Camlin KOKUYO

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

22nd June, 2016

To,
Securities Exchange Board of India
SEBI Bhavan, Plot No. C4-A,
G Block, Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051

Sub : Audit Report of records and systems of Sharepro Services (India) Pvt. Ltd.

Dear Sir,

Pursuant to SEBI order WTM/RKA/MIRSD2/41/2016 dated 22nd March, 2016 wherein SEBI directed all the Companies who were clients of Sharepro to conduct thorough Audit of record and system of Sharepro of preceding 10 years with respect to dividend paid and transfer of securities to determine whether dividend has been paid to actual/beneficial holder and whether securities have been transferred as per the provision of law, we enclose herewith a copy of the Audit Report submitted by M/s. Pantomath Advisors LLP.

Request you to kindly take the same on record and intimate the Company if any further information is required.

Thanking you.

Yours Faithfully,
For KOKUYO CAMLIN LIMITED

RAVINDRA DAMLE
VICE PRESIDENT (CORPORATE)
&COMPANY SECRETARY

Encl: As above

Copy to:

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

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

Advisory Division

Audit Report

Share Registry
June, 2016

Privileged & Confidential

Kokuyo Camlin Limited
48/2, Hilton House, MIDC,
Andheri East,
Mumbai - 400093

Kind Attn. : Mr Ravindra Damle, Vice President (Corporate) and Company Secretary

Dear Sir,

Share Registry Audit Report of Kokuyo Camlin Limited at Sharepro Services (I) Pvt Ltd, Mumbai

We have conducted Audit of the transactions and systems in respect of Standard Operating Procedures, being followed by Sharepro Services (I) Pvt Ltd, Mumbai in connection with the share transfer and dividend paid by Kokuyo Camlin Limited as per our Mandate Letter dated May 5, 2016.

We are pleased to share our audit report.

Thanking you
For Pantomath Advisors LLP

Pantomath Advisors LLP

Madhu Lunawat
Partner
June 20, 2016

Content

1 Company Implication

Company Implication

Kokuyo Camlin Limited ("**KCL**" or the "**Company**") has over 17,900 shareholders, with public shareholders representing approximately 25.01 % of total share capital. Sharepro Services (I) Pvt Ltd. ("**Sharepro**") is the R&T Agent of the company and the share registry activity is handled by Sharepro, Mumbai office.

SEBI vide its order dated March 22, 2016 ("**SEBI Order**") directed companies, where the Registrars are Sharepro, the company to conduct a thorough audit of records and systems of its Registrars with respect to dividends paid and transfer of securities for atleast last 10 years.

Shares held in physical and demat form as on Mar-31-2016

Particulars	No. of Shares	%
Demat Segment	9,80,51,891	97.75
Physical Segment	22,51,915	2.25
Total	10,03,03,806	**100.00**

Year	Physical Holding	Mkt Val (Rs in Crs)
Mar-2016	22,51,915	22.30
Mar-2006	3,98,583	75.73

As per SEBI Order, the audit has to be completed by such companies within a period of 3 months **i.e before June 22, 2016.** Further, a company is required to take appropriate action, in cases where violations are observed, within period of six month **i.e before September 22, 2016**.

The Company has approached Pantomath to seek its assistance in conducting audit of its Share Transfer and Divided payments, to comply with SEBI Order.

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2 Audit Process and Findings

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Audit Process and Findings (1 of 2)

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As part of the audit process, we have:

- reviewed the Standard Operating Procedures and systems being followed by Sharepro for processing request received from Investors and the Company;
- compared the data provided by Sharepro with third party and publicly available information (like annual returns filed by company with RoC, Bank reconciliation), to the extent provided and available to us;
- reviewed all the physical transfer processed by Sharepro during last 10 years along with signature verification of every transaction;
- verified dividend transactions where dividends unpaid/ warrant returned undelivered and subsequently released by Sharepro;
- verified list of shareholders and transactions for past 10 years to identify any transaction entered by persons named in the SEBI Order.

