Kokuyo Camlin Limited

CIN: L24223MH1946PLC005434

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Notice

NOTICE is hereby given that the 67th Annual General Meeting of the Members of KOKUYO CAMLIN LIMITED, will be held on Thursday the 17th July, 2014 at 11.30 a.m. at Textile Committee Building Auditorium, 1st Floor, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March 2014 and the Balance Sheet as at that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Takeo Iguchi** (DIN 03599826), who retires by rotation and being eligible offers himself for re-appointment.
3. "**RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommandations of the Audit Committee, M/s. B. K. Khare & Co., Chartered Accountants (Firm Registration No. 105102W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Ramanathan Sriram (DIN 00065069), Director of the Company who retires by rotation at this Annual General Meeting and who, pursuant to the provisions of the Act, (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the provisions of the Act, is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019."

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Shishir B. Desai (DIN 01453410), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who, pursuant to the provisions of the Act, (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Act, is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019."

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Hisamaro Garugu (DIN 00579089), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who, pursuant to the provisions of the Act, (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Act, is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Devendra Kumar Arora (DIN 05160734) Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who, pursuant to the provisions of the Act, (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Act, is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the Office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152,160, 161 and any other applicable provisions of the Companies Act, 2013 ("Act") and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Venkataraman Sriram (DIN 06790179), who was appointed by the Board of Directors as a Director with effect from 31st January, 2014 in the casual vacancy caused by the resignation of Mr. Ravindra Chandra Bhargava (DIN 00007620) and who holds office upto the date of this Annual General Meeting of the Company and who, pursuant to the provisions of the Act, (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Act, is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from members proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director to hold office for the five (5) consecutive years for a term upto 31st March, 2019."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160, 161 and any other applicable provisions of the Companies Act, 2013 ("Act") and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Noriyuki Watanabe (DIN 06391818), who was appointed by the Board of Directors as a Director with effect from 17th October, 2012 in casual vacancy caused by the resignation of Mr. Hiroaki Takayama (DIN 02917548) and who holds office upto the date of this Annual General Meeting of the Company and who, pursuant to the provisions of the Act, (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Act, is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from members proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director to hold office for the five (5) consecutive years for a term upto 31st March, 2019."

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

"**RESOLVED THAT** Mr. Yasushi Inoue (DIN 06838399), who was appointed by the Board of Directors as a Director of the Company with effect from 20th March, 2014 in casual vacancy caused by the resignation of Mr. Hirofumi Iwatsu (DIN 03602291) and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company, whose term of office shall be liable to retirement by rotation."

11. 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 Section 14 and all other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) and re-enactment thereof for time being in force) the existing Articles of Association of the Company be altered in the manner as set out herein below:

128(d) – deletion of the word "2 (two) Kokuyo Directors shall be appointed as Permanent Members of the Board and shall not be liable to retire by rotation."

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

"**RESOLVED THAT** in pursuant to the Article No. 128(d) of Articles of Association of the Company, Mr. Takuya Morikawa (DIN 03599830) appointed as a Director of the Company on 19th October, 2011 whose term of office was not liable to retire by rotation be and is hereby appointed as a Director whose term of office shall be liable to retire by rotation."

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

"**RESOLVED THAT** in pursuant to the Article No. 128(d) of Articles of Association of the Company, Mr. Nobuchika Doi (DIN 03599835) appointed as a Director of the Company on 19th October, 2011 whose term of office was not liable to retire by rotation be and is hereby appointed as a Director whose term of office shall be liable to retire by rotation."

14. 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 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) (hereinafter referred to as "Act") and subject to approval of the Central Government, if required, the approval of the Company be and is hereby accorded to the appointment of Mr. Nobuchika Doi (DIN 03599835) as a Director in the whole-time employment of the Company and designated as "Executive Director" (whose term of office shall be liable to retirement by rotation) for a period of 3 (three) years with effect from 1st November, 2014 or from the effective date of permission under an employment visa/work permit obtained from Indian Authorities whichever is later (the said date) and he shall be entitled to receive a monthly salary of ₹ 3,12,440/- plus special allowances, rent free furnished accommodation, perquisites and other allowances and benefits (collectively called "Total Remuneration") payable on the terms and conditions as set out in the explanatory statement annexed hereto and also in the Agreement to be executed between the Company and Mr. Nobuchika Doi, copy whereof has been initialed by the Chairman for the sake of identification is placed before the meeting, 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. Nobuchika Doi.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year of the Company during the term of Mr. Nobuchika Doi, the remuneration mentioned in the preceding part of the resolution and the said agreement shall be paid to Mr. Nobuchika Doi, as minimum remuneration and the same shall be subject to the limits as set out in Section II and Section IV of Part II of Schedule V of the Act.

RESOLVED FURTHER THAT so long as Mr. Nobuchika Doi functions as Whole-time Director of the Company, he shall not be paid any sitting fees for attending meeting of the Board of Directors and Committee thereof.

RESOLVED LASTLY THAT any one of the Directors of the Company namely Mr. Dilip D. Dandekar, Chairman & Executive Director, Mr. Shriram S. Dandekar, Vice Chairman & Executive Director, Mr. Ravindra V. Damle, Vice President (Corporate) and 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 accept any modifications/ conditions that may be prescribed by the Central Government while according its approval if any."

15. 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 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) (hereinafter referