)	28.76	15.55
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>499.55</b>	<b>438.64</b>
<b>Waste intensity per rupee of turnover</b> (Total Waste generated / Revenue from operations)	0.006 / Rs. Lakhs	0.006 / Rs. Lakhs
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Waste generated / Revenue from operations adjusted for PPP)	0.14 / \$ Lakhs	0.13 / \$ Lakhs
<b>Waste intensity in terms of physical output</b>	0.08 / tonne	0.06 / tonne
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
Category of waste		
(i) Recycles	0	3.04
(ii) Re-used	6.5	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>6.5</b>	<b>3.04</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category of waste		
(i) Incineration	0.52	3.42
(ii) Landfilling	0.00	0
(iii) Other disposal operations	0.00	0
<b>Total</b>	<b>0.52</b>	<b>3.42</b>

**Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency ? (Y/N)**  
**If yes, name of the external agency: No**

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

All the products produced by the Company are classified into three categories 1. Office Products, 2-Art Material and 3- School Stationaries. School Stationery and School Art products are certified as "Child Safe" by certifying through CE Certification and ISI Certification through Bureau of Indian Standards (BIS). Other Office products are certified under CE i.e. RoHS and ELV Compliant (Conformance to EN-71-3). Artist colours are certified through ASTM D 4236 Non-Toxic certification. The Company ensures responsible waste management practices involving recycling of plastic waste as per EPR PWM, 100% solid waste of Tarapur and Patalganga plant is given to Mumbai Waste Management for safe disposal. For solid waste management at Samba plant, the management has an arrangement locally for safe disposal.

## Business Responsibility and Sustainability Report (Continued)

- 11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format.**

The Company does not have any operations/offices in /around ecologically sensitive areas.

S. No.	Location of operations/offices	Type of operations	Whether the conditions or environmental approval / clearance are being complied with? (Y/N)
If No, the reasons thereof and corrective action taken, if any			
Not Applicable			

- 12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No.)	Results communicated in public domain (Yes/No)	Relevant Web Link
Not Applicable					

- 13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.**

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes. The Company is compliant with all applicable regulations				

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy should do so in a manner that is responsible and transparent.**

### Essential Indicators

- 1. a. Number of affiliations with trade and industry chambers/associations.**

The Company is a member of 7 (Seven) Trade & Industry Chambers as mentioned in Sr. no. (b) below:

- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

S. No.	Name of the trade and industry chambers/association	Reach of trade and industry chambers/associations (State/National)
1	Art and Creative Material Institute Inc.	International
2	Honorary Consular Corps Diplomatie-India	International
3	Federation of Indian Chamber of Commerce & Industries (FICCI)	National
4	Indian Merchants' Chambers (IMC)	National
5	Indian Institute of Packaging	National
6	Bureau of Indian Standards	National
7	Tarapur Industrial Manufacturer Association (TIMA)	State

- 2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

No adverse orders have been passed against the Company.



**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format.**

S. No.	name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

**3. Describe the mechanisms to receive and redress grievances of the community.**

The Company is responding to any complaint / grievance / suggestion received from the local community where operative and as a responsible corporate citizen, endeavours to act upon it in the best interest of the Company and the Community. The contact details are available on the Company’s website [www.kokuyocamlin.com](http://www.kokuyocamlin.com).

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

	FY 2023-2024	FY 2022-2023
Directly sourced from MSMEs/small producers	19%	15%
Sourced directly from within India	92%	93%

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:**

Location	FY 2023-2024	FY 2022-2023
Rural	9.34%	8.98%
Semi – Urban	21.11%	20.15%
Urban	36.88%	35.94%
Metropolitan	32.66%	34.93%

(Place to be categorised as per RBI Classification system – rural/semi-urban/urban/metropolitan)

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company believes that the customers are the key source of inputs on products quality & services. To facilitate customer interactions, the Company has dedicated Customer Support Desk. Customer contact mechanism is mentioned on all our packs, customers can register their queries, grievances, suggestions on telephone or e-mail. The Company also has a well-established protocol to address all the queries / suggestions /grievances received from customers. Customer queries /complaints are immediately addressed by quality team through personal visits or telecom. Customer Support Desk coordinates with all stakeholders for timely resolution of customer feedback. In-case of complaints, once the initial analysis is done, Quality team further investigates the complaints. Root cause analysis and corrective / preventive actions

are taken. Complaint Sample/ feedback is shared with shop floor team to sensitize on the nature of complaint and avoid reoccurrence. In case of genuine complaints, timely product replacements are provided to customers to ensure customer confidence and trust.

## 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about.

Environmental and social parameters relevant to the product safe and responsible usage	Products of the Company carry all the essential information required under applicable laws, rules and regulations. Company's products carry various certification marks e.g. i) CE which is European Union standard for affirmation on safety, health and environmental protection standards ii) ISI mark which is standards compliance mark certifying that the product conforms to an Indian Standards developed by Bureau of Indian Standards (BIS). Further all the products with plastic packaging carries plastic recycle marks.
Recycling and/or safe disposal	

## 3. Number of consumer complaints in respect of the following.

	FY 2023-2024		Remarks	FY 2022-2023		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	171	1	-	151	0	-

## 4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for recall
Voluntary recalls	0	No Voluntary product recalls initiated for the reason of safety issues
Forced recalls	0	No forced product recalls done for the reason of safety issues

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy: No

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. Not applicable

7. Provide the following information relating to data breaches:

- Number of instances of data breaches:** No instances of data breach reported in FY 2023-24
- Percentage of data breaches involving personally identifiable information of customers:** Not Applicable
- Impact, if any, of the data breaches:** Not Applicable

# Independent Auditor's Report

## TO THE MEMBERS OF KOKUYO CAMLIN LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Kokuyo Camlin Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended 31 March 2024, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Key Audit Matters

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

#### Revenue Recognition

See Note 2 (d) and 37 - to financial statements

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>Revenue from the sale of goods is recognised when the control of the goods has passed to the customers, which is on dispatch/delivery of the goods. There is a risk that revenue may be overstated throughout the year and as at the year end to achieve performance targets.</li> <li>Revenue is measured net of discounts, incentives and rebates earned by customers on the Company's sales. The estimation of discounts, incentives and rebates is significant and considered to be complex and requires significant degree of judgment. There is a risk that revenue may be overstated through incorrect estimation of the discounts, incentives and rebates recognised to achieve performance targets throughout the year and as at the year end. Accordingly, revenue recognition is a key audit matter.</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>We have assessed the Company's accounting policies with respect to revenue recognition, discounts, incentives and rebates by comparing with applicable accounting standards.</li> <li>We have assessed the design and implementation and tested the operating effectiveness of the Company's internal controls over recording revenue and estimating and recording the amount of provisions for schemes and discounts.</li> <li>We have tested, by selecting statistical samples, underlying documentation/records for sales transactions recorded throughout the year and as at year end to determine whether revenue has been recognised in the correct period.</li> <li>We have tested, by selecting statistical samples, the underlying documentation for discounts, incentives and rebates recorded and disbursed during the year.</li> <li>We have assessed the Company's computations for accrual of discounts, incentives and rebates, on a sample basis, and compared the accruals made with the approved schemes and underlying documents.</li> <li>We have compared past trends of payments and reversals of provisions for discounts, incentives and rebates to evaluate the historical accuracy of provisions made.</li> <li>We have assessed manual journals posted to revenue to identify unusual or irregular items.</li> </ul>

## Independent Auditor's Report (Contd.)

**Provision for Inventory**

See Note 2 (n) and 08 - to financial statements

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>• The Company makes provisions for slow moving / defective/ discontinued inventories based on certain specific percentages assigned to the inventory ageing. The Company also makes specific provisions for non-usuable items. Due to the significant number of stock keeping units (SKUs) in the various categories of inventories, significant judgment is required by the Company in determining the inventory provisioning.</li> <li>• There is a risk that inventory may be overstated on account of inappropriate provisioning for inventories.</li> <li>• Accordingly, provisioning for inventory is a key audit matter.</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• We have assessed the Company's accounting policies for inventory provisioning.</li> <li>• We have assessed the design and implementation and tested the operating effectiveness of the Company's controls over the assessment and recording of slow moving / defective / discontinued inventory provision.</li> <li>• We have tested the sales of slow moving / defective/ discontinued inventory during the period and assessed the Company's plans for future disposal of such stocks.</li> <li>• We have tested the estimated future sales values, less estimated costs to sell against the carrying value of the inventories.</li> <li>• We have compared the historical trend of Company's estimates against actual outcomes to assess the impact of provision of slow moving / defective / discontinued inventory.</li> <li>• We have tested the inventory written off against the provisions recorded.</li> <li>• We have considered the adequacy of the Company's disclosures in respect of provisions for inventory.</li> </ul>

**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 annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

**Management's and Board of Directors Responsibilities for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

## Independent Auditor's Report (Contd.)

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

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement
  - on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

## Independent Auditor's Report (Contd.)

- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 27 to the financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 40 a to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 40 b to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
  - e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.  
  
As stated in Note 13 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
  - f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account which have a



## Independent Auditor's Report (Contd.)

feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining general ledger.
- In the absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the independent auditor's report of a service organisation from 1 April 2023 to 31 January 2024 and in the absence of an independent auditor's report for the said service organisation from 1 February 2024 to 31 March 2024 for an accounting software used for maintaining the books of account relating to payroll, we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with during the course of our audit.

- 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 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

**Maulik Jhaveri**  
Partner

Place: Mumbai  
Date: 15 May 2024

Membership No.: 116008  
ICAI UDIN:24116008BKGEQT4304

# Annexure A to the Independent Auditor's Report

on the Financial Statements of Kokuyo Camlin Limited for the year ended 31 March 2024

## **(REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified by the management every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No 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 (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July

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

2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases.

According to the information and explanations given to us and on the basis of our examination

of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount Demanded (₹ in Lakhs)	Amount Paid (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	2,124.03	-	AY2018-19 & AY 2021-22	CIT (Appeals)
Customs Act 1962	Custom Duty (including interest and penalty, if applicable)	73.83	-	FY 2017-18 to FY 2020-21	The Commissioner of Customs
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	53.60	32.97	FY 1990-95	Mumbai High Court
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	9.05	-	FY 1991 & FY 1992	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	790.38	59.28	FY 2008-09 to FY 2012-13	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Local Body Tax	Local Body Tax including interest and penalty	481.09	119.06	FY 2015-16 & FY 2016-17	Mumbai High Court
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	668.29	154.71	FY1995-96, FY1998-99 to FY 2002-03, FY 2004-05 to FY 2005-06, FY 2007-08, FY 2009-10 to FY 2017-18	First Appellate
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	55.08	53.31	FY1996-97, FY1997-98, FY2000-01, FY2005-06 & FY 2008-09	Sales Tax– Tribunal
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	0.27	-	FY 2016-17	Assessing officer
Goods and Service Tax Act, 2017	Goods and Service Tax Act	577.22	28.06	FY 2018-19 & FY 2017-18	First Appellate
<b>Total</b>		<b>4,832.84</b>	<b>447.39</b>		

- (viii) According to the information and explanations given to us and on the basis of our examination of the records

of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as

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

income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year except that we have been informed that one of the Company's senior employees had misappropriated funds amounting to INR 170 lakhs between the period 2018 to 2023 in the financial transactions with vendors. The Company had appointed an external firm to carry out forensic audit. The management has terminated the concerned employee and is in the process of recovery of money.
- (b) A report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.



