

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

NOTICE PURSUANT TO SECTION 192A(2) OF THE COMPANIES ACT, 1956.

Dear Members,

NOTICE is hereby given to the Members of the Company, pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, to transact the following special business by passing Special Resolutions by way of Postal ballot.

SPECIAL BUSINESS:

1. To consider and if thought fit, to give assent or dissent to the following resolution, as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (including any Statutory modification(s) or re-enactments thereof for the time being in force), the existing Articles of Association of the Company be altered in the manner as set out herein below:

- (a) substitution of the following Article for the existing Article 2(ss) —

"Promoter Threshold" shall mean a minimum of 28,00,000 Equity Shares of the Company.

- (b) deletion of the words 'Except as contained in Article 24' from the existing Article 23 and the said Article 23 to begin with the word 'Following' (Capital F).

- (c) deletion of the existing Article 24.

- (d) substitution of the following Article for the existing Article 128(d) —

2 (two) Kokuyo Directors shall be appointed as permanent members of the Board and shall not be liable to retirement by rotation.
(i) for as long as the Continuing Promoters hold 63,00,000 (Sixty Three Lacs) Equity Shares, 2 (two) Promoter Directors shall be appointed as permanent members of the Board and shall not be liable to retirement by rotation, and
(ii) for as long as the Continuing Promoters hold 28,00,000 (Twenty Eight Lacs) Equity Shares, 1 (one) Promoter Director shall be appointed as permanent member of the Board and shall not be liable to retirement by rotation.

- (e) substitution of the following Article for the existing Article 129(a) —

The Continuing Promoters shall, (a) as long as they hold in the aggregate, 63,00,000 (Sixty Three Lacs) Equity Shares, have the right

to nominate 2 (two) Executive Directors, one of whom shall be designated as the Chairman of the Company, and (b) as long as they hold in the aggregate, 28,00,000 (Twenty Eight Lacs) Equity Shares, have the right to nominate 1 (one) Executive Director, ("**Promoter Directors**").

- (f) substitution of the following Article for the existing Article 160(b) —

On and from the Effective Date, for as long as the Continuing Promoters hold 28,00,000 (Twenty Eight Lacs) Equity Shares in the aggregate, the Chief Executive Director (i.e. Chief Executive Officer who is Director on the Board)/Managing Director of the Company shall be appointed by mutual agreement of Kokuyo and the Continuing Promoters.

- (g) alteration of Annexure 1 of the existing Articles of Association to incorporate the following amendments —

- i. deletion of the name of Ms. Anagha Subhash Dandekar from the persons listed as the 'Exiting Promoters' under Serial No. 4 in Part C of Annexure 1 and addition of Ms. Anagha Subhash Dandekar's name in the persons listed as the 'Non Selling Promoters' under Serial No. 5 in Part A of Annexure 1;

- ii. deletion of the name of Ms. Ketki Dilip Dandekar from the persons listed as the 'Selling Promoters' under Serial No. 2 in Part B of Annexure 1 and addition of Ms. Ketki Amit Sawant's name in the persons listed as the 'Non Selling Promoters' under Serial No. 6 in Part A of Annexure 1;

- iii. deletion of the name of Camart Industries Ltd. from the persons listed as the 'Non Selling Promoters' under Serial No. 2 in Part A of Annexure 1 and addition of Camart Industries Ltd.'s name in the persons listed as the 'Selling Promoters' under Serial No. 9 in Part B of Annexure 1; and

- iv. addition of 'Deepak Madhav Dandekar (HUF)' as a shareholder in the persons listed as the 'Exiting Promoters' under Serial No. 23 in Part C of Annexure 1.

- (h) substitution of the following Article for the existing Article 129(c) —

Mr. Dilip D. Dandekar is the Chairman and Managing Director, and Mr. Shriram

S. Dandekar is the Executive Director. They shall continue on the same terms and conditions in force as on the Effective Date until they opt for re-appointment, provided that Mr. Dilip D. Dandekar shall have the designation of Chairman and Managing Director only until such time as a new Managing Director/Chief Executive Director (i.e. Chief Executive Officer who is Director on the Board) is appointed by Kokuyo and the Continuing Promoters in accordance with Article 160(b) below or the Board appoints a Chief Executive Officer/Manager, after which time Mr. Dilip D. Dandekar shall be re-appointed as Chairman.

- (i) substitution of the following Article for the existing Article 131 —

Subject to provisions contained in these Articles, the number of Independent Directors appointed to the Board shall be either 6 (six) or 7 (seven), as may be required. In the event that the Chief Executive Director (i.e. Chief Executive Officer who is Director on the Board)/Managing Director appointed in accordance with Article 160 has been nominated by either Kokuyo or the Continuing Promoters and is either a Kokuyo Director or a Promoter Director (as the case may be), the total number of Independent Directors on the Board shall be 6 (six) and the total strength of the Board shall be 12 (twelve) Directors comprising of 4 (four) Kokuyo Directors, 2 (two) Promoter Directors and 6 (six) Independent Directors of the Company. If however, the Chief Executive Director/Managing Director appointed in accordance with Article 160(b) is neither a Kokuyo Director nor a Promoter Director, the total number of Independent Directors on the Board shall be 7 (seven) and the total strength of the Board shall be 14 (Fourteen) Directors comprising of 4 (four) Kokuyo Directors, 2 (two) Promoter Directors, 1 (one) Chief Executive Director/Managing Director and 7 (seven) Independent Directors. For the avoidance of doubt it is clarified that the appointment of the Independent Directors shall be made simultaneously with the appointment of Kokuyo Directors and the reconstitution of the Board in accordance with these Articles."

