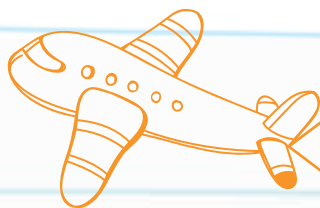




KOKUYO CAMLIN LIMITED

72nd ANNUAL REPORT 2018-19



Inspired by innovation.
Driven by efficiency.



Corporate Overview 02-08

Our Canvas	2
The Business Model	4
Spirit of Innovation	6
CSR and Promotion of Art Activities	7
Corporate Information	8

Statutory Reports 09-65

Notice	9
Directors' Report	14
Management Discussion and Analysis	36
Report on Corporate Governance	43

Financial Section 66-163

Auditors' Report on Standalone Financial Statement	66
Standalone Balance Sheet	74
Standalone Statement of Profit and Loss	75
Standalone Statement of Cash Flows	76
Standalone Statement of Changes in Equity	78
Notes to the Standalone Financial Statement	79
Auditors' Report on Consolidated Financial Statement	116
Consolidated Balance Sheet	122
Consolidated Statement of Profit and Loss	123
Consolidated Statement of Cash Flows	124
Consolidated Statement of Changes in Equity	126
Notes to the Consolidated Financial Statements	127

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



INVESTOR INFORMATION

Market Capitalisation as at 31st March, 2019	: 96,843 Lakhs
CIN	: L24223MH1946PLC005434
BSE Code	: 523207
NSE Symbol	: KOKUYOCMLN
Bloomberg Code	: CAMLN:IN
AGM Date	: 8 th August, 2019
AGM Venue	: IMC, Churchgate, Mumbai

Disclaimer

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



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

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

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

Our Canvas

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

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

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

CORPORATE PHILOSOPHY

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

Patalganga Plant



PRODUCTS MANUFACTURED

- STATIONERY PRODUCTS
- SCHOLASTIC PRODUCTS

CERTIFICATION FROM TUV RHEINLAND

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



Tarapur Plant



PRODUCTS MANUFACTURED

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

CERTIFICATION FROM TUV RHEINLAND

ISO 14001:2015

ISO 45001:2018

ISO 9001:2015

Samba Plant



PRODUCTS MANUFACTURED

- FINE ART AND HOBBY COLOURS

CERTIFICATION FROM TUV RHEINLAND

ISO 14001:2015

ISO 45001:2018

ISO 9001:2015

Our Business Model

Inputs

FINANCIAL CAPITAL

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

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

INTELLECTUAL CAPITAL

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

MANUFACTURING CAPITAL

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

HUMAN CAPITAL

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

RELATIONSHIP CAPITAL & SOCIAL CAPITAL

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

NATURAL CAPITAL

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

BUSINESS PROCESS

Risk Management



Growth Drivers



Idea generation

Research and Innovation

Feasibility Test

Product Development (Test Launch)



Output and Outcomes

₹ 77,949.87 lakhs, + 10.76%

Revenues in 2018-19

₹ 5,211.09 lakhs, + 27%

EBIDTA in 2018-19

₹ 1,520.34 lakhs, + 55%

Net Profit (post tax) in 2018-19

Consistent market share and strong product portfolio

New Products Launched in 2018-19



P. 39

ISO Certifications



P. 39

Automation Key to Efficiency



P. 39

Strengthening Capacities



P. 39

CSR Spends: ₹ 18.17 Lakhs

Our Causes

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

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

Spirit of Innovation

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



P. 39

2 IN 1 GEOMETRY BOX:

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

Features:

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



CHILD GRIP CRAYON:

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

Features:

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



CSR and Promotion of Art Activities

EXTENDING PROGRESS TO COMMUNITIES

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

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



PROMOTION OF ARTS AND EVENTS

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

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

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



Corporate Information

Chairman Emeritus

Mr. Subhash Dandekar

Board of Directors

Mr. Dilip Dandekar (Chairman & Executive Director)

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

Mr. Shriram Dandekar (Vice Chairman & Executive Director)

Mr. Nobuchika Doi (Executive Director)

Mr. Takeo Iguchi (Executive Director)

Mr. Kazuo Kubo (Non-Executive Director)

Independent Directors

Mr. Shishir Desai

Mr. Ramanathan Sriram

Mr. Devendra Kumar Arora

Mr. Hisamaro Garugu

Mr. Sriram Venkataraman

Ms. Nandini Chopra

Chief Executive Officer

Mr. Satish Veerappa

Chief Financial Officer

Mr. Chetan Badal

Vice President (Corporate) & Company Secretary

Mr. Ravindra Damle

Registered Office

Hilton House, 48/2, Central Road,

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

Mumbai - 400 093.

CIN : L24223MH1946PLC005434

Works

Patalganga : Plot No. F/8,

Additional Patalganga MIDC,

Village - Chavane, Taluka - Panvel,

Dist. - Raigad - 410 220.

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

Dist.- Thane - 401 506.

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

Navi Mumbai - 410 208.

Jammu : Industrial Growth Centre,

Samba Phase I, Jammu, J&K State.

101, Gangyal Industrial Area, Phase II,

Jammu - 180 004.

Vasai : Rajprabha Udyog Nagar, Walive,

Vasai (East), Dist - Thane 401308.

Auditors

M/s. BSR & Co. LLP

Chartered Accountants

Mumbai

Bankers

Mizuho Bank Ltd.

The Bank of Tokyo-Mitsubishi UFJ Ltd.

Sumitomo Mitsui Banking Corporation

Registrar & Transfer Agents

Link Intime India Pvt Ltd.

C-101, 247 Park,

LBS Marg, Vikhroli (West),

Mumbai - 400 083.

Tel : 91-022-4918 6270

Fax : 91-022-4918 6060

Email : rnt.helpdesk@linkintime.co.in

Audit Committee

Mr. Shishir Desai (Chairman)

Mr. Sriram Venkataraman (Member)

Mr. Ramanathan Sriram (Member)

Mr. Takuya Morikawa (Member)

Stakeholders' Relationship Committee

Mr. Ramanathan Sriram (Chairman)

Mr. Hisamaro Garugu (Member)

Mr. Shriram Dandekar (Member)

Remuneration & Nomination Committee

Mr. Shishir Desai (Chairman)

Mr. Devendra Kumar Arora (Member)

Mr. Dilip Dandekar (Member)

Ms. Nandini Chopra (Member)

Corporate Social Responsibility Committee

Ms. Nandini Chopra (Chairperson)

Mr. Nobuchika Doi (Member)

Mr. Shriram Dandekar (Member)