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

- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not

capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

**Maulik Jhaveri**  
Partner

Place: Mumbai  
Date: 15 May 2024

Membership No.: 116008  
ICAI UDIN:24116008BKGEQT4304

# Annexure B to the Independent Auditor's Report

on the Financial Statements of Kokuyo Camlin Limited for the year ended 31 March 2024

## REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

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

### Opinion

We have audited the internal financial controls with reference to financial statements of Kokuyo Camlin Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on

Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

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

**Maulik Jhaveri**

Partner

Place: Mumbai

Membership No.: 116008

Date: 15 May 2024

ICAI UDIN:24116008BKGEQT4304

# Balance Sheet

as at 31 March 2024

(Currency : Indian Rupees in Lakhs)

Particulars	Note No.	As at	
		31 March 2024	31 March 2023
<b>A Assets</b>			
<b>1 Non-current assets</b>			
(a) (i) (a) Property, plant and equipment	4A	12,498.81	11,821.03
(b) Capital work-in-progress	4C	2.31	-
(ii) Right of use assets	4E	3,314.98	1,839.71
(b) Investment property	4D	2.73	2.73
(c) Intangible assets	4B	272.15	300.68
(d) Financial assets			
(i) Investments	5	983.42	1,273.97
(ii) Other financial assets	6	293.65	325.42
(e) Income tax assets (net)		355.90	758.49
(f) Other non-current assets	7	577.11	446.47
<b>Total non - current assets (1)</b>		<b>18,301.06</b>	<b>16,768.50</b>
<b>2 Current Assets</b>			
(a) Inventories	8	19,067.20	15,952.69
(b) Financial assets			
(i) Trade receivables	9	8,266.50	7,351.08
(ii) Cash and cash equivalents	10	945.79	825.03
(iii) Bank balances other than cash and cash equivalents	11	24.64	24.14
(c) Other current assets	12	2,700.26	2,958.26
<b>Total current assets (2)</b>		<b>31,004.39</b>	<b>27,111.20</b>
<b>3 Assets held for sale</b>	4G	-	346.04
<b>TOTAL ASSETS (1+2+3)</b>		<b>49,305.45</b>	<b>44,225.74</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	13	1,003.04	1,003.04
(b) Other equity	14	28,629.67	25,254.56
<b>Total equity (1)</b>		<b>29,632.71</b>	<b>26,257.60</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Lease liabilities	4F	1,299.26	-
(b) Provisions	15	600.61	621.88
(c) Deferred tax liabilities (net)	31	238.70	208.96
<b>Total Non - current liabilities (2)</b>		<b>2,138.57</b>	<b>830.84</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Short term borrowings	16	<b>6,507.99</b>	5,580.71
(ii) Lease liabilities	4F	<b>226.51</b>	-
(iii) Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		<b>687.25</b>	345.87
Total outstanding dues of creditors other than micro enterprises and small enterprises		<b>5,942.87</b>	7,015.11
(iv) Other financial liabilities	18	<b>2,912.43</b>	2,972.88
(b) Other current liabilities	19	<b>757.89</b>	607.53
(c) Provisions	20	<b>183.12</b>	118.58
(d) Current tax liabilities (net)		316.11	496.62
<b>Total Current Liabilities (3)</b>		<b>17,534.17</b>	<b>17,137.30</b>
<b>TOTAL EQUITY AND LIABILITIES (1+ 2+ 3)</b>		<b>49,305.45</b>	<b>44,225.74</b>
<b>Material Accounting Policies</b>	1-3		

The accompanying notes form an integral part of the 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

**Maulik Jhaveri**

Partner

Membership No: 116008

**For and on behalf of the Board of Directors of Kokuyo Camlin Limited**

CIN : L24223MH1946PLC005434

**Satish Veerappa**

Managing Director

DIN: 00507955

**Nandini Chopra**

Non- Executive Director

DIN: 07891312

**Dilip Dandekar**

Chairman & Non - Executive Director

DIN: 00846901

**Vipul Bhoj**

Company Secretary &

Compliance Officer

Membership No: 44964

**Shriram Dandekar**

Vice Chairman & Executive Director

DIN: 01056318

Place : Mumbai

Date : 15 May 2024

Place : Mumbai

Date : 15 May 2024



# Statement of Profit and Loss

for the year ended 31 March 2024

(Currency : Indian Rupees in Lakhs)

Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
<b>REVENUE</b>			
I Revenue from operations	21	81,589.33	77,494.32
II Other income	22	567.59	207.93
<b>III Total Income (I + II)</b>		<b>82,156.92</b>	<b>77,702.25</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	23(A)	32,270.68	31,959.17
(b) Purchases of stock-in-trade	23(B)	19,181.73	18,656.41
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	23(C)	(2,098.06)	(1,792.30)
(d) Employee benefits expense	24	9,448.10	8,895.71
(e) Finance costs	25	422.03	444.97
(f) Depreciation and amortisation expense	4	1,866.22	1,685.29
(g) Other expenses	26	15,127.99	14,338.52
<b>Total Expenses (IV)</b>		<b>76,218.69</b>	<b>74,187.77</b>
<b>V Profit before tax (III - IV)</b>		<b>5,938.23</b>	<b>3,514.48</b>
<b>VI Tax expense</b>			
(a) Current tax charge	31	1,491.11	846.62
(b) Deferred tax charge		54.43	223.13
(c) Tax adjustments for earlier years		9.49	-
<b>Total tax expense (VI)</b>		<b>1,555.03</b>	<b>1,069.75</b>
<b>VII Profit after tax (V - VI)</b>		<b>4,383.20</b>	<b>2,444.73</b>
<b>VIII Other comprehensive loss for the year, net of tax</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements loss on defined benefit plans		(240.71)	(45.51)
(b) Fair value changes on equity investments		(290.55)	(95.84)
(ii) Income tax relating to items that will not be reclassified to profit or loss		24.69	14.17
<b>IX Total comprehensive income for the year</b>		<b>3,876.63</b>	<b>2,317.55</b>
<b>X Earnings per equity share (Face value ₹ 10 each)</b>			
Basic (in ₹)	32	4.37	2.44
Diluted (in ₹)		4.37	2.44
Material Accounting Policies	1-3		

The accompanying notes form an integral part of the 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

**For and on behalf of the Board of Directors of Kokuyo Camlin Limited**

CIN : L24223MH1946PLC005434

**Maulik Jhaveri**

Partner

Membership No: 116008

**Satish Veerappa**

Managing Director

DIN: 00507955

**Nandini Chopra**

Non- Executive Director

DIN: 07891312

**Dilip Dandekar**

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**Vipul Bhoy**

Company Secretary &

Compliance Officer

Membership No: 44964

**Shriram Dandekar**

Vice Chairman & Executive Director

DIN: 01056318

Place : Mumbai

Date : 15 May 2024

Place : Mumbai

Date : 15 May 2024

# Statement of Cash Flows

for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax for the year	5,938.23	3,514.48
<b>Adjustments for :</b>		
Depreciation and amortisation expense	1,866.22	1,685.29
Unrealised foreign exchange (gain) /loss (net)	(10.02)	0.67
Finance costs	422.03	444.97
Interest income	(32.90)	(20.85)
Provision for contingencies	36.66	-
Allowances for credit losses on debts (net)	(18.37)	(12.97)
Allowances for credit losses on advances (net)	12.90	8.18
Profit on sale of property, plant and equipment and asset held for sale (net)	(450.29)	(174.11)
<b>Total</b>	<b>7,764.46</b>	<b>5,445.66</b>
<b>Working capital adjustments:</b>		
(Increase) in trade receivables	(898.71)	(1,394.24)
Decrease / (Increase) in other financial and current assets	302.35	(979.67)
(Increase) in Inventories	(3,114.51)	(3,249.00)
(Decrease) / increase in trade payables	(719.32)	2,605.23
(Decrease) in provisions	(234.10)	(0.77)
Increase in other financial and current liabilities	126.67	1,093.19
<b>Total</b>	<b>(4,537.62)</b>	<b>(1,925.26)</b>
<b>Cash generated from operations</b>	<b>3,226.84</b>	<b>3,520.40</b>
Income taxes paid (net)	(1,343.30)	(772.54)
<b>Net cash generated from operating activities</b>	<b>1,883.54</b>	<b>2,747.86</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment [includes movements of capital work-in progress (including capital advances net of capital creditors)]	(2,593.85)	(1,210.15)
Proceeds from sale of property, plant and equipment	818.56	458.55
Investments in bank deposits	(550.69)	(103.73)
Proceeds from redemption of bank deposits	531.67	95.40
Interest received	27.39	19.34
<b>Net cash (used in) investing activities</b>	<b>(1,766.92)</b>	<b>(740.59)</b>
<b>Cash flows from financing activities</b>		
Proceeds / (repayment) of short term borrowings (net)	925.64	(873.51)
Repayment of non-current borrowings	-	(592.97)
Interest paid	(327.58)	(415.56)
Repayment of principal towards lease liabilities	(51.86)	(0.72)
Interest paid on lease liabilities	(40.54)	(0.04)
Dividend Paid	(501.52)	-
<b>Net cash generated from / (used in) financing activities</b>	<b>4.14</b>	<b>(1,882.80)</b>
<b>Net increase in cash and cash equivalents</b>	<b>120.76</b>	<b>124.47</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>825.03</b>	<b>700.56</b>
<b>Cash and cash equivalents at the end of the year (Refer Note 10)</b>	<b>945.79</b>	<b>825.03</b>



## Statement of Cash Flows (Contd.)

Notes:

- The Statement of Cash flows has been prepared under the indirect method as set out in Ind AS-7 specified under section 133 of the Act.
- Changes in liabilities arising from financing activities:

Particulars	As at March 31 2023	Cashflows	As at March 31 2024
Non-Current Borrowing (including current maturities)	-	-	-
Current Borrowing (excluding interest accrued)	5,580.71	925.64	6,506.35

Particulars	As at March 31 2022	Cashflows	As at March 31 2023
Non-Current Borrowing (including current maturities)	1,386.45	(1,386.45)	-
Current Borrowing	5,660.74	(80.03)	5,580.71

3. Refer Note 4F for cash outflows of lease liabilities			
Material Accounting Policies	1-3		

The accompanying notes form an integral part of the 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

**For and on behalf of the Board of Directors of Kokuyo Camlin Limited**

CIN : L24223MH1946PLC005434

**Maulik Jhaveri**

Partner

Membership No: 116008

**Satish Veerappa**

Managing Director

DIN: 00507955

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**Vipul Bhoy**

Company Secretary &

Compliance Officer

Membership No: 44964

**Shriram Dandekar**

Vice Chairman & Executive Director

DIN: 01056318

Place : Mumbai

Date : 15 May 2024

Place : Mumbai

Date : 15 May 2024

# Statement of Changes in Equity

for the year ended 31 March 2024

**(a) Equity Share Capital**

For the year ended 31 March 2024

(Currency: Indian rupees in lakhs)

	Note No.	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	13	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>For the year ended 31 March 2023</b>			
		As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year		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**

For the year ended 31 March 2024

(Currency: Indian rupees in lakhs)

	Reserves & surplus				Items of Other comprehensive income (OCI)	Total other equity
	Capital reserve	Securities premium	General reserve	Retained earnings		
Balance at 1 April 2022	52.70	17,901.56	1,966.30	1,708.58	1,307.87	22,937.01
Profit for the year	-	-	-	2,444.73	-	2,444.73
Other comprehensive loss for the year	-	-	-	-	-	-
Equity Instruments through OCI, net of tax	-	-	-	-	(97.72)	(97.72)
Remeasurements of defined benefit plan, net of tax	-	-	-	(29.46)	-	(29.46)
<b>Balance at 31 March 2023</b>	<b>52.70</b>	<b>17,901.56</b>	<b>1,966.30</b>	<b>4,123.85</b>	<b>1,210.15</b>	<b>25,254.56</b>
Profit for the year	-	-	-	4,383.20	-	4,383.20
Other comprehensive loss for the year	-	-	-	-	-	-
Equity Instruments through OCI, net of tax	-	-	-	-	(326.36)	(326.36)
Remeasurements of defined benefit plan, net of tax	-	-	-	(180.21)	-	(180.21)
Payment of dividend	-	-	-	(501.52)	-	(501.52)
<b>Balance at 31 March 2024</b>	<b>52.70</b>	<b>17,901.56</b>	<b>1,966.30</b>	<b>7,825.32</b>	<b>883.79</b>	<b>28,629.67</b>
<b>Material Accounting Policies</b>		<b>1-3</b>				

The accompanying notes form an integral part of the 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

**For and on behalf of the Board of Directors of Kokuyo Camlin Limited**

CIN : L24223MH1946PLC005434

**Maulik Jhaveri**

Partner

Membership No: 116008

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Managing Director

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**Vipul Bhoy**

Company Secretary &amp;

Compliance Officer

Membership No: 44964

**Shriram Dandekar**

Vice Chairman &amp; Executive Director

DIN: 01056318

Place : Mumbai

Date : 15 May 2024

Place : Mumbai

Date : 15 May 2024

# Notes

to financial statements for the year ended 31 March 2024

## 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, sells and trades in scholastic products, writing instruments, notebooks, marker pens, inks, fine-art colours and accessories, hobby colours, pencils and other stationery products.