2. To consider and if thought fit, to give assent or dissent to the following resolution, as a Special Resolution:

"RESOLVED THAT in partial modification of the Special Resolution passed by the members in the Extra Ordinary General Meeting of the Company held on 29th June, 2011, consent of the Company be and is hereby accorded under Section 314(1) and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the

time being in force) to Mr. Rahul D. Dandekar who is a Son of Mr. Dilip D. Dandekar, Chairman and Executive Director, continuing to hold an Office or place of profit in the Company as Manager – Sales Marketing (Colours) with retrospective effect from 1st April, 2012 on enhanced basic salary of Rs. 33,000/- per month plus perquisites, allowances and benefits (collectively called Remuneration) as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Company also accords its consent under the said Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force) to the payment of increased remuneration in the form of additional increments, and/or allowances/perquisites subject to an overall ceiling of Rs. 30,000/- per month, which may be payable to other employees in his grade from time to time on account of pay-revision and as may be applicable to higher grade(s) to which he may be promoted in accordance with the general policy of the Company."

3. To consider and if thought fit, to give assent or dissent to the following resolution, as a Special Resolution:

"RESOLVED THAT in partial modification of the Special Resolution passed by the members in the Extra Ordinary General Meeting of the Company held on 29th June, 2011, consent of the Company be and is hereby accorded under Section 314(1) and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force) to Mr. Nikhil S. Dandekar who is a Son of Mr. Shriram S. Dandekar, Vice Chairman & Executive Director, continuing to hold an Office or place of profit in the Company as Asst. Manager – Strategic, Planning & Project with retrospective effect from 1st July, 2012 on basic salary of Rs. 13,800/- per month plus perquisites, allowances and benefits (collectively called Remuneration) as set out in the explanatory statement annexed to this Notice.

RESOLVED FURTHER THAT the Company also accords its consent under the said Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force) to the payment of increased remuneration in the form of additional increments, and/or allowances/perquisites, subject to an overall ceiling of Rs. 20,000/- per month, which may be payable to other employees in his grade from time to time on account of pay-revision and as may be applicable to higher grade(s) to which he may be promoted, in accordance with the general policy of the Company."

4. To consider and if thought fit, to give assent or dissent to the following resolution, as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 387, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force) (hereinafter referred to as "the Companies Act") and subject to the approval of the Central Government as may be required, the approval of the Company be and is hereby accorded to the appointment of Mr. Ayyadurai Srikanth, as 'Manager' and designated as 'Chief Executive Officer' (CEO) of the Company for a period of 3 (three) years with effect from 1st February, 2013 on a monthly salary of Rs. 1,67,000/- plus house rent allowance/additional house rent allowance, perquisites and other allowances, benefits and performance linked remuneration, (collectively called "Total Remuneration") payable on the terms and conditions, as set out in the Explanatory Statement annexed hereto and also in the Agreement, executed between the Company and Mr. Ayyadurai Srikanth, with liberty to the Board of Directors, to alter and/or vary the terms and conditions of the said appointment and/or Agreement in such manner, as may be agreed to between the Board of Directors and Mr. Ayyadurai Srikanth.

RESOLVED FURTHER THAT consent of the Company, be and is hereby accorded, that in the event of inadequacy or absence of profits in any financial year of the Company during the term of Mr. Ayyadurai Srikanth, as CEO, the minimum remuneration payable to him shall be the total remuneration payable to him as set out in the preceding part of the resolution (hereinafter referred to as the 'Minimum Remuneration') subject to the provisions of section 198 (4) of the Companies Act and subject to the compliances required under Schedule XIII of the Companies Act, (including such approval as may be required from the Central Government) and in addition thereto he shall also be eligible to the Perquisites provided in Section II of Part II of Schedule XIII as may be amended from time to time.

RESOLVED LASTLY THAT the Directors namely Mr. Dilip D. Dandekar, Chairman & Executive Director Mr. Shriram S. Dandekar, Vice Chairman & Executive Director, Mr. Ravindra V. Damle, Vice President (Corporate) & Company Secretary be and are hereby severally authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution to remove any difficulty in implementation of this resolution and to accept any modifications/conditions that may be prescribed by the Central Government while according its approval if any."

5. To consider and if thought fit, to give assent or dissent to the following resolution, as a Special Resolution:

"RESOLVED THAT in supersession of the Ordinary resolution passed by the members of the Company at their 63rd Annual General Meeting held on 29th June, 2010 and pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force) (hereinafter referred to as "the Companies Act") and subject to the approval of Central Government, as may be required, the approval of the Company be and is hereby accorded to the appointment of Mr. Dilip D. Dandekar, as a Director in the whole time employment of the Company and designated as "Chairman and Executive Director" (not liable to retire by rotation) for a period of 3 (three) years with effect from 1st February, 2013 on a monthly salary of Rs. 5,45,000/- plus perquisites and other allowances, benefits and commission, (collectively called "Total Remuneration") payable on the terms and conditions as set out in the Explanatory Statement annexed hereto and also in the Agreement executed between the Company and Mr. Dilip D. Dandekar, with liberty to the Board of Directors, to alter and/or vary the terms and conditions of the said appointment and/or Agreement in such manner, as may be agreed to between the Board of Directors and Mr. Dilip D. Dandekar.