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Audit Process and Findings (2 of 2)

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Based on our review of processes and systems and discussion with the management team at Sharepro, our observation is summarised hereunder:

- There is no documented Standard Operating Procedure for processing of various transactions;
- There is no defined and documented schedule of authority for approval of transactions;
- There is no control system for tracing history of transactions in particular folio;
- There is no documented process for processing of transaction in exceptional cases and waiver of documents;
- There is no control, documented process and schedule of authority for printing of share certificates;
- Records of correspondences with shareholder have not been maintained in many cases;
- Signatures of many shareholders are missing in the system;
- There is no control maintained for share certificate/warrants which have been destroyed.

Overall in our opinion the internal control system is weak and not existent in many of the cases

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3 Summary of Transactions

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Summary of Transactions

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Summary of Transactions

Number of Cases Received

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Grand Total
Deletion of Name	21	18	27	10	8	9	13	4	1	5	4	**120**
Open Offer	0	0	0	0	0	130	0	0	0	0	0	**130**
Demat	606	378	195	118	154	251	53	50	43	67	18	**1,933**
Remat	3	0	1	0	0	1	1	0	1	1	0	**8**
Transfer	97	73	76	29	29	28	13	7	12	9	2	**375**
Rectification	4	0	1	0	0	0	0	0	0	0	0	**5**
Total	731	471	300	184	407	771	214	98	57	83	24	3,340

Number of Shares Transacted

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Grand Total
Deletion of Name	1,800	1,550	2,500	15,000	12,500	12,000	23,024	7,000	500	9,000	3,500	88374
Open Offer	0	0	0	0	0	1,23,717	0	0	0	0	0	1,23,717
Demat	51,101	31,800	1,17,650	1,99,850	3,12,310	3,19,532	78,338	72,758	55,018	2,89,340	26,012	15,53,709
Remat	225	0	100	0	0	100	300	0	1	50	0	2,960
Transfer	8,750	5,800	24,550	37,500	37,000	49,524	14,178	10,024	13,072	27,048	3,000	2,30,446
Rectification	400	0	10	0	0	0	0	0	0	0	0	410
Total	62,276	12,39,150	1,44,810	4,06,550	9,95,597	82,67,161	3,57,690	2,04,882	68,591	3,27,438	32,512	1,21,06,657

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4 Audit Observations

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Audit Observations - Transfers

Sr No	Observations	Procedure followed by Sharepro	Review process followed by Pantomath
1	Signature does not match / Signature not available in the master	We have been informed by Sharepro that in such cases: a) As the first step objection memo is send to shareholders. Shares are transferred based on clarification/documentary evidence received from such shareholder; b) Where no response is received from the shareholder, a notice is send to shareholder informing them about the share transfer request received. If no response received from the shareholder within 15 days from dispatch, the shares are transferred; c) In certain cases transfers are made based on confirmation /clearance by way of letter (after verifying the factual data) received by Sharepro from the Company	Our approach: a) Review the communication made to shareholder. Check whether any response received from shareholders within the stipulated time b) Review documents ensuring transfer of shares are made either based on response received from shareholder or after the completion of 15 days from dispatch; c) Check clarification, if any received from Company for transfer of shares

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Audit Observations – transfer of shares

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Details of transactions, if any undertaken by person / individuals referred as suspected .... In the SEBI Order