## 2 MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements (hereinafter referred to as "financial statements") are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III notified under Section 133 of Companies Act, 2013 ("the Act"), amendments thereto and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

The financial statements for the year ended 31 March 2024 have been reviewed by the Audit Committee and authorised for issue by the Board of Directors of the Company at their meetings held on 15 May 2024.

### (b) Basis of preparation and measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- (ii) Assets held for sale - measured at the lower of its carrying amount and fair value less costs on disposal of assets and its value in use.

- (iii) Employee's defined benefit plan as per actuarial valuation.

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### Material accounting policy information

The Company adopted Disclosure of Accounting policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements."

### Functional and presentation currency

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

### (c) 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.

# Notes

to financial statements for the year ended 31 March 2024

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is 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 4D - Investment property
- Note 35 - Financial instruments

## (d) Revenue recognition

### Revenue from Contracts with Customers

Revenue represents amounts received and receivable from third parties for goods supplied to the customers and for services rendered. Revenue is recognised when control of the goods has been transferred to the customer, which happens on dispatch/delivery of the goods. Revenue is measured at the amount of consideration which the Company expects to receive, net of returns and allowances, trade/cash discounts and volume rebates. Revenue excludes taxes collected from customers on behalf of the government. Accumulated experience is used to estimate and accrue for the discounts (using the most likely method) and returns considering the terms of the underlying schemes and agreements with the customers. No element of

financing is deemed present as the sales are made with normal credit days consistent with market practice. A liability is recognised where payments are received from customers before transferring control of the goods being sold."

### Other Operating revenue

Revenue from sale of scrap is recognised when performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognised as revenue is exclusive of goods and service tax (GST). GST benefit available under prevalent schemes are accrued in the year in which the transactions have occurred and there is no uncertainty in receiving the same. In case of export benefit, income is recognised on the accrual basis."

### Interest income

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

### Dividend:

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

## (e) Property, plant and equipment (PPE)

### (i) Recognition and measurement

Freehold land is carried at historical cost less impairment losses, if any. 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 PPE is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

The initial cost of PPE comprises its purchase price, net of any trade discounts and rebates, including



## Notes

to financial statements for the year ended 31 March 2024

import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

Subsequent costs incurred are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

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 PPE.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

The Company had opted for deemed cost exemption under Ind AS 101 on transition of Ind AS.

### (ii) Expenditure during construction period:

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress (CWIP), and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

### (iii) Depreciation

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

In case of Plant and machinery, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated

useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Such classes of assets and their estimated useful lives are as under:

Nature	Useful life as per Schedule II	Estimated Useful life
Site development	30 years	30 years
Buildings and shed	30 years and 60 years	30 years and 60 years
Plant and machinery	7.5 years to 15 years	7.5 years to 25 years
Office equipment	3 to 6 years	3 to 6 years
ERP Hardware	5 years	5 years
Furniture and fixtures	10 years	10 years
Motor Vehicles	8 to 10 years	8 to 10 years

### (f) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Cost comprises the purchase price (net of tax/ duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised."

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the item can be measured reliably.

The Company had opted for deemed cost exemption under Ind AS 101 on transition of Ind AS.

# Notes

to financial statements for the year ended 31 March 2024

The useful lives of intangible assets are as mentioned below:

Nature	Useful life as per Schedule II	Estimated Useful life
Licenses and software	5 years	10 years, over the period of the agreement
ERP software	5 years	5 years

## Impairment of non financial assets

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.

### (g) 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 amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

### (h) 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 the statement of 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).

### (i) 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.

### (j) Leases

On inception of a contract, the Company (as a lessee) assesses whether it contains a lease. A contract is, or contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.



# Notes

to financial statements for the year ended 31 March 2024

## As a lessee

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

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The ROU and lease liabilities include these options when it is reasonably certain that the option will be exercised.

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

Nature	Term (in years)
Land	95,96 years
Building	5 years

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

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

- (i) short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;

- (ii) payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from financing activities; and

- (iii) payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

## Short-term leases and leases of low-value assets

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

## (k) 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.

## (l) Income-tax

Income tax expense comprises of current and deferred tax. It is recognised in the statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

## (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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates

# Notes

to financial statements for the year ended 31 March 2024

enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously."

The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section ("New Tax Regime"). In the current financial year ended 31 March 2024 the Company has opted for the New tax regime and accordingly the provision of tax and deferred tax liabilities has been recognised as per New Tax Regime.

## (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 corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
  - is not a business combination; and
  - at the time of the transaction
    - (i) affects neither accounting nor taxable profit or loss and
    - (ii) does not give rise to equal taxable and deductible temporary differences; and
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and"

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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then

future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. 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; such reductions are reversed when the probability of future taxable profits improves. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property is presumed to be recovered through sale. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously."

The Company previously accounted for deferred tax on leases by applying the "integrally linked" approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right of use assets as at 1<sup>st</sup> April 2022 and thereafter. However, there was no impact on the balance sheet because the balances qualify for offset under paragraph 74 under IND AS 12. There was also no impact on the opening retained earning as at 1<sup>st</sup> April 2022 as a result of the change. The key impact for the Company relates to disclosure of the deferred tax assets.

## (m) 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.

# Notes

to financial statements for the year ended 31 March 2024

## (n) Inventories

### Inventories are valued as follows:

- **Raw materials, Packing Materials and Stores and spares :**

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of credit) and other costs incurred in bringing the inventories to their present location and condition. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value."

- **Work-in-progress (WIP), finished goods and stock-in-trade :**

Valued at lower of cost and NRV. Cost of Finished goods and WIP inventories includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of stock-in-trade includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition. Cost of inventories is computed on weighted average basis.

Net realisable value for inventories is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The Company makes provisions for slow moving / non-moving inventories based on certain specific percentages assigned to the inventory ageing. The Company also makes specific provisions for slow moving items. Due to the significant number of stock keeping units (SKUs) in the various categories of inventories, significant judgment is required by the Company in determining the inventory provisioning.

## (o) 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 except trade receivable, which are initially recognised at transaction price. 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 the 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.

### 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

# Notes

to financial statements for the year ended 31 March 2024

- 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 the statement of profit or loss. Any gain or loss on derecognition is also recognised in the statement of 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 the statement of 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.

# Notes

to financial statements for the year ended 31 March 2024

## (p) Employee benefits

### (i) Short term employee benefits

Short-term employee benefits are measured on an undiscounted basis and 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

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

The Company makes specified monthly contributions towards Government administered provident fund scheme.

Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. 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 of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit or loss.

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 the statement of 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 the statement of profit or loss in the period in which they arise.

### (q) 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.

## Notes

to financial statements for the year ended 31 March 2024

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."

### (r) 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.

### (s) Government grants

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

Income from such grants is recognised on a systematic basis over the periods to which they relate in the statement of profit and loss.

### (t) Research and Development

Expenditure on research activities is recognised in the statement of 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 the statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment loss.

### (u) Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Chief Executive Officer / Managing Director along with Senior Corporate Officers Committee is the CODM of the Company. 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.

### (v) Non current assets held for sale

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

### (w) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Notes

to financial statements for the year ended 31 March 2024

## 3 USE OF ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### (A) Estimates:

#### (i) Recognition of schemes and rebates

Accruals for discounts/incentives are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers.

#### (ii) Recognition and measurement of provisions for inventories

The Company makes provisions for slow moving / non-moving inventories based on certain specific percentages assigned to the inventory ageing. The Company also makes specific provisions for slow moving items. Due to the significant number of stock keeping units (SKUs) in the various categories of inventories, significant judgment is required by the Company in determining the inventory provisioning.

#### (iii) Recognition and measurement of provisions for loss allowances

The Company has large number of individual small customers. Management assesses the level of allowance for doubtful debts after taking into account of ageing analysis and any other factor specific to individual

counterparty and a collective estimate based on historical experience adjusted for certain current factors.

#### (iv) Useful Lives of Property, Plant & Equipment and Intangible Assets:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

#### (v) Recognition and measurement of deferred tax assets and liabilities:

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax liability/ asset that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

#### (vi) Recognition and measurement of long-term financial assets/ liabilities:

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities /assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

#### (vii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques by evaluating fair market value of underlying assets of the entity. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

#### (viii) Defined benefit plans:

The cost of the defined benefit gratuity plan, and other post-employment medical benefits and the present value of the gratuity and provident fund obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

# Notes

to financial statements for the year ended 31 March 2024

These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(ix) Litigation and contingencies:**

The Company has ongoing litigations with various regulatory authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

**(B) Judgement:**

**Classification of Lease Ind AS 116:**

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.



# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 4A PROPERTY, PLANT AND EQUIPMENT

Description	Site development	Buildings and shed	Plant and machinery	Office Equipment	ERP hardware	Furniture and fixtures	Motor vehicles	Total
<b>Gross block</b>								
As at 1 April 2022	1,031.39	6,072.69	12,329.81	635.67	88.61	209.81	191.10	20,559.08
Add: Additions during the year	-	110.64	717.93	85.89	-	1.05	5.00	920.51
Less: Disposal/adjustments during the year	8.17	261.85	491.46	222.08	80.61	5.31	13.42	1,082.90
<b>As at 31 March 2023</b>	<b>1,023.22</b>	<b>5,921.48</b>	<b>12,556.28</b>	<b>499.48</b>	<b>8.00</b>	<b>205.55</b>	<b>182.68</b>	<b>20,396.69</b>
<b>Add: Additions during the year</b>	<b>5.64</b>	<b>122.48</b>	<b>2,064.08</b>	<b>149.30</b>	<b>-</b>	<b>28.12</b>	<b>35.21</b>	<b>2,404.83</b>
<b>Less: Disposal/adjustments during the year (Refer note 4G)</b>	<b>-</b>	<b>-</b>	<b>117.49</b>	<b>28.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145.72</b>
<b>As at 31 March 2024</b>	<b>1,028.86</b>	<b>6,043.96</b>	<b>14,502.87</b>	<b>620.55</b>	<b>8.00</b>	<b>233.67</b>	<b>217.89</b>	<b>22,655.80</b>
<b>Depreciation for the year</b>								
As at 1 April 2022	170.29	953.85	5,915.14	449.02	82.83	120.37	126.79	7,818.29
Add: Depreciation for the year	35.35	219.06	1,248.02	71.53	1.33	17.13	20.42	1,612.84
Less: Depreciation on disposal/adjustments	4.21	103.73	440.28	208.25	80.61	5.31	13.08	855.47
<b>As at 31 March 2023</b>	<b>201.43</b>	<b>1,069.18</b>	<b>6,722.88</b>	<b>312.30</b>	<b>3.55</b>	<b>132.19</b>	<b>134.13</b>	<b>8,575.66</b>
<b>Add: Depreciation for the year</b>	<b>35.37</b>	<b>238.46</b>	<b>1,319.76</b>	<b>72.10</b>	<b>1.33</b>	<b>17.96</b>	<b>19.84</b>	<b>1,704.82</b>
<b>Less: Depreciation on disposal/adjustments for the year</b>	<b>-</b>	<b>-</b>	<b>96.70</b>	<b>26.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>123.49</b>
<b>Less: Depreciation on assets held for sale @</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31 March 2024</b>	<b>236.80</b>	<b>1,307.64</b>	<b>7,945.94</b>	<b>357.61</b>	<b>4.88</b>	<b>150.15</b>	<b>153.97</b>	<b>10,156.99</b>
<b>Net block</b>								
As at 31 March 2023	821.79	4,852.30	5,833.40	187.18	4.45	73.36	48.55	11,821.03
<b>As at 31 March 2024</b>	<b>792.06</b>	<b>4,736.32</b>	<b>6,556.93</b>	<b>262.94</b>	<b>3.12</b>	<b>83.52</b>	<b>63.92</b>	<b>12,498.81</b>