RESOLVED FURTHER THAT consent of the Company, be and is hereby accorded, that in the event of inadequacy or absence of profits in any financial year of the Company during the term of Mr. Dilip D. Dandekar, as Chairman and Executive Director, the minimum remuneration payable to him shall be the total remuneration payable to him as set out in the preceding part of the resolution (hereinafter referred to as the 'Minimum Remuneration') subject to the provisions of section 198 (4) of the Companies Act and subject to the compliances required under Schedule XIII of the Companies Act, (including such approval as may be required from the Central Government) and in addition thereto he shall also be eligible to the Perquisites provided in Section II of Part II of Schedule XIII as may be amended from time to time.

RESOLVED LASTLY THAT the Directors namely Mr. Dilip D. Dandekar, Chairman & Executive Director Mr. Shriram S. Dandekar, Vice Chairman & Executive Director, Mr. Ravindra V. Damle, Vice President (Corporate) & Company Secretary be and are hereby severally authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution to remove any difficulty in implementation of this resolution and to accept any modification/conditions that may

be prescribed by the Central Government while according its approval if any."

6. To consider and if thought fit, to give assent or dissent to the following resolution, as a Special Resolution:

"RESOLVED THAT in supersession of the Ordinary resolution passed by the members of the Company at their 63rd Annual General Meeting held on 29th June, 2010 and pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force) (hereinafter referred to as "the Companies Act") and subject to the approval of Central Government, as may be required, the approval of the Company be and is hereby accorded to the appointment of Mr. Shriram S. Dandekar, as a Director in the whole time employment of the Company and designated as "Vice Chairman and Executive Director" (not liable to retire by rotation) for a period of 3 (three) years with effect from 1st February, 2013 on a monthly salary of Rs. 4,60,000/- plus perquisites and other allowances, benefits and commission, (collectively called "Total Remuneration") payable on the terms and conditions as set out in the Explanatory Statement annexed hereto and also in the Agreement executed between the Company and Mr. Shriram S. Dandekar, with liberty to the Board of Directors, to alter and/or vary the terms and conditions of the said appointment and/or Agreement in such manner, as may be agreed to between the Board of Directors and Mr. Shriram S. Dandekar.

RESOLVED FURTHER THAT consent of the Company, be and is hereby accorded, that in the event of inadequacy or absence of profits in any financial year of the Company during the term of Mr. Shriram S. Dandekar, as Vice Chairman and Executive Director, the minimum remuneration payable to him shall be the total remuneration payable to him as set out in the preceding part of the resolution (hereinafter referred to as the 'Minimum Remuneration') subject to the provisions of section 198 (4) of the Companies Act and subject to the compliances required under Schedule XIII of the Companies Act, (including such approval as may be required from the Central Government) and in addition thereto he shall also be eligible to the Perquisites provided in Section II of Part II of Schedule XIII as may be amended from time to time.

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

difficulty in implementation of this resolution and to accept any modifications/conditions that may be prescribed by the Central Government while according its approval if any."

By the Order of the Board
For **KOKUYO CAMLIN LIMITED**
RAVINDRA. V. DAMLE
Vice President (Corporate)
& Company Secretary

Place : Mumbai
Date : 01.02.2013

Notes :

1. The related explanatory statement pursuant to Section 173(2) read with Section 192A of the Companies Act, 1956 setting out the material facts is annexed hereto.
2. In terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, the items of business as set out in the Notice hereinabove are sought to be passed by way of Postal Ballot. The Postal Ballot form and a self addressed business reply envelope is enclosed for use of Members.
3. The Company has appointed Mr. J. H. Ranade of M/s. J. H. Ranade & Associates, Practicing Company Secretary, as Scrutinizer to receive and scrutinize the completed Postal Ballot received from the Members and for conducting the Postal Ballot process in a fair and transparent manner.
4. The Scrutinizer will submit his report to the Chairman and Executive Director after completion of the Scrutiny and the results of the Postal Ballot will be announced at 5.00 p.m. on 28th March, 2013 at the Registered Office of the Company situated at 48/2, Hilton House, Central Road, MIDC, Andheri (East), Mumbai-400 093. The results of the Postal Ballot will also be noted at the next Annual General Meeting of the Company.
5. The proposed resolutions as set out hereinabove, being special resolutions shall be declared as passed if the votes casted in favour are three times or more in number of the votes casted against the said resolutions.
6. Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the attached self-addressed, postage prepaid envelope, so as to reach the Scrutinizer before the closing of working hours 5.00 p.m. on or before, 22nd March, 2013. No other form or photocopy of the enclosed Postal Ballot Form is permitted any other form of photocopy will not be considered by the Scrutinizer as valid.

**EXPLANATORY STATEMENT PURSUANT TO SECTIONS
173(2) AND 192A(2) OF THE COMPANIES ACT, 1956.**

ITEM NO. 1:

1. Amendments to the Articles of Association pursuant to the amendments to the Joint Venture Agreement entered into between the Company, the Promoters and Kokuyo S & T Co., Ltd., Japan

At the Extraordinary General Meeting held on 29th June, 2011, the Members had approved the Restated Articles of Association to incorporate the provisions of the Joint Venture Agreement (JVA) dated May 30, 2011 entered into between the Company, the Promoters and Kokuyo S & T Co., Ltd. Japan. Pursuant to amendments to the JVA under the terms of the Amendment Agreement dated September 21, 2011 and Supplemental Agreement dated August 14, 2012 and February 1, 2013 approved by the Board, it is proposed that these amendments be incorporated in the existing Articles of Association. For this purpose, the resolution as set forth herein above are proposed to be passed by the Members.