Sr. No.	Name of the person / individuals	No of shares transacted		Mode of transaction
		Buy (Date)	Sell (Date)	Demat / Physical
1.	Govind Raj Rao	Nil	Nil	NA
2.	Bhagyalaxmi Rao	Nil	Nil	NA
3.	Indira Karkera	Nil	Nil	NA
4.	Anil Jathan	Nil	Nil	NA
5.	Raju Landge	Nil	Nil	NA
6.	Suresh Unawane	Nil	Nil	NA
7.	Nagesh Karkera	Nil	Nil	NA
8.	Narayana Devadiga	Nil	Nil	NA
9.	Swapnil Sutar	Nil	Nil	NA
10	Shrikant C. Bhalakia	Nil	Nil	NA
11.	Anand S.Bhalakia	Nil	Nil	NA
12.	Krishna M Ghosh	Nil	Nil	NA
13.	Sukhdev Bhosale	Nil	Nil	NA
14.	Balaram Mukherjee	Nil	Nil	NA

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Audit Observations – transfer of shares

Details of transactions, if any undertaken by person / individuals referred as suspected .... In the SEBI Order

Sr. No.	Name of the person / individuals	No of shares transacted		Mode of transaction
		Buy (Date)	Sell (Date)	Demat / Physical
15.	Sadashiv Poojary	Nil	Nil	NA
16.	Prashant Karkera	Nil	Nil	NA
17.	Satyam Brush Industries	Nil	Nil	NA
18.	Mohit Karkera	Nil	Nil	NA
19.	Ms. Jayshree Shah	Nil	Nil	NA
20.	Ms. Bhavani Jathan	Nil	Nil	NA

Based on our verification of the records/register/data maintained by sharepro and the Company and to the best of our information and according to the explanation given to us by Sharepro and the Company, We have not found any major discrepancies with regards to transfer of shares.

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Audit Observations - Dividends

Documents/ Information Provided

- The Company has paid dividend during the financial years 2006-07 to 2010-11
- Year wise master status of dividend paid as maintained by Sharepro;
- Correspondence between shareholders and Sharepro relating to unpaid /unclaimed dividend;
- List of Demand Drafts issued by the Company to shareholders against uncleared dividend warrants and records maintained by Sharepro for the relevant financial years;
- Reconciliation statement received from bank and provided by the Company;
- List of shareholders who have not claimed dividend and transfer of such amount to Investor Education and Protection Fund

Scrutiny Process Followed:

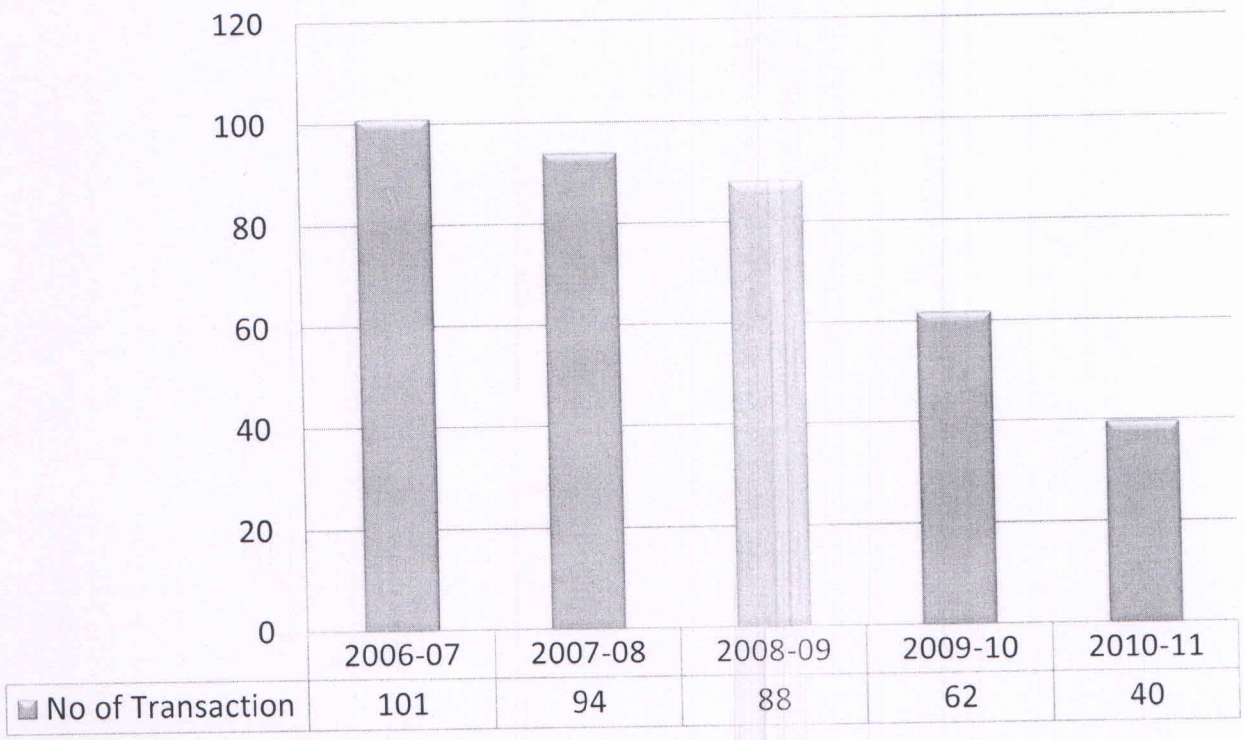
- Review list of shareholders on the record date with the details of warrant / ECS / Demand Drafts dispatched;
- Reconciled the statement of un-cleared warrants / ECS with details of payment made after 90 days from the date of issue of warrants;
- review the correspondence made by shareholders for revalidation of expired warrants wherever available and reconcile the same with the list of shareholders on the Record Date;
- Review the chain of communication between shareholder, Sharepro and Company for revalidation of warrant
- Reconcile the list of shareholders who's warrants / Demand Draft are not cleared with the list of amount transferred to IEPF