## 4B INTANGIBLE ASSETS

Description	ERP software	Licenses & software	Total
<b>Gross block</b>			
As at 1 April 2022	327.79	217.88	545.67
Add: Additions during the year	-	119.51	119.51
<b>As at 31 March 2023</b>	<b>327.79</b>	<b>337.39</b>	<b>665.18</b>
<b>Add: Additions during the year</b>	<b>-</b>	<b>30.51</b>	<b>30.51</b>
<b>As at 31 March 2024</b>	<b>327.79</b>	<b>367.90</b>	<b>695.69</b>
<b>Amortisation for the year</b>			
As at 1 April 2022	274.70	41.55	316.25
Add: Amortisation for the year	16.08	32.17	48.25
<b>As at 31 March 2023</b>	<b>290.78</b>	<b>73.72</b>	<b>364.50</b>
<b>Add: Amortisation for the year</b>	<b>16.08</b>	<b>42.96</b>	<b>59.04</b>
<b>As at 31 March 2024</b>	<b>306.86</b>	<b>116.68</b>	<b>423.54</b>
<b>Net block</b>			
As at 31 March 2023	37.01	263.67	300.68
<b>As at 31 March 2024</b>	<b>20.93</b>	<b>251.22</b>	<b>272.15</b>

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 4C CAPITAL WORK-IN PROGRESS (CWIP)

Description	Total
Balance as on 1 April 2022	-
Add: Additions during the year	-
Less: Deletions/ capitalisation during the year	-
Balance as on 31 March 2023	-
<b>Add: Additions during the year</b>	<b>2.31</b>
<b>Less: Deletions/ capitalisation during the year</b>	<b>-</b>
<b>Balance as on 31 March 2024</b>	<b>2.31</b>

## AGEING SCHEDULE OF CWIP

Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as on 31 March 2024					
Projects in progress	2.31	-	-	-	2.31
<b>Total</b>	<b>2.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.31</b>
Balance as on 31 March 2023					
Projects in progress	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 4D INVESTMENT PROPERTY

Description	As at 31 March 2024	As at 31 March 2023
Freehold land	2.73	2.73
Fair value (Refer Note below)	68.97	68.97

### Fair value hierarchy

The land is in the nature of vacant land situated at Boisar, the fair value of which has been determined by external Chartered Engineer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The Fair value measurement of the property has been categorised as Level 3 fair value based on the inputs to the valuation technique used. [Refer Note 2(k)]

### Description of valuation technique used

The Company obtains Independent Valuations of its investment property as at the year end. The fair value of the investment property have been determined by registered valuer, who have considered the prevalent prices based on market enquiries for similar and comparable properties.

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 4E RIGHT OF USE ASSETS

Description	Leasehold land	Leasehold building	Total
<b>Gross block</b>			
As at 1 April 2022	2,010.77	-	2,010.77
Add: Additions during the year	-	-	-
Less: Assets held for sale	133.96	-	133.96
<b>As at 31 March 2023</b>	<b>1,876.81</b>	<b>-</b>	<b>1,876.81</b>
<b>Add: Additions during the year</b>	<b>-</b>	<b>1,577.63</b>	<b>1,577.63</b>
<b>Less: Deletion during the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31 March 2024</b>	<b>1,876.81</b>	<b>1,577.63</b>	<b>3,454.44</b>
<b>Depreciation for the year</b>			
As at 1 April 2022	89.85	-	89.85
Add: Depreciation for the year	24.20	-	24.20
Less: Assets held for sale	76.95	-	76.95
<b>As at 31 March 2023</b>	<b>37.10</b>	<b>-</b>	<b>37.10</b>
<b>Add: Depreciation for the year</b>	<b>23.48</b>	<b>78.88</b>	<b>102.36</b>
<b>Less: Deletion during the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31 March 2024</b>	<b>60.58</b>	<b>78.88</b>	<b>139.46</b>
<b>Net block</b>			
As at 31 March 2023	1,839.71	-	1,839.71
As at 31 March 2024	1,816.23	1,498.75	3,314.98

## 4F LEASE LIABILITIES

### (i) Movement in lease liabilities

Particulars	31 March 2024	31 March 2023
Opening lease liabilities	-	-
Addition during the year	1,577.63	-
Interest accrued during the year	40.54	-
Payment of lease liabilities	92.40	-
<b>Closing lease liabilities</b>	<b>1,525.77</b>	<b>-</b>
- Non Current	1,299.26	-
- Current	226.51	-

### (ii) Lease expenses recognised in statement of profit and loss not included in the measurement of lease liabilities

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Expenses relating to short-term leases	1,564.72	1,643.20

### (iii) Maturity analysis of lease liabilities- contractual undiscounted cash flows

Particulars	As at 31 March 2024	As at 31 March 2023
Less than one year	374.22	-
One to five years	1,575.65	-
More than five years	-	-
<b>Total undiscounted cash flows</b>	<b>1,949.87</b>	<b>-</b>

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 4G ASSET HELD FOR SALE

During the current year, the Company executed the sale of its assets at Taloja plant and the resultant gain in respect of which was recognised in the statement of profit and loss ₹ 459.19 lakhs (Refer Note 22). There were no liabilities directly associated with assets classified as held for sale.

## 5 INVESTMENTS

	As at 31 March 2024	As at 31 March 2023
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Quoted equity shares at fair value through OCI</b>		
800,000 (31 March 2023 : 800,000) equity shares of Re. 1 each in Camlin Fine Sciences Limited	714.00	1,018.80
<b>Unquoted equity shares</b>		
2,150 (31 March 2023 : 2,150) Equity shares of ₹ 100/- each in Excella Pencils Limited at fair value through OCI	269.42	255.17
247,950 (31 March 2023 : 247,950) Equity shares of ₹ 10 each in ColArt Camlin Canvas Private Limited at fair value through OCI	24.80	24.80
Less: Provision for diminution in value of investment	(24.80)	(24.80)
	<b>983.42</b>	<b>1,273.97</b>
Aggregate amount of quoted investments - at cost	9.73	9.73
Aggregate amount of quoted investments - at market value	714.00	1,018.80
Aggregate amount of unquoted investments - at cost	26.95	26.95
Aggregate amount of impairment in value of investment	24.80	24.80

## 6 OTHER NON-CURRENT FINANCIAL ASSETS

	As at 31 March 2024	As at 31 March 2023
Security deposits	219.13	262.95
Interest accrued on deposits	3.59	10.06
Fixed Deposits with original maturity after twelve months *	70.93	52.41
	<b>293.65</b>	<b>325.42</b>

\*Lodged as security for various purposes ₹ 70.93 lakhs (31 March 2023 : ₹ 52.41 lakhs).

## 7 OTHER NON-CURRENT ASSETS

	As at 31 March 2024	As at 31 March 2023
<b>Unsecured, considered good</b>		
Capital advances	577.11	446.47
<b>Unsecured, considered doubtful</b>		
Capital advances	9.94	8.63
Provision for doubtful advances	(9.94)	(8.63)
	<b>577.11</b>	<b>446.47</b>

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 8 INVENTORIES

(At lower of cost and net realisable value)

	As at 31 March 2024	As at 31 March 2023
Raw materials (includes in transit ₹ 117.26 lakhs(31 March 2023: ₹ 73.06 lakhs))	3,535.48	2,689.56
Packing materials (includes in transit ₹ 44.06 lakhs (31 March 2023: ₹ 84.87 lakhs))	3,711.45	3,525.47
Spares and tools	68.90	84.35
Work-in-progress	3,207.30	2,522.40
Finished goods	4,738.64	4,211.66
Stock-in-trade (includes in transit ₹ Nil (31 March 2023: ₹ 5.45 lakhs))	3,805.43	2,919.25
	<b>19,067.20</b>	<b>15,952.69</b>

During the year ended 31 March 2024, an amount of ₹ 841.51 lakhs (31 March 2023: ₹ 366.79 lakhs) was charged to the statement of profit and loss on account of write-down of inventories including damaged and slow moving inventory. The provision for inventory as on 31 March 2024 is ₹ 1,329.60 lakhs (31 March 2023: ₹ 1,522.44 lakhs)

## 9 TRADE RECEIVABLES

	As at 31 March 2024	As at 31 March 2023
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	8,263.52	7,307.12
Trade receivables which have significant increase in credit risk	2.98	52.94
Trade receivables - credit impaired	6.04	385.72
	<b>8,272.54</b>	<b>7,745.78</b>
Loss allowance	(6.04)	(394.70)
	<b>8,266.50</b>	<b>7,351.08</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 (Refer Note 35).

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## Trade Receivables ageing schedule as on 31 March 2024

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	8,081.33	171.62	2.96	7.61	-	-	8,263.52
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	0.42	0.06	2.50	-	-	2.98
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	6.04	-	-	6.04
<b>Total</b>	<b>8,081.33</b>	<b>172.04</b>	<b>3.02</b>	<b>16.15</b>	<b>-</b>	<b>-</b>	<b>8,272.54</b>
Less: Loss allowance	-	-	-	(6.04)	-	-	(6.04)
	<b>8,081.33</b>	<b>172.04</b>	<b>3.02</b>	<b>10.11</b>	<b>-</b>	<b>-</b>	<b>8,266.50</b>

## Trade Receivables ageing schedule as on 31 March 2023

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	7,178.51	125.00	1.65	-	1.41	0.55	7,307.12
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	42.55	0.81	2.95	6.53	0.10	52.94
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	0.30	1.32	36.97	215.31	131.82	385.72
<b>Total</b>	<b>7,178.51</b>	<b>167.85</b>	<b>3.78</b>	<b>39.92</b>	<b>223.25</b>	<b>132.47</b>	<b>7,745.78</b>
Less: Loss allowance	-	(0.30)	(1.32)	(39.32)	(221.84)	(131.92)	(394.70)
	<b>7,178.51</b>	<b>167.55</b>	<b>2.46</b>	<b>0.60</b>	<b>1.41</b>	<b>0.55</b>	<b>7,351.08</b>

## 10 CASH AND CASH EQUIVALENTS

	As at 31 March 2024	As at 31 March 2023
Balances with banks		
In current accounts	909.30	788.12
In Exchange earner's foreign currency accounts	0.67	4.90
Deposits with original maturity of less than three months *	35.37	31.53
Cash on hand	0.45	0.48
	<b>945.79</b>	<b>825.03</b>

\*Lodged as security for various purposes ₹ 35.37 lakhs (31 March 2023 : ₹ 31.53 lakhs).

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 11 OTHER BANK BALANCES

	As at 31 March 2024	As at 31 March 2023
Deposits with original maturity of more than three months but less than twelve months *	24.64	24.14
	<b>24.64</b>	<b>24.14</b>

\*Lodged as security for various purposes ₹ 24.64 lakhs (31 March 2023 : ₹ 24.14 lakhs).