The amendments made to the JVA under the terms of the Supplemental Agreement relate to the provisions of Promoters thresholds and related rights. Accordingly, the amendments to the relevant provisions of the existing Articles of Association are proposed to be incorporated as provided under items 1(a) to (f) hereinabove.

The amendments made to the JVA under the terms of the Amendment Agreement relate to the schedule of the JVA, which sets forth the categories of the shareholders namely, the 'Selling Promoters', 'Non Selling Promoters' and 'Exiting Promoters'. These categories have been incorporated in Annexure 1 of the existing Articles of Association. Pursuant to transfer and non transfer of shares held by these shareholders, amendments have been carried out in the JVA in order to reflect the correct category of the shareholders. Accordingly, corresponding changes are proposed to be made to Annexure 1 of the existing Articles of Association as provided under item 1(g)(i) to (iii). Additionally, for the sake of clarity, under the term of the Amendment Agreement, the JVA was amended to reflect Deepak Madhav Dandekar (HUF) as a shareholder separate from the individual namely Mr. Deepak Madhav Dandekar. So far, the shareholding of Deepak Madhav Dandekar (HUF) was included in the individual shareholding of Mr. Deepak Madhav Dandekar. Accordingly, Deepak Madhav Dandekar (HUF) is now proposed to be added as a 'Exiting Promoter' under Part C of the aforesaid Annexure 1 as provided under item 1(g)(iv) hereinabove.

2. Other Amendments to the Articles of Association

(a) Amendment to Article 129(c)

Article 129(c) provides for Mr. Dilip D. Dandekar to continue as the Chairman and Managing Director until the time the new Managing Director is appointed in accordance with Article 160(b) and Mr. Dilip D. Dandekar's reappointment as the Chairman has been also made subject to the aforesaid condition.

However, it is proposed that Mr. Dilip D. Dandekar (the current Chairman and Managing Director of the Company) is reappointed as the Chairman upon appointment of a Chief Executive Officer, who will be entrusted with the role and responsibilities of a manager.

In order to provide for such eventuality, it is proposed that Article 129(c) of the Articles of Association be amended to provide for continuation of Mr. Dilip D. Dandekar as the Chairman and Executive Director on appointment of a Chief Executive Officer (who is on the Board)/Managing Director in accordance with Article 160 or appointment of a Chief Executive Officer (who is a Manager).

(b) Amendment to the Article 131

Article 131 provides the composition of the Board in accordance with the requirements under the equity listing agreements entered into by the Company with the Bombay Stock Exchange and the National Stock Exchange. Article 131 envisage a situation where a Kokuyo Director or a Promoter Director is the Chief Executive Director (i.e. Chief Executive Officer who is Director on the Board)/Managing Director, then in order to comply with the requirements of clause 49 of the listing agreements, the Board shall consist of 6 (six) Independent Directors. However, the language used in the first paragraph of Article 131 is causing an ambiguity so as to include the said Kokuyo Director/Promoter Director who is appointed as the Managing Director to be part of the Independent Directors. Accordingly, the amendment to the first paragraph of Article 131 is proposed to remove the aforesaid ambiguity.

A copy of Memorandum and Articles of Association of the Company incorporating the aforesaid proposed amendments will be available for inspection of the Members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day of the Company upto the last date for receipt of Postal Ballot Forms.

No Directors other than Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar, are concerned or interested in the resolution.

The Board recommends this Special Resolution for the approval of the members.

ITEM NO. 2:

Section 314(1) of the Companies Act, 1956, inter-alia provides that except with the consent of the company by a special resolution, no relative of a Director shall hold office or place of profit carrying a total monthly remuneration of such sum as may be prescribed. The present sum which has been prescribed, with effect from 7th July, 2011, is Rs 50,000/- The sum that was prescribed prior to 7th July, 2011 was Rs. 10,000/-.

The proviso to Sub-Section(1) of Section 314 of the Companies Act, 1956 (the Act) provides that it shall be sufficient if the special resolution according the consent of the company is passed at the general meeting of the company held for the first time after the holding of such office or place of profit.

Consent was accordingly accorded by the members at an Extra Ordinary General meeting held on 29th June, 2011, Mr. Rahul D. Dandekar holding an office or place of profit, as Asst. Product Manager (Scholastic Colours) with effect from 1st June, 2011 on basic salary of Rs. 16,100/- per month plus perquisites, allowances and benefits and increased remuneration in a form of annual increment and or allowances/ perquisites subject to an overall ceiling of Rs. 10,000/- per month.

Mr. Rahul D. Dandekar is B.A. in Economics (State University of New York) and M.Sc – Applied Economics from University of Nottingham has been actively involved in Sales and Marketing of colours products.

In the acknowledgement of the role played by Mr. Rahul D. Dandekar, in promoting the School Activity and Business Development, the Remuneration and Compensation Committee had recommended to the Board to promote him as Manager – Sales Marketing (Colours) and revise remuneration payable to him commensurately, with effect from 1st April, 2012.