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Audit Observations - Dividends

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Year Wise details of correspondence available for verification in case of payments made beyond 90 days



	2006-07	2007-08	2008-09	2009-10	2010-11
No of Transaction	101	94	88	62	40

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Audit Observations - Dividends

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Details of dividend paid to list of persons/ individuals referred in SEBI Order

Sr. No.	Name of the person / individuals	Dividend
1.	Govind Raj Rao	Nil
2.	Bhagyalaxmi Rao	Nil
3.	Indra Karkera	Nil
4.	Anil Jathan	Nil
5.	Raju Landge	Nil
6.	Suresh Unawane	Nil
7.	Nagesh Karkera	Nil
8.	Narayana Devadiga	Nil
9.	Swapnil Sutar	Nil
10	Shrikant C. Bhalakia	Nil
11.	Anand S.Bhalakia	Nil
12.	Krishna M Ghosh	Nil
13.	Sukhdev Bhosale	Nil
14.	Balaram Mukherjee	Nil
15.	Sadashiv Poojary	Nil

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Audit Observations - Dividends

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Details of dividend paid to list of persons/individuals referred in SEBI Order

Sr. No.	Name of the person / individuals	Dividend
16.	Prashant Karkera	Nil
17.	Satyam Brush Industries	Nil
18.	Mohit Karkera	Nil
19.	Ms. Jayshree Shah	Nil
20.	Ms. Bhavani Jathan	Nil

Based on our verification of the records/register/data maintained by Sharepro and the Company and to the best of our information and according to the explanation given to us by Sharepro and the Company, We have not found any major discrepancies with regards to Dividend .

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Scope limitations

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- We have conducted our audit based on information's made available to us by Sharepro and the Company

- We are not able to authenticate the communication, if any received from the Shareholders apart from signature verification, to the extent made available.

- In some of the cases, we have not received the proof of dispatch of notice by Sharepro to the shareholder in connection with Transfer of shares and Dividend.

- In certain cases of unclaimed/unpaid dividend we did not find proper correspondences between the company and/or Shareholder and/or Sharepro to reconcile with the Bank statements provided by the company .

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Thank You...

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Advisory Services Group

Progress with Values

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