## 12 OTHER CURRENT ASSETS

	As at 31 March 2024	As at 31 March 2023
<b>Unsecured</b>		
Advances to suppliers	1,261.28	1,435.66
Less : Loss allowance	(18.38)	(18.38)
	<b>1,242.90</b>	<b>1,417.28</b>
Prepaid expenses	169.51	282.10
Balance with government authorities (includes paid under protest)	1,287.30	915.66
Gratuity fund (Refer note 33)	-	276.56
Other advances	0.55	66.66
	<b>2,700.26</b>	<b>2,958.26</b>

## 13 EQUITY SHARE CAPITAL

	As at 31 March 2024	As at 31 March 2023
<b>Authorised</b>		
200,000,000 (31 March 2023: 200,000,000) Equity Shares of Re. 1/- each	2,000.00	2,000.00
<b>Issued, Subscribed &amp; Paid-up</b>		
100,303,806 (31 March 2023: 100,303,806 ) Equity Shares of Re.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

	As at 31 March 2024		As at 31 March 2023	
	No of shares	Amount	No of shares	Amount
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 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

Name of the Holding Company	As at 31 March 2024		As at 31 March 2023	
	No of shares	% of holding	No of shares	% of holding
KOKUYO CO., Limited. Japan ( a company incorporated in Japan )	7,46,65,950	74.44%	7,46,65,950	74.44%

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## Details of shareholders holding more than 5% shares in the company

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

## Details of shareholdings by the Promoter's of the Company:

### As at 31 March 2024

Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
Dilip Dandekar	Equity	2,00,000	0.20%	2,00,000	0.20%	-
Shriram Dandekar	Equity	2,50,000	0.25%	2,50,000	0.25%	-
Subhash Dandekar	Equity	1,00,000	0.10%	1,00,000	0.10%	-
KOKUYO CO., Limited	Equity	7,46,65,950	74.44%	7,46,65,950	74.44%	-
<b>Total</b>		<b>7,52,15,950</b>	<b>74.99%</b>	<b>7,52,15,950</b>	<b>74.99%</b>	

### As at 31 March 2023

Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
Dilip Dandekar	Equity	2,00,000	0.20%	2,00,000	0.20%	
Shriram Dandekar	Equity	2,50,000	0.25%	2,50,000	0.25%	
Subhash Dandekar	Equity	1,00,000	0.10%	1,00,000	0.10%	
KOKUYO CO., Limited	Equity	7,46,65,950	74.44%	7,46,65,950	74.44%	0.00%
<b>Total</b>		<b>7,52,15,950</b>	<b>74.99%</b>	<b>7,52,15,950</b>	<b>74.99%</b>	

No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the Balance Sheet date.

## Proposed dividend

After the reporting date, the Board has recommended a dividend of Re. 0.50 per share on Face Value of Re. 1 (i.e. 50 %) subject to the approval of the shareholders in the ensuing Annual General Meeting The proposed dividend has not been recognised as liabilities.

## 14 OTHER EQUITY

	As at 31 March 2024	As at 31 March 2023
<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	4,123.85	1,708.58
Add: Profit for the year	4,383.20	2,444.73
Less : Dividend paid for previous year	(501.52)	-
Add: Remeasurement of defined benefit plan during the year	(180.21)	(29.46)
Balance, end of the year	<b>7,825.32</b>	<b>4,123.85</b>



# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

	As at 31 March 2024	As at 31 March 2023
<b>Other Comprehensive Income</b>		
Balance, beginning of the year	1,210.15	1,307.87
Less: Fair value loss on equity instruments	(326.36)	(97.72)
Balance at the end of the year	<b>883.79</b>	<b>1,210.15</b>
	<b>28,629.67</b>	<b>25,254.56</b>

## 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 utilised 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 divided by total equity.

	As at 31 March 2024	As at 31 March 2023
Total Debt	6,507.99	5,580.71
Equity	29,632.71	26,257.60
Debt to equity (net)	<b>0.22</b>	<b>0.21</b>

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 15 PROVISIONS

	As at 31 March 2024	As at 31 March 2023
Compensated absences - (Refer note 33)	600.61	621.88
	<b>600.61</b>	<b>621.88</b>

## 16 SHORT TERM BORROWINGS

	As at 31 March 2024	As at 31 March 2023
<b>Unsecured</b>		
Loans repayable on demand from banks:		
Overdraft/working capital demand loan (Refer note below)	2,343.96	1,867.77
Bills payable*	4,162.39	3,712.94
Interest accrued but not due on bills payable	1.64	-
	<b>6,507.99</b>	<b>5,580.71</b>

\* for discounting of trade payables

Note:

The terms of overdraft/working capital demand loan/bills discounting are as follows:-

The rate of interest on overdraft facility from MUFG Bank Ltd is 3 months MIBOR + agreed spread bearing an average rate of 9.45% for 31 March 2024 (31 March 2023: 9.05%)

The rate of interest on cash credit facility from Mizuho Bank is 1 year MCLR + agreed spread payable at monthly rests bearing an average rate of 9.03% for 31 March 2024 (31 March 2023 : 8.17%)

The rate of interest on vendor bills discounting from Mizuho Bank is based on market condition bearing an average rate of 9.22% for 31 March 2024 (31 March 2023 : 7.89%)

The rate of interest on vendor bills discounting from Sumitomo Mistui Banking Corporation bearing an average rate of 9.30% for 31 March 2024 (31 March 2023 : 8.39%)

### Utilisation of borrowings from Banks and financial institutions

Borrowings from Banks and financial institutions are utilised for the specific purpose for which it were taken.

### Wilful Defaulter

The Company has not been declared a wilful defaulter by any bank or financial institutions or any other lender.

## 17 TRADE PAYABLES

	As at 31 March 2024	As at 31 March 2023
total outstanding dues of micro enterprises and small enterprises	687.25	345.87
total outstanding dues of creditors other than micro enterprises and small enterprises	5,942.87	7,015.11
	<b>6,630.12</b>	<b>7,360.98</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 30.

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## Ageing for trade payables outstanding as at 31 March 2024 is as follows:

Particulars	Unbilled	Outstanding but not due	Outstanding for following periods from due dates of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME *	-	687.25	-	-	-	-	687.25
(ii) Others	393.03	4,127.84	1,418.50	3.50	-	-	5,942.87
(iii) Disputed dues - MSME *	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	<b>393.03</b>	<b>4,815.09</b>	<b>1,418.50</b>	<b>3.50</b>	-	-	<b>6,630.12</b>

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

## Ageing for trade payables outstanding as at 31 March 2023 is as follows:

Particulars	Unbilled	Outstanding but not due	Outstanding for following periods from due dates of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME *	-	345.87	-	-	-	-	345.87
(ii) Others	680.60	4,492.76	1,836.48	5.27	-	-	7,015.11
(iii) Disputed dues - MSME *	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	<b>680.60</b>	<b>4,838.63</b>	<b>1,836.48</b>	<b>5.27</b>	-	-	<b>7,360.98</b>

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

## 18 OTHERS FINANCIAL LIABILITIES

	As at 31 March 2024	As at 31 March 2023
Employee dues	1,000.67	1,011.75
Security deposits	868.42	802.46
Capital creditors	39.27	63.52
Interest accrued but not due on bills payable	-	12.51
Payable to customers *	1,004.07	1,082.64
	<b>2,912.43</b>	<b>2,972.88</b>

\* Payable to customer includes payable towards trade promotion schemes amounting to ₹ 897.90 lakhs (31 March 2023 : ₹ 961.43 lakhs)

## 19 OTHER CURRENT LIABILITIES

	As at 31 March 2024	As at 31 March 2023
Advance from customers	5.14	23.71
Statutory liabilities	407.64	370.27
Accrued expenses-Trade Promotion Schemes	344.00	213.06
Others	1.11	0.49
	<b>757.89</b>	<b>607.53</b>

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 20 PROVISIONS

	As at 31 March 2024	As at 31 March 2023
Provisions for employee benefits		
Gratuity (Refer note 33)	30.86	-
Compensated absences (Refer note 33)	73.88	76.86
Other provisions		
Provisions for litigations*	78.38	41.72
	<b>183.12</b>	<b>118.58</b>

\*Movement in Provisions for litigations

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	41.72	-
Provision recognised during the year (Refer note 26)	36.66	41.72
Provision utilised during the year	-	-
Provision reversals/written back during the year	-	-
Closing balance	<b>78.38</b>	<b>41.72</b>
<b>Nature</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Goods and Services Tax and other Indirect tax matters	<b>78.38</b>	<b>41.72</b>

## 21 REVENUE FROM OPERATIONS

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from sale of products (Refer Note 2(d) and Note 37)	81,381.17	77,332.28
Other operating revenues *	208.16	162.04
Total revenue from operations	<b>81,589.33</b>	<b>77,494.32</b>

\* The other operating revenues includes Goods & Services tax rebate based on government notification amounting to ₹ 127.89 Lakhs (31 March 2023 ₹ 77.21 lakhs)

## 22 OTHER INCOME

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income under the effective interest method on :		
Cash and cash equivalents and other bank balances	20.92	8.99
Security deposits	11.98	11.86
Profit on sale of property, plant and equipment (net)	450.29	174.11
Miscellaneous receipts	50.00	-
Reversal of allowances for credit losses on debt (net)	18.37	12.97
Net gain in respect of translations of foreign currencies	16.03	-
	<b>567.59</b>	<b>207.93</b>

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 23 (A) Cost of materials consumed

	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock of materials	6,215.03	4,711.32
Add: Purchases	33,302.58	33,462.88
Less: Closing stock of materials	(7,246.93)	(6,215.03)
	<b>32,270.68</b>	<b>31,959.17</b>
<b>(B) Purchase of stock-in-trade</b>		
Stationery items	19,181.73	18,656.41
	<b>19,181.73</b>	<b>18,656.41</b>
<b>(C) Changes in the inventories of finished goods, stock-in-trade and work-in-process</b>		
Stocks as at beginning of the year		
Work in process	2,522.40	1,968.10
Stock-in-trade	2,919.25	2,318.03
Finished goods	4,211.66	3,574.88
	<b>9,653.31</b>	<b>7,861.01</b>
Less :		
Closing stock as at year end		
Work in process	3,207.30	2,522.40
Stock-in-trade	3,805.43	2,919.25
Finished goods	4,738.64	4,211.66
	<b>11,751.37</b>	<b>9,653.31</b>
	<b>(2,098.06)</b>	<b>(1,792.30)</b>

## 24 EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	8,548.60	8,017.48
Contribution to Provident, Gratuity and other funds (Refer note 33)	553.56	505.52
Staff and labour welfare	345.94	372.71
	<b>9,448.10</b>	<b>8,895.71</b>

## 25 FINANCE COSTS

	Year ended 31 March 2024	Year ended 31 March 2023
Interest on financial liabilities measured at amortised cost	286.25	389.71
Interest on delayed payment of taxes	64.78	29.37
Other borrowing costs (Bank charges, cash management charges, etc.)	30.46	25.85
Interest on lease liabilities	40.54	0.04
	<b>422.03</b>	<b>444.97</b>

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 26 OTHER EXPENSES

	Year ended 31 March 2024	Year ended 31 March 2023
Power and fuel	754.64	932.40
Job work charges	3,002.68	2,832.79
Repairs		
- Building	37.60	17.37
- Machinery	212.58	213.20
- Others	1,064.26	941.97
Rent	1,567.63	1,643.20
Rates and taxes (Refer Note 20)	101.12	121.18
Net losses in respect of translations of foreign currencies	-	9.90
Insurance	114.65	109.27
Advertisement and sales promotion	1,794.25	1,217.73
Transport & forwarding charges	2,583.46	2,883.32
Commission and service charges on sales	1,011.23	1,004.45
Travelling & conveyance	1,401.17	1,172.90
Directors sitting fees (Refer Note 34)	51.00	19.90
Corporate social responsibility (Refer Note 38)	9.96	-
Allowances for credit losses on advances (net)	12.90	8.18
Payment to auditors*	46.43	39.15
Professional Fees	829.72	470.15
Miscellaneous expenses	532.71	701.46
	<b>15,127.99</b>	<b>14,338.52</b>
<b>* Payment to auditors</b>		
Audit fees (including quarterly limited review)	39.00	35.00
Tax audit fees	2.00	2.00
Expenses reimbursed	5.43	2.15
	<b>46.43</b>	<b>39.15</b>

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

	As at 31 March 2024	As at 31 March 2023
a. Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,217.30	222.88
b. Claims against the Company not acknowledged as debts in respect of (to the extent not provided for)		
(i) Income tax	2,124.02	2,124.02
(ii) Indirect tax cases*	2,630.44	1,482.81
(iii) Other matters	20.55	20.43

\* Tax paid under protest as at 31 March 2024 - ₹ 447.39 lakhs (31 March 2023 - ₹ 250.02 lakhs).