At the Board Meeting of the Company held on 26th July, 2012, the Board accepted the recommendation and revised his remuneration, effective from 1st April, 2012, as under:

Total Remuneration constituting Basic salary of Rs. 33,000/- per month and in addition the following benefits, allowances and perquisites.

- a. House Rent Allowance of Rs. 6,000/- per month.
- b. Additional House Rent Allowance of Rs. 24,055/- per month.
- c. Educational Allowance of Rs. 2,000/- per month.
- d. Medical Reimbursement of Rs. 2,750/- per month.
- e. Gas, Electricity and Water Rs. 2,750/- per month.
- f. Books and Periodicals of Rs. 2,500/- per month.
- g. Soft furnishing allowance of Rs. 2,500/- per month.

- h. Leave Travel Concession for self and family, once a year, to and from any place in India, subject to a ceiling of Rs. 12,000/- per annum.
- i. Reimbursement of Telephone expenses of Rs. 500/- per month.
- j. Gratuity payable in accordance with an approval of fund and which does not exceed fifteen days salary for each completed year of service.
- k. Company's contribution to Provident Fund, subject to the 12% of salary or at any other rate as may be notified by the concerned authorities from time to time.
- l. Leave holidays and payment of ex-gratia, incentives shall also be applicable to him, in accordance with the Rules of the Company in force from time to time.

Subject to an overall ceiling of Rs. 30,000/- per month, he would be eligible to annual increments in the Total Remuneration, which may be payable to other employees in his grade from time to time on account of pay-revision and as may be applicable to higher grade(s) to which he may be promoted, in accordance with the general policy of the Company.

Explanation to the above sub-section, inter alia provides that a special resolution according the consent shall be necessary for every appointment in the first instance to an office or place of profit and to every subsequent appointment to such office or place of profit on a higher remuneration not covered by the special resolution, except where an appointment on a time scale has already been approved by the special resolution.

As permitted by 192A(2) of the Act, opportunity is being taken for seeking this consent for Mr. Rahul D. Dandekar continuing to hold office or place of profit in his new promoted position and for the increased remuneration, as also for, for future increases as set out above, by this Postal Ballot, without waiting for the next general meeting.

None of the Directors, other than Mr. Dilip D. Dandekar, is concerned or interested in the resolution.

The Board recommends this Special Resolution for the approval of the members.

ITEM NO. 3:

Section 314(1) of the Companies Act, 1956, inter-alia provides that except with the consent of the Company by a special resolution, no relative of a Director shall hold office or place of profit carrying a total monthly remuneration of such sum as may be prescribed. The present sum which has been prescribed with effect from 7th July, 2011 is Rs. 50,000/- The sum that was prescribed prior to 7th July, 2011 was Rs. 10,000/-.

The proviso to Sub-Section(1) of Section 314 of the Companies Act, 1956 (the Act) provides that it shall be

sufficient if the special resolution according the consent of the company is passed at the general meeting of the company held for the first time after the holding of such office or place of profit.

Consent was accordingly accorded by the members at an Extra Ordinary General meeting held on 29th June, 2011, to Mr. Nikhil S. Dandekar, holding an office or place of profit as a Management Trainee with effect from 13th June, 2011 on consolidated salary of Rs. 25,000/- per month.

Mr. Nikhil S. Dandekar is B. Pharm from Institute of Chemical Technology – UICT (Formerly UDCT, Mumbai). He has over 1 year working experience as Trainee Chemical Scientist in Reputed Pharmaceutical Company. He has been actively involved in understanding and documenting business practices.

In the acknowledgement of the role played by Mr. Nikhil S. Dandekar, in Business Planning, the Remuneration and Compensation Committee has recommended to the Board to promote and confirm him as Asst. Manager – Strategic, Planning & Project and revise remuneration payable to him commensurately, with effect from 1st July, 2012.

At the Board Meeting of the Company held on 26th July, 2012, the Board accepted the recommendation and revised his remuneration, effective from 1st July, 2012, as under:

Total Remuneration constituting Basic salary of Rs. 13,800/- per month and in addition the following benefits, allowances and perquisites.

- a. House Rent Allowance of Rs. 3,000/- per month.
- b. Additional House Rent Allowance of Rs. 11,930/- per month.
- c. Educational Allowance of Rs. 200/- per month.
- d. Medical Reimbursement of Rs. 1,000/- per month.
- e. Leave Travel Concession for self and family, once a year, to and from any place in India, subject to a ceiling of Rs. 6,000/- per annum.
- f. Food Coupon of Rs. 1,100/- per month.
- g. Gratuity payable in accordance with an approval of fund and which does not exceed fifteen days salary for each completed year of service.
- h. Company's contribution to Provident Fund, subject to the 12% of salary or at any other rate as may be notified by the concerned authorities from time to time.
- i. Leave holidays and payment of ex-gratia, incentives shall also be applicable to him in accordance with the Rules of the Company in force from time to time.

Subject to an overall ceiling of Rs. 20,000/- per month, he would be eligible to annual increments in the

Total Remuneration which may be payable to other employees in his grade from time to time on account of pay-revision and as may be applicable to higher grade(s) to which he may be promoted, in accordance with the general policy of the Company.

Explanation to the above sub-section inter alia provides that a special resolution according the consent shall be necessary for every appointment in the first instance to an office or place of profit and to every subsequent appointment to such office or place of profit on a higher remuneration not covered by the special resolution, except where an appointment on a time scale has already been approved by the special resolution.