The Company's pending litigations comprise of proceedings pending with direct tax authorities (pertaining to disallowance of additional depreciation, expenses, etc.) and indirect tax authorities (pertaining to non submission of form 'C' and form 'F', input tax disallowance, misclassification of goods etc.). The Company has reviewed all its pending litigations and proceedings and believes that these claims are not tenable against the Company and hence, no provision is considered necessary. It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings, as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.

On 13.03.2023, the Company has received two demand notices aggregating ₹ 481.08 Lakhs (includes tax of ₹ 51.93 lakhs, interest ₹ 53.92 lakhs and penalty ₹ 103.87 lakhs for the period 01.04.2015 to 31.03.2016 and tax of ₹ 67.13 lakhs, interest ₹ 69.99 lakhs and penalty ₹ 134.25 lakhs for the period 01.04.2016 to 31.03.2017) for Local Body Tax from the Vasai Virar City Municipal Corporation on account of disallowance exemption for tax on purchases from unregistered local dealer and job work charges done by local unregistered job workers. The Company has been legally advised that these claims are not tenable against them and has filed writ petition in the High Court of Bombay and also has obtained a stay on these demands. On 10<sup>th</sup> August 2023, the high court of Bombay said that since there is remedy of an appeal available, the petitioner should first file an appeal with Commissioner (Appeal) within 4 weeks. The Company has filed an appeal with Commissioner on 31.08.2023. Personal Hearing before Commissioner (Appeals) has been held on 03.11.2023 & 28.03.2024. Considering the arguments, Commissioner (Appeals) has asked the officer to recheck the merits of the case and come up mentioning proper sections in the order. The arguments were put on hold and a fresh date of arguments is awaited.

c. Bank Guarantees		
Bank guarantees as on 31 March 2024 is ₹ 55.54 lakhs (31 March 2023: ₹ 29.33 lakhs)		



# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 28 EXCISE REMISSION AND BUDGETARY SUPPORT AT JAMMU :

The Jammu and Kashmir High Court delivered a judgement dated 23 December 2010, quashing the Excise Notification No19/2008-CE & 34/2008-CE applicable to the undertakings set up in Jammu which restricted the quantum of excise duty remission, at prescribed value addition percentage, and upheld the entitlement of total exemption from excise duty. Based on the grounds laid down in the said judgement, by the Hon'ble High Court, rebate of excise duty, being the duty on assessable value of goods, net of Cenvat Credit was recognised in the books till 31 January 2013.

Pending final disposal, in January 2013, the Hon'ble High Court directed the department to release 50% of the amount due to manufacturers subject to approval of the jurisdictional commissioner for manufacturer's solvency. Post such order the company has claimed excise rebate as per the then quashed notification from February 2013 to June 2017.

The validity of the said notification, previously quashed by High Court, has subsequently been upheld by the Supreme Court in its judgement dated 22 April 2020. As per the said notification, units having higher value addition than the prescribed percentage are entitled to a special rate fixation for excise duty remission. The Company's application for determination of Special Rate for the year FY 2008-09 was rejected by the authorities in the year 2010 and was sub-judice with Division Bench 1 CESTAT Chandigarh. In June 2023 the Division bench gave a favourable judgement for the company asking the AO to consider value additions as per CA certificate. The AO without considering the order passed a demand order for differential tax, The company filed an appeal against the AO order with commissioner appeals. The Commissioner Appeal passed the Order dismissed the appeal filed the company and upheld its old order without considering the merit of the case on 01<sup>st</sup> April 2024. The order was received on 08<sup>th</sup> April 2024. The company believes this Order is currently appealable in view of the said judgment of Hon'ble Tribunal dated 06.06.2023. Invoking the said CESTAT judgment, it would be arguable in favour of Kokuyo Camlin, as the said CESTAT's order, has not been appealed against before High Court.

After adjudication of the appeal to be filed by the company, the subsequent applications for the years FY 2009-10 to FY 2017-18 will be decided by the authorities. The net gain which shall accrue to the Company on account of additional remission due to special rate fixation for the period February 2013 to June 2017 as offset by net loss due to excess credit, if any, availed until 31 January 2013 is not presently ascertainable.

## 29 EXPENDITURE ON RESEARCH AND DEVELOPMENT :

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

Sr No.		Year ended 31 March 2024	Year ended 31 March 2023
1	Employee cost	487.85	452.21
2	Other expenses	52.18	38.00
		<b>540.03</b>	<b>490.21</b>

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 30 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 2024 has been made in the financial statements based on information received and available with the Company.

Sr No.		As at 31 March 2024	As at 31 March 2023
1	the amounts remaining unpaid to micro, small and medium suppliers as at the end of the year		
	- Principal	687.25	345.87
	- Interest	Nil	Nil
2	the amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	0.05	0.27
3	the amounts of the payments made to the suppliers beyond the appointed day during each accounting year;	25.10	35.85
4	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	0.12	0.32
5	the amount of interest accrued and remaining unpaid at the end of each accounting year;	0.12	0.05
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

## 31 TAX EXPENSE

### i. The following table provides the details of income tax assets and liabilities:

	As at 31 March 2024	As at 31 March 2023
a) Income tax assets	355.90	758.49
b) Current tax liabilities	(316.11)	(496.62)
<b>Net Income tax assets</b>	<b>39.79</b>	<b>261.87</b>

### ii. The gross movement in the current tax asset:

	As at 31 March 2024	As at 31 March 2023
Net current tax assets at the beginning of the year	261.87	365.32
Interest on short payment of taxes	(64.78)	(29.37)
Income tax paid (net)	1,343.30	772.54
Current tax expense	(1,491.11)	(846.62)
Tax adjustments for earlier years	(9.49)	-
<b>Net current tax assets at the end of the year</b>	<b>39.79</b>	<b>261.87</b>

### iii. Tax expenses in the Statement of Profit and Loss comprises:

	Year ended 31 March 2024	Year ended 31 March 2023
Current income taxes	1,491.11	846.62
Deferred tax charge	54.43	223.13
Tax adjustments for earlier years	9.49	-
<b>Current tax expenses in Statement of Profit and Loss (net)</b>	<b>1,555.03</b>	<b>1,069.75</b>
Deferred tax credit in Other Comprehensive Income	(24.69)	(14.17)
<b>Tax expenses (net)</b>	<b>1,530.34</b>	<b>1,055.58</b>





# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

#### iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:

	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax	5,938.23	3,514.48
Applicable tax rate	25.17%	34.94%
<b>Computed expected tax expense</b>	<b>1,494.53</b>	<b>1,228.10</b>
Non-deductible tax expenses	11.35	2.97
Capital gain tax at lower rate	(20.43)	(18.00)
Adjustment for deferred taxes	34.56	(61.37)
Unabsorbed business losses on which deferred tax assets not recognised	-	(95.00)
Others	0.83	(1.12)
Tax adjustments for earlier years	9.49	-
<b>Tax expense charged to the Statement of Profit and Loss</b>	<b>1,530.33</b>	<b>1,055.58</b>

#### v. Components of deferred tax assets and liabilities arising on account of temporary differences are:

	As at 31 March 2024	As at 31 March 2023
<b>(a) Deferred tax asset</b>		
Lease liabilities	398.34	2.42
Provision for employee benefits	177.48	106.25
Other temporary differences	450.64	488.48
	<b>1,026.46</b>	<b>597.15</b>
<b>(b) Deferred tax liability</b>		
Timing difference on amount of depreciation on tangible assets and intangible assets	780.34	748.37
Right of use asset	391.17	-
Fair value of investments	93.65	57.74
	<b>1,265.16</b>	<b>806.11</b>
<b>Deferred tax liabilities (net) [a-b]</b>	<b>238.70</b>	<b>208.96</b>

#### vi. Movement in deferred tax assets/(liabilities):

	Mat credit entitlement	Lease liabilities	Unabsorbed depreciation	Provision for employee benefits	Other temporary differences	Right of use	Timing difference on amount of depreciation on tangible assets and intangible assets	Fair value of investments	Total
As at 01 April 2022	159.52	-	216.84	140.35	392.05	-	(849.37)	(59.39)	-
(Charged)/credited									
- to profit or loss	(159.52)	2.42	(216.84)	(50.15)	96.43	-	101.00	3.53	(223.13)
- to other comprehensive income	-	-	-	16.05	-	-	-	(1.88)	14.17
As at 31 March 2023	-	2.42	-	106.25	488.48	-	(748.37)	(57.74)	(208.96)
(Charged)/credited									
- to profit or loss	-	395.92	-	10.73	(37.83)	(391.17)	(31.98)	(0.10)	(54.43)
- to other comprehensive income	-	-	-	60.50	-	-	-	(35.81)	24.69
<b>As at 31 March 2024</b>	<b>-</b>	<b>398.34</b>	<b>-</b>	<b>177.48</b>	<b>450.65</b>	<b>(391.17)</b>	<b>(780.35)</b>	<b>(93.65)</b>	<b>(238.70)</b>

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

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

	Year ended 31 March 2024	Year ended 31 March 2023
Net Profit available for equity shareholders	4,383.20	2,444.73
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 Re. 1/- each)- Basic	4.37	2.44
Earnings per equity share (Face value of Re. 1/- each)- Diluted	4.37	2.44

## 33 Employee Benefits :

### Defined Contribution Plans

Company's contributions paid/payable during the year to provident fund, ESIC and superannuation fund are recognised in the statement of profit and loss. The contributions charged to the statement of profit and loss is ₹ 480.71 lakhs. (31 March 2023 ₹ 441.23 lakhs)

### Defined Benefit Plans

Company's liabilities towards gratuity and leave encashment are determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measure each unit separately to build up the final obligation. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

### Description of the Plan

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

#### a Actuarial assumptions:

	As at 31 March 2024	As at 31 March 2023
Discount rate	7.21%	7.50%
Rate of increase in salary	5.00%	5.00%
Expected return on plan assets	7.21%	7.50%
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:

	As at 31 March 2024	As at 31 March 2023
Present value of benefit obligations at the beginning of the year	1,336.90	1,299.15
Interest cost	100.27	93.93
Current service cost	93.59	91.93
Benefit paid from the fund	(265.60)	(206.31)
Actuarial gain on obligations recognised in other comprehensive income	216.41	58.20
Present value of defined benefit obligation at the end of the year	<b>1,481.57</b>	<b>1,336.90</b>

As at 31 March 2024, the weighted average duration of defined benefit obligation was 8 years. (31 March 2023 : 8 years)

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## c Reconciliation of fair value of plan assets:

	As at 31 March 2024	As at 31 March 2023
Fair value of plan assets at the beginning of the year	1,613.46	1,681.52
Expected return on plan assets	121.01	121.58
Contributions by the employer	6.14	3.98
Benefit Paid	(265.60)	(206.31)
Actuarial (loss)/gain on plan assets recognised in other comprehensive income	(24.30)	12.69
Fair Value of Plan Assets at the end of the year	<b>1,450.71</b>	<b>1,613.46</b>

### 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 ₹ 135 lakhs ( 31 March 2023: ₹ 5.00 lakhs)

## d Balance sheet reconciliation

	As at 31 March 2024	As at 31 March 2023
Opening net (asset)	(276.56)	(382.37)
Expenses recognised in the Statement of Profit and Loss	72.85	64.28
Expense recognised in Other Comprehensive Income	240.71	45.51
Employer's contribution	(6.14)	(3.98)
Net liability /(asset) recognised in Balance sheet	<b>30.86</b>	<b>(276.56)</b>

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

	Year ended 31 March 2024	Year ended 31 March 2023
Current service cost	93.59	91.93
Net interest cost	(20.74)	(27.65)
Expenses recognised in the Statement of profit and loss	<b>72.85</b>	<b>64.28</b>

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

	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial loss on obligation for the year	216.41	58.20
Actuarial loss/(gain) on plan assets	24.30	(12.69)
Expense recognised in the other comprehensive income	<b>240.71</b>	<b>45.51</b>

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## g Sensitivity Analysis

	As at 31 March 2024	As at 31 March 2023
Defined Benefit Obligation		
Discount Rate		
a. Discount Rate - 100 basis points	100.16	95.34
b. Discount Rate + 100 basis points	(88.72)	(84.27)
Salary Increase Rate (considered taking into account inflation, seniority, promotion and other relevant factors)		
a. Rate - 100 basis points	(91.29)	(86.93)
b. Rate + 100 basis points	101.37	96.78
Employee Turnover		
a. Rate - 100 basis points	(15.01)	(17.40)
b. Rate + 100 basis points	13.48	15.66

### Note on Sensitivity Analysis

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

## h Expected future cash flows

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

Projected benefits payable in future years from the date of reporting	As at 31 March 2024	As at 31 March 2023
1 <sup>st</sup> following year	195.40	138.61
2 <sup>nd</sup> following year	102.09	91.31
3 <sup>rd</sup> following year	133.05	127.94
4 <sup>th</sup> following year	101.79	138.84
5 <sup>th</sup> following year	140.53	119.66
Sum of years 6 to 10	832.63	636.88
Sum of years 11 and above	1,129.15	1,264.87

## i Category of Assets

	As at 31 March 2024	%	As at 31 March 2023	%
Investment Funds:				
Insurance fund	1,450.71	100.00	1,613.45	100.00
<b>Total</b>	<b>1,450.71</b>	<b>100.00</b>	<b>1,613.45</b>	<b>100.00</b>

### 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.

	As at 31 March 2024	As at 31 March 2023
Expense for the year	95.75	166.94
Closing balance	674.49	698.74



# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 34 RELATED PARTIES:

Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below :

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

1	Kokuyo Co. Limited	Holding Company
---	--------------------	-----------------

### b Name of related parties with whom there were transactions during the year

#### Fellow Subsidiary

2	Kokuyo Vietnam Trading Co. Limited
3	Kokuyo Co. Limited, Hong Kong
4	Kokuyo Commerce (Shanghai) Co. Ltd.
5	Kokuyo Vietnam Co. Limited

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

6	Excella Pencils Private Limited
7	Nilmac Packaging Industries Private Limited

### c Key Management Personnel and their Relatives

Name of the Person	Nature of Relationship
<b>Key Management Personnel</b>	
Mr. Dilip Dandekar	Chairman & Non Executive Director (C& Non ED)
Mr. Shriram Dandekar	Vice Chairman & Executive Director (VC & ED)
Mr. Satish Veerappa*	Chief Executive Officer
Mr. Takeo Iguchi **	Executive Director
Mr. Chetan Badal ***	Chief Financial Officer
Ms. Hinal Chheda ****	Company Secretary & Compliance Officer
Mr. Vipul Bhoj *****	Company Secretary & Compliance Officer
<b>Relatives</b>	
Mr. Subhash. Dandekar	Chairman Emeritus and brother of C & Non ED
Mrs. Aditi Dighe	General Manager and daughter of C & Non ED
Mr. Rahul Dandekar	General Manager and son of C & Non ED

\* Mr. Satish Veerappa appointed as Managing Director with effect from 01 April 2024 (Chief Executive Officer up to 31 March 2024)

\*\* Mr. Takeo Iguchi appointed as Executive Director with effect from 01 February 2024

\*\*\* Mr. Chetan Badal ceased to be Chief Financial Officer and KMP with effect from 16 January 2024

\*\*\*\* Ms. Hinal Chheda ceased to be Company Secretary with effect from 12 May 2023

\*\*\*\*\* Mr. Vipul Bhoj appointed as Company Secretary with effect from 01 August 2023

### d Transactions with Holding Company

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
<b>Purchase of goods</b>	Kokuyo Co. Limited	106.82	398.32
	<b>Total</b>	<b>106.82</b>	<b>398.32</b>
<b>Sale of goods</b>	Kokuyo Co. Limited	1,625.00	1,500.41
	<b>Total</b>	<b>1,625.00</b>	<b>1,500.41</b>
<b>Reimbursement of expenses paid</b>	Kokuyo Co. Limited	11.69	6.25
	<b>Total</b>	<b>11.69</b>	<b>6.25</b>
<b>Reimbursement of expenses received</b>	Kokuyo Co. Limited	95.11	21.50
	<b>Total</b>	<b>95.11</b>	<b>21.50</b>

## Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

<b>Balances with Holding Company</b>		<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<b>Net amount receivable</b>	Kokuyo Co. Limited	235.75	196.03
	<b>Total</b>	<b>235.75</b>	<b>196.03</b>

<b>e Transactions with Fellow subsidiary company</b>			
<b>Particulars</b>	<b>Name of entity</b>	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
<b>Purchase of goods</b>	Kokuyo Vietnam Co. Limited	16.38	-
	Kokuyo Co. Limited, Hong Kong	69.63	79.84
	<b>Total</b>	<b>86.01</b>	<b>79.84</b>
<b>Sale of goods</b>	Kokuyo Vietnam Trading Co. Limited	2.43	1.18
	Kokuyo Commerce (Shanghai) Co. Ltd.	11.69	-
	<b>Total</b>	<b>14.12</b>	<b>1.18</b>

<b>Balances with Fellow subsidiary company</b>			
<b>Particulars</b>	<b>Name of entity</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<b>Net amount receivable</b>	Kokuyo Vietnam Trading Co. Limited	2.43	1.18
	Kokuyo Commerce (Shanghai) Co. Ltd.	11.69	-
	<b>Total</b>	<b>14.12</b>	<b>1.18</b>
<b>Net amount payable</b>	Kokuyo Co. Limited, Hong Kong	-	0.18
	<b>Total</b>	<b>-</b>	<b>0.18</b>

<b>f Transactions with entities over which KMPs / directors and/or their relatives are able to exercise significant influence</b>			
<b>Particulars</b>	<b>Name of entity</b>	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
<b>Receiving services</b>	Nilmac Packaging Industries Private Limited	120.93	120.93
	Excella Pencils Private Limited	1,244.21	1,096.40
	<b>Total</b>	<b>1,365.14</b>	<b>1,217.33</b>
<b>Reimbursement of expenses</b>	Excella Pencils Private Limited	33.46	18.33
	<b>Total</b>	<b>33.46</b>	<b>18.33</b>

<b>g Balances with entities over which KMPs / directors and/or their relatives are able to exercise significant influence</b>			
<b>Particulars</b>	<b>Name of entity</b>	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
<b>Net amount payable</b>	Excella Pencils Private Limited	66.87	48.07
	<b>Total</b>	<b>66.87</b>	<b>48.07</b>

<b>h Transactions with Key Management Personnel and their relatives</b>			
<b>Compensation to the Key Management Personnel of the Company</b>		<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
Short-term employee benefits		680.71	544.41
Post-employment benefits		165.84	293.51
Sitting fees to Directors		7.60	3.10
<b>Total</b>		<b>854.15</b>	<b>841.02</b>

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 35 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

### A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2024	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	983.42	-	-	983.42	714.00	-	269.42	983.42
(ii) Other financial assets	-	-	293.65	293.65	-	-	-	-
<b>Current</b>								
(iii) Trade receivables	-	-	8,266.50	8,266.50	-	-	-	-
(iv) Cash and cash equivalents	-	-	945.79	945.79	-	-	-	-
(v) Bank balances other than (iv) above	-	-	24.64	24.64	-	-	-	-
	<b>983.42</b>	<b>-</b>	<b>9,530.58</b>	<b>10,514.00</b>	<b>714.00</b>	<b>-</b>	<b>269.42</b>	<b>983.42</b>
<b>Financial liabilities</b>								
<b>Current</b>								
(i) Short term borrowings	-	-	6,507.99	6,507.99	-	-	-	-
(ii) Trade payables	-	-	6,630.12	6,630.12	-	-	-	-
(iii) Other financial liabilities	-	-	2,912.43	2,912.43	-	-	-	-
	<b>-</b>	<b>-</b>	<b>16,050.54</b>	<b>16,050.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 March 2023	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	1,273.97	-	-	1,273.97	1,018.80	-	255.17	1,273.97
(ii) Other financial assets	-	-	325.42	325.42	-	-	-	-
<b>Current</b>								
(iii) Trade receivables	-	-	7,351.08	7,351.08	-	-	-	-
(iv) Cash and cash equivalents	-	-	825.03	825.03	-	-	-	-
(v) Bank balances other than (iv) above	-	-	24.14	24.14	-	-	-	-
	<b>1,273.97</b>	<b>-</b>	<b>8,525.67</b>	<b>9,799.64</b>	<b>1,018.80</b>	<b>-</b>	<b>255.17</b>	<b>1,273.97</b>
<b>Financial liabilities</b>								
<b>Current</b>								
(i) Short term borrowings	-	-	5,580.71	5,580.71	-	-	-	-
(ii) Trade payables	-	-	7,360.98	7,360.98	-	-	-	-
(iii) Other financial liabilities	-	-	2,972.88	2,972.88	-	-	-	-
	<b>-</b>	<b>-</b>	<b>15,914.57</b>	<b>15,914.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 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.

For all the financial assets and liabilities referred above that are measured at amortised cost, their carrying amounts are reasonable approximations of their fair values. The carrying amounts of loans, trade receivables, trade payables, cash and cash equivalents, other bank balances, other financial assets, other financial liabilities are considered to be the same as their fair values due to their short term nature.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Investments in quoted equity shares are measured at fair value through other comprehensive income using quoted market price as at reporting date. These instruments are classified as level 1. For investments in non quoted equity shares the Company obtained Independent Valuations of underlying assets of the entity to determine the fair value of Land and Building and arrived at fair value of its investments. These instruments are classified as level 3.

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (For example, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

### Valuation techniques and significant unobservable inputs ( for level 2 and level 3 instruments)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Un-quoted investments	Valuation of underlying assets of the entity	Market rate used for valuation	10% increase (decrease) would result in increase (decrease) in fair value by ₹ 26.94 lakhs
Other financial liabilities - Derivative Liabilities	The fair value of currency swap is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies, interest rate curves and an appropriate discount factor.  The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves and an appropriate discount factor.	Not applicable	Not applicable

### Reconciliation of fair value measurement of investment in unquoted equity instrument classified as FVTOCI (Level 3):

The following table shows a reconciliation from the opening balances to closing balances for Level 3 fair value.

	As at 31 March 2024	As at 31 March 2023
Opening balances	255.17	253.81
Remeasurement recognised in OCI	14.25	1.36
<b>Closing balances</b>	<b>269.42</b>	<b>255.17</b>



# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 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.