As permitted by 192A(2) of the Act, opportunity is being taken for seeking this consent for Mr. Nikhil S. Dandekar continuing to hold office or place of profit in his new promoted position and for the increased remuneration, as also for, future increases as set out above, by this Postal Ballot, without waiting for the next general meeting.

None of the Directors, other than Mr. Shriram S. Dandekar, is concerned or interested in the resolution.

The Board recommends this Special Resolution for the approval of the members.

ITEM NO. 4:

The Board of Directors at its meeting held on 1st February, 2013 appointed Mr. Ayyadurai Srikanth as Manager and designated as the Chief Executive Officer (CEO) of the Company for a period of 3 (three) years with effect from 1st February, 2013. The said appointment was also approved by the Remuneration & Compensation Committee in its meeting held on 1st February, 2013.

Under the terms of the agreement signed between the Company and Mr. Ayyadurai Srikanth, Mr. Ayyadurai Srikanth is entitled to remuneration comprising of followings:-

1. Salary:

Monthly salary of Rs. 1,67,000/- with an annual increment of 10% effective from 1st April, 2014.

2. House Rent Allowance/Additional House Rent Allowance:

House Rent Allowances including Additional House Rent Allowances of Rs. 1,49,000/- per month.

Such House Rent Allowance/Additional House Rent Allowance shall be annually increased by 10% effective from 1st April, 2014.

3. Perquisites and other Allowances:

In addition to the salary, house rent allowance/ additional house rent allowance payable, he shall be entitled to perquisites and other allowances not exceeding Rs. 11,00,000/- per annum such as gas, electricity, water, furnishings and repairs,

medical reimbursement, leave travel concession, meal voucher, for himself and his family, club fees, provision of car with driver, telephone/fax facilities and benefit of personal accident insurance scheme and such other perquisites and allowances in accordance with the policies and or rules and regulations of the Company or as may be agreed to by the Board of Directors/ Remuneration and Compensation Committee and Mr. Ayyadurai Srikanth.

Such Perquisites and Other Allowances shall be annually increased by 10% effective from 1st April, 2014.

Perquisites and other allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, they shall be evaluated at actual cost.

4. Performance Linked Remuneration:

In addition to the salary, house rent allowance/ additional house rent allowances and perquisites and other allowances, he shall be entitled to performance linked remuneration upto Rs. 20,00,000/- per annum after taking into account his performance and of the Company at the discretion of the Remuneration & Compensation Committee/ Board of Directors.

Such Performance Linked Remuneration shall be annually increased by 10% effective from 1st April, 2014.

5. Provident Fund, and Gratuity Fund:

In addition to salary, house rent/additional house rent allowances and perquisites and other allowances, performance linked remuneration, he shall be entitled to Company's contribution to Provident Fund and Family Pension Scheme as per the rules of the Company.

Gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

6. Total Remuneration:

The aggregate of the remuneration including contribution towards Provident Fund, Family Pension Scheme, and Gratuity Fund, payable to him taken together shall be calculated and paid in accordance with the provisions of Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII thereof.

7. Minimum Remuneration:

In the event of inadequacy or absence of profits in any financial year of the Company during the term of his appointment, the minimum remuneration payable to Mr. Ayyadurai Srikanth shall be by way of salary, house rent allowance, additional house

rent allowance, perquisite and other allowances, performance linked remuneration and benefits as set above, subject to the provisions of Section 198(4) of the Companies Act, 1956 and subject to the compliances required under Schedule XIII including such approval as may be required from the Central Government and in addition thereto he shall also be respectively eligible to the Perquisites provided in para 2 of Section II of Part II of Schedule XIII as may be amended from time to time.

Since the Company anticipates inadequate/absence of profit for the financial year ending 31st March, 2013, the payment of the above mentioned remuneration payable to Mr. Ayyadurai Srikanth may require an approval to be sought from Central Government under Schedule XIII read with the provision of Companies Act, 1956. Accordingly the statement as required under the provisions of Schedule XIII of the Companies Act, 1956 with reference to Special resolution at Item No. 4 is annexed hereto as **Annexure A**.

ITEM NOS. 5 AND 6:

At the 63rd Annual General Meeting held on 29th June, 2010, the members had approved, the appointment of Mr. Dilip D. Dandekar, Chairman & Managing Director and Mr. Shriram S. Dandekar, Executive Director for the period of 3 (three) years with effect from 1st April, 2010 by passing an Ordinary resolution. Subsequently in the meeting of Board of Directors held on 19th October, 2011, Mr. Shriram S. Dandekar was re-designated as Jt. Managing Director and the said change in designation was informed to the members pursuant to section 302 of the Companies Act, 1956.

Thereafter, at the 64th Annual General Meeting held on 7th July, 2011, the members had also approved the payment of minimum remuneration paid/payable to Mr. Dilip D. Dandekar, Chairman & Managing Director and Mr. Shriram S. Dandekar, Executive Directors for the period of 3 (three) years commencing from 1st April, 2010.

In view of appointment of Mr. Ayyadurai Srikanth as a Manager designated as Chief Executive Officer with effect from 1st February, 2013 and subsequent restructuring of the Board involving re-designation of Mr. Dilip D. Dandekar as Chairman and Executive Director and Mr. Shriram S. Dandekar as Vice Chairman and Executive Director, the Board has approved their appointment and remuneration after considering the new structure subject to the approval of the members and Central Government. This appointment and revised remuneration of the Whole time Directors with effect from 1st February, 2013 was approved by the Remuneration and Compensation Committee and Board of Directors at their meeting held on 1st February, 2013.