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 analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company's trade receivables are geographically dispersed. The Management do not believe there are any particular customers or group of customers that would subject the Company to any significant credit risks in the collection of accounts receivable.

The carrying amount of trade receivables represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 8,266.50 lakhs and ₹ 7,351.08 lakhs as at 31 March 2024 and 31 March 2023 respectively.

(Refer Note 9)

#### Following is the movement in Provision for Expected credit loss on trade receivables:

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	394.70	506.65
(Reversal of impairment loss) / Impairment loss recognised	(18.37)	(12.97)
Amounts written off	(370.29)	(98.98)
<b>Closing balance</b>	<b>6.04</b>	<b>394.70</b>

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## Cash and cash equivalents

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

## Other Financial Assets:

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

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

	Year ended 31 March 2024	Year ended 31 March 2023
Loss allowance at the beginning of the year	27.01	16.85
Changes in allowance during the year	1.31	10.16
Loss allowance as at the end of the year	28.32	27.01

## 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.

	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1- 5 years	More than 5 years
<b>As at 31 March 2024</b>					
Non-derivative financial liabilities					
Short term borrowings	6,507.99	6,507.99	6,507.99	-	-
Trade payables	6,630.12	6,630.12	6,630.12	-	-
Other financial liabilities	2,912.43	2,912.43	2,912.43	-	-
Lease liabilities	1,525.77	1,949.87	374.22	1,575.65	-
<b>As at 31 March 2023</b>					
Non-derivative financial liabilities					
Short term borrowings	5,580.71	5,580.71	5,580.71	-	-
Trade payables	7,360.98	7,360.98	7,360.98	-	-
Other financial liabilities	2,972.88	2,972.88	2,972.88	-	-

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

### 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:

	As at 31 March 2024		As at 31 March 2023	
	Foreign currency Amount	Amount in ₹	Foreign currency Amount	Amount in ₹
<b>Receivables</b>				
USD	8.86	738.33	5.17	425.06
YEN	-	-	548.38	338.90
<b>Payables</b>				
YEN	1,078.50	594.15	700.54	432.93
USD	7.33	610.80	6.83	561.64
EUR	0.06	5.19	0.03	2.66
GBP	-	-	0.05	4.87

	As at 31 March 2024		As at 31 March 2023	
	Foreign currency Amount	Amount in ₹	Foreign currency Amount	Amount in ₹
<b>Net exposure</b>				
USD	1.53	127.53	(1.66)	(136.58)
EURO	(0.06)	(5.19)	(0.03)	(2.66)
YEN	(1,078.50)	(594.15)	(152.16)	(94.03)
GBP	-	-	(0.05)	(4.87)

A 10% strengthening/weakening of the respective foreign currencies with respect to functional currency of the Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in ₹	Profit or (loss)/ Equity	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Currencies (increase in rate by 10%)</b>		
USD	12.75	(13.66)
YEN	(59.41)	(9.40)
GBP	-	(0.49)
EUR	(0.52)	(0.27)
	<b>(47.18)</b>	<b>(23.82)</b>

If the rate is decreased by 10% then there will be increase in profit and equity of ₹ 47.18 lakhs for the year ended 31 March 2024 and increase in profit and equity of ₹ 23.82 lakhs for the year ended 31 March 2023.

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 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. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Interest rate exposure:	Total borrowings	Floating rate borrowings	Fixed rate borrowings
Term loan and short term borrowings	6,507.99	6,507.99	-
<b>Total as at 31 March 2024</b>	<b>6,507.99</b>	<b>6,507.99</b>	<b>-</b>
Term loan and short term borrowings	5,580.71	5,580.71	-
<b>Total as at 31 March 2023</b>	<b>5,580.71</b>	<b>5,580.71</b>	<b>-</b>

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

Particulars	As at 31 March 2024	As at 31 March 2023
Term loan and short term borrowings	(65.08)	(55.81)

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 2024 would have increased equity by ₹ 14.28 lakhs (31 March 2023 : ₹ 20.40 Lakhs); an equal change in the opposite direction would have decreased equity by ₹ 14.28 lakhs (31 March 2023 : ₹ 20.40 lakhs).

## 36 OPERATING SEGMENTS

The Company is in the business of manufacturing, trading and selling of stationery. It manufactures art material, marker pens, inks, pencils and others stationery products. The Management is of the view that the risks and returns for these products are not significantly different. Accordingly, the Company has a single reportable segment i.e. 'Consumer products' as per Ind AS 108 'Operating Segments' which is reviewed by Chief Operating Decision Maker (CODM). The Chief Executive Officer / Managing Director along with Senior Corporate Officers Committee is the CODM of the Company. Further, export sales are not significant and there is no reportable secondary segment.

## 37 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 Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

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

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from contracts with customer as per Contract price	86,341.37	82,764.94
Less: Discounts, incentives, rebates	4,863.56	5,085.00
Less:- Sales Returns /Credits / Reversals	96.64	347.66
<b>Revenue from contracts with customer as per statement of profit and loss</b>	<b>81,381.17</b>	<b>77,332.28</b>
Disaggregation of revenue from contract with customers :		
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Geography</b>		
Domestic	77,477.36	74,062.58
Exports	3,903.81	3,269.70
<b>Total</b>	<b>81,381.17</b>	<b>77,332.28</b>
<b>Sales channel</b>		
Distributors or dealers( including exports)	77,976.88	73,809.46
Modern trade	3,404.29	3,522.82
<b>Total</b>	<b>81,381.17</b>	<b>77,332.28</b>
<b>Product Category</b>		
Fine Art and Hobby	14,246.74	12,275.91
Ink and Adhesives	5,196.86	4,358.31
Office and Scholastic	23,942.26	26,297.38
Paper Stationery	12,765.52	10,479.90
Technical Instruments	6,142.37	6,449.74
Writing Instruments	23,950.98	22,556.04
Less: Discounts, incentives, rebates	(4,863.56)	(5,085.00)
<b>Total</b>	<b>81,381.17</b>	<b>77,332.28</b>

## (C) Performance obligation

Revenue from sale of goods measured upon satisfaction of performance obligation which is at a point of time when the control of goods is transferred to the customer, generally on delivery of goods. Payment terms are generally in the range of advance to 120 days.

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue by time</b>		
Revenue recognised at point in time	81,381.17	77,332.28
Revenue recognised over time	-	-
<b>Total</b>	<b>81,381.17</b>	<b>77,332.28</b>

## (D) Contract liability (advance from customers)

	As at 31 March 2024	As at 31 March 2023
Advance from customers	5.14	23.71

The contract liability outstanding at the beginning of the year has been recognised as revenue during the year. Contract liability of the current year will be recognised as revenue in the coming 12 months.

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 38 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.

	As at 31 March 2024	As at 31 March 2023
Accrual towards unspent obligations in relation to:		
Ongoing project	-	-
Other than ongoing project	-	-
(a) Gross amount required to be spent by the Company during the year as per section 135 of the act	9.85	NIL
(b) Amount approved by the Board to be spent during the year	10.00	NIL
(c) Amount of expenditure incurred	9.96	-
(d) Shortfall at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall	Not applicable	Not applicable
(g) Nature of CSR activities		
Contribution towards setting up a Science Lab in a Junior College	3.46	-
Contribution towards education of underprivileged girls in India	6.50	-
(h) Details of related party transactions	-	-
(i) Provision is made with respect to a liability incurred by entering into a contractual obligation	-	-

## 39 FINANCIAL RATIOS

Particulars	Numerator	Denominator	For the Year ended 31 March 2024	For the Year ended 31 March 2023	% of variance	Explanation for change in the ratio by more than 25%
<b>Liquidity Ratio</b>						
Current Ratio (times)	Current Assets	Current Liabilities	1.77	1.58	12%	-
<b>Solvency Ratio</b>						
Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.22	0.21	3%	-
Debt Service Coverage Ratio (in times)	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.	Interest + Lease Payments + Repayment of Long-term debt excluding prepayments	14.78	2.90	410%	There has been a significant increase on account of new lease. The Company has repaid its long term debts in previous year, resulting into higher debt service coverage ratio.
<b>Profitability ratio</b>						
Net Profit Ratio (%)	Profit After Tax	Total Sales	5.37	3.15	70%	There has been a significant increase in the Company's net profit due to better margins and increase in revenues thereby leading to higher profits.



# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

Return on Equity Ratio (%)	Profit After Tax - Preference Div. (if any)	Average Shareholder's Equity	15.68	9.74	61%	There has been a significant increase in the Company's net profit due to better margins and increase in revenues thereby leading to higher profits.
Return on Capital employed (%)	Earning before interest and tax	Net worth + Current and Non current borrowings + Deferred tax liability	17.48	12.12	44%	There has been a significant increase in the Company's net profit due to better margins and increase in revenues thereby leading to higher profits.
Return on Investment (in times)	Net return on Investment	Cost of Investment	(7.92)	(2.61)	203%	The market value of quoted investment has gone down in current year and Company has registered a higher loss on investment as compared to previous year resulting in a negative return on investment.
<b>Utilisation Ratio</b>						
Trade Receivables turnover ratio (times)	Revenue from sale of products	Average Trade Receivables	10.42	11.66	-11%	-
Inventory turnover ratio (in times)	Cost of goods sold or Sales	Average Inventory	2.82	3.41	-17%	-
Trade payables turnover ratio (in times)	Net credit purchases	Average Trade Payables	7.50	8.60	-13%	-
Net capital turnover ratio (in times)	Revenue from sale of products	Average Working Capital	6.94	8.80	-21%	-

## 40 DISCLOSURE OF INTERMEDIARIES

- a** The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or Invest in other persons or entities Identified In any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries"); or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b** The Company has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest In other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries"); or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- 41** Due to sad demise of Mr. Chetan Badal, the Company had a Chief Financial Officer till 16 January 2024. The Company is in the process of appointing a new Chief Financial Officer.

# Notes to the Financial Statements

31 March, 2024 (Contd.)

(Currency: Indian rupees in lakhs)

## 42 ADDITIONAL REGULATORY INFORMATION PURSUANT TO THE REQUIREMENT IN DIVISION II OF SCHEDULE III TO THE COMPANIES ACT 2013

- i) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- ii) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- iii) Charges or satisfaction which are yet to be registered with Registrar of Companies beyond the satisfactory period.

Charge holder's name	Amount in lakhs	Status
Ford Credit Kotak Mahindra Limited	14.66	There is no outstanding liability w.r.t. these charges. The procedures of updating of Register of Charges for satisfaction of charge is yet to be completed with the Registrar of Companies.
ICICI Bank Ltd.	46.27	
Kotak Mahindra Primus Ltd.	14.64	
	75.57	

- iv) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- v) The Company has not surrendered or disclosed any such transaction which is not recorded in the books of accounts as Income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- vii) The Company does not have any such transaction which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii) The Company has not revalued its property, plant and equipment's and intangible assets and investment property.

As per our report of even date attached

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

Chartered Accountants

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

**For and on behalf of the Board of Directors of Kokuyo Camlin Limited**

CIN : L24223MH1946PLC005434

**Maulik Jhaveri**

Partner

Membership No: 116008

**Satish Veerappa**

Managing Director

DIN: 00507955

**Nandini Chopra**

Non- Executive Director

DIN: 07891312

**Dilip Dandekar**

Chairman &amp; Non - Executive Director

DIN: 00846901

**Vipul Bhoy**

Company Secretary &amp;

Compliance Officer

Membership No: 44964

**Shriram Dandekar**

Vice Chairman &amp; Executive Director

DIN: 01056318

Place : Mumbai

Date : 15 May 2024

Place : Mumbai

Date : 15 May 2024







**KOKUYO CAMLIN LIMITED**

A SUBSIDIARY OF KOKUYO CO. LTD., JAPAN

CIN: L24223MH1946PLC005434

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