The terms of the agreements signed between the Company with the so appointed Wholetime Directors namely, Mr. Dilip D. Dandekar and Mr. Shriram S.

Dandekar entitle them to the remuneration comprising of the following:

1. Monthly Salary:

Sr. No.	Name & Designation of the Wholetime Directors	Salary per Month (Rs.)
1.	Mr. Dilip D. Dandekar Chairman & Executive Director	5,45,000/-
2.	Mr. Shriram S. Dandekar Vice Chairman & Executive Director	4,60,000/-

The abovementioned monthly salary shall be annually increased by 10% effective from 1st April, 2014.

2. Perquisites and other Allowances:

Sr. No.	Name & Designation of the Wholetime Directors	Perquisites and other Allowances per Annum (Rs.)
1.	Mr. Dilip D. Dandekar Chairman & Executive Director	25,00,000/-
2.	Mr. Shriram S. Dandekar Vice Chairman & Executive Director	21,00,000/-

Perquisites and other allowances such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession, meal voucher for themselves and their families, club fees, provision of car with driver, telephone/fax facilities and benefit of personal accident insurance scheme and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors/ Remuneration and Compensation Committee and the Wholetime Directors.

Such perquisites and other allowances shall be annually increased by 10% effective from 1st April, 2014.

Perquisites and other allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, they shall be evaluated at actual cost.

3. Commission:

Commission calculated with reference to the net profits of the Company for a particular financial year, subject to the overall ceilings laid down under the provisions of Sections 198 and 309 of the Companies Act, 1956.

The Board of Directors shall in its absolute discretion determine the commission so payable to each of the Wholetime Directors, which shall not exceed 1% of the net profits of the Company.

4. Provident Fund, Superannuation and Gratuity Fund:

In addition to salary and Perquisites and other allowances they shall be entitled to Company's contribution to Provident Fund, Family Pension Scheme and Superannuation Fund as per the rules of the Company.

Gratuity payable as per the rules of the Company and encashment of leave at the end of their tenures shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

5. Total Remuneration:

The aggregate of the remuneration including contribution towards Provident Fund, Family Pension Scheme, Superannuation Fund and Gratuity Fund, payable to each of the Wholetime Directors of the Company taken together shall be calculated and paid in accordance with the provisions of Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII thereof.

6. Minimum Remuneration:

In the event of inadequacy or absence of profits in any financial year of the Company during the term of the Wholetime Directors, the minimum remuneration payable respectively to each of them shall be by way of Salary, Perquisites and Other Allowances as set above subject to the provisions of Section 198(4) of the Companies Act, 1956 and subject to the compliances required under Schedule XIII of the Companies Act, 1956 including such approval as may be required from the Central Government and in addition thereto they shall also be respectively eligible to the Perquisites provided in para 2 of Section II of Part II of Schedule XIII as may be amended from time to time.

Since the Company anticipates inadequate/ absence of profits for the financial year ending 31st March, 2013, the payment of above mentioned remuneration payable to Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar may require on approval to be sought from the Central Government under Schedule XIII read with the provisions of Companies Act, 1956. Accordingly, the statement as required under the provisions of Schedule XIII of the Companies Act, 1956 with reference to Special resolutions at Item Nos. 5 and 6 are annexed hereto as **Annexure-A**.

Annexure A

The information relevant to the appointment of Mr. Ayyadurai Srikanth as 'Manager' designated as 'Chief Executive Officer' and appointment of Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar as Wholetime Directors as required forming part of the explanatory statement as required as per Schedule XIII of the Companies Act, 1956.

I) General Information:

a) Nature of Industry:

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

b) Date of commencement of commercial production:

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

c) Financial Performance based on given indicators:

(Rs. in Lacs)

Sr. No.	Particulars	2011-2012	2010-2011
1.	Total Income (Including net sales and non recurring items)	38458.47	35833.78
2.	Profit before tax & exceptional item	103.70	1312.38
3.	Profit after tax	133.81	858.68
4.	Dividend	—	25%

d) Export Performance and Foreign Exchange earned for the financial year ended 31st March, 2012:

During the year, the Company's exports amounted to Rs. 911.18 lacs as compared to Rs. 1025.99 lacs in the previous year.

e) Foreign Investments or Collaborations, if any.

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

II) Information about Mr. Ayyadurai Srikanth

a) Background Details:

Mr. Ayyadurai Srikanth, aged 45 years, is B.Tech (Textile Technology) from Indian Institute of technology, Delhi and also completed PGDM from Indian Institute of Management, Ahmedabad. He has held the office of President – Sales and Marketing of the Company since December 2010.

b) Past Remuneration:

During the period commencing from 1st April, 2012 till 31st January, 2013, Mr. Ayyadurai Srikanth was paid remuneration of Rs. 34.97 lacs.

c) Job Profile and his suitability:

Mr. Ayyadurai Srikanth has 21 years experience in Sales & Marketing, Strategic Management, Business Development and Channel Management/Distribution. Mr. Ayyadurai Srikanth's experience has been instrumental in growth of the Company.

d) Remuneration Proposed:

As stated in the Explanatory Statement at Item No. 4

e) 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. Ayyadurai Srikanth,

the responsibilities required to be shouldered by him and the industry benchmarks, the remuneration proposed to be paid to Mr. Ayyadurai Srikanth is similar to that drawn by his peers and commensurate with the size of the Company and the nature of its business.

f) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the contract of employment with the Company proposed, Mr. Ayyadurai Srikanth does not have any other pecuniary relationship with the Company and its managerial personnel. He does not hold any equity shares of the Company.

III) Information about the Wholetime Directors:

a) Background Details:

Mr. Dilip D. Dandekar (61) G.C.D., is one of the promoter of the Company. He joined the Company as Management Trainee. He was later appointed as Wholetime Director in the year 1979. From 1st June, 2002 he has been the Chairman & Managing Director of the Company. The Board of Director in its meeting held on 1st February, 2013 has re-designated Mr. Dilip D. Dandekar as 'Chairman & Executive Director'.

Mr. Shriram S. Dandekar (52) M.Sc, M.B.A., is one of the promoter of the Company. He joined the Company as Management Trainee. He was later appointed as Executive Director on 1st January, 1993 and from 19th October, 2011, he was designated as Jt. Managing Director the Company. The Board of Director in its meeting held on 1st February, 2013 has re-designated Mr. Shriram S. Dandekar as 'Vice Chairman & Executive Director'.

b) Past Remuneration:

(Rs. in Lacs)

Sr. No.	Name of the Wholetime Directors	1 st April 2012 to 31 st January, 2013	For the year ended 31 st March, 2012
1.	Mr. Dilip D. Dandekar Chairman and Executive Director	68.50	68.87
2.	Mr. Shriram S. Dandekar Vice Chairman and Executive Director	60.69	56.15

c) Job Profile and his suitability:

Mr. Dilip D. Dandekar has wide experience of 43 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 growth of the Company.

Mr. Shriram S. Dandekar has wide experience of 30 years in the field of Research and Development, Product Development, Business Planning and Marketing. With his long standing experience and knowledge he has successfully and in a sustained way contributed towards growth of the Company.

Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar are part of the Senior Management. Considering their vast experience in relevant fields, the Wholetime Directors are best suited for the responsibilities assigned to them by the Board of Directors.

d) Remuneration Proposed:

As stated in the Explanatory Statement at Item Nos. 5 & 6.

e) 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 the Wholetime Directors, the responsibilities shouldered by them and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level Directors in other Companies.

f) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the contract of employment proposed, Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar do not have any other pecuniary relationship with the Company and its managerial personnel.

Mr. Dilip D. Dandekar:

Name of the Company	Position
Camlin Fine Science Limited	Director Member – Shareholders Grievance committee
Camlin Alphakids Limited	Director
Triveni Pencils Limited	Director
Nilmac Packaging Industries Limited	Director
Camart Industries Limited	Director
Camlin International Limited	Director
CAFCO Consultants Limited	Director
Chemolution Chemicals Limited	Director

Mr. Shriram S. Dandekar:

Name of the Company	Position
Camlin International Limited	Director

Mr. Dilip D. Dandekar holds 1343870 Equity shares and Mr. Shriram S. Dandekar holds 894200 Equity shares of the Company.

IV) Other Information:

a) Reasons for loss or inadequate profits:

Inspite of growth in sales volume, the Company could not post adequate profits due to increased manpower cost, input costs, Sales and Marketing spends and other operative expenses some of which the Company had strategically planned looking into future long term benefits.

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

The Company has planned to increase its sales force improve its supply chain management and sizable investment in quality control and R&D. For improving overall profitability, Company has already initiated measures like introduction of new products with higher value addition, control over the overheads, and increase in capacities, aggressive advertising and marketing of products to reposition the brands. Such steps when adopted will enable the Company to move towards growth path.

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

The Company has taken several steps to further improve overall efficiency and profitability. The Company intends to replicate stringent Quality Control process practised by KOKUYO in other factories across the globe. It is strengthening its direct sales team in order to have expanded retail presence by way of increase in retail reach. The Company is also strengthening its supply chain and fulfilment process by creating warehouses and hubs which will enable effective movement and management of finished goods which will reduce stock outs. All these measures will put the Company back on the course of profitability and growth trajectory.

V) Disclosures:

The aforementioned agreement(s) entered into between the Company and Mr. Ayyadurai Srikanth, Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar respectively, which set out the terms and conditions of their appointments, are available for inspection of the members of the Company at its Registered Office situated at 48/2, Hilton House Central Road,

MIDC, Andheri (East), Mumbai-400 093 between 11.00 a.m. and 1.00 p.m. on any working day of the Company upto the last date for receipt of Postal Ballot Forms.

Memorandum off Interest:

Mr. Ayyadurai Srikanth may be deemed to be concerned or interested in the resolution. None of the directors of the Company is in any way, concerned or interested in the said resolution.

Each of the Wholetime Directors, i.e., Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar except in respect of resolution for their respective appointment are not concerned or interested in the other resolutions.

The Board recommends the above Special Resolutions for your approval.

The above should also be considered as an abstract of the terms of appointment of Mr. Dilip D. Dandekar and Mr. Shriram S. Dandekar as wholetime Directors and Mr. Ayyadurai Srikanth as 'Manager' designated as 'Chief Executive Officer' of the Company and also be considered as a Memorandum as to the nature of concern or interest of the Directors in the said appointments, as required under Section 302 of the Companies Act, 1956.

By the Order of the Board
For **KOKUYO CAMLIN LIMITED**

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

Place : Mumbai
Date : 01.02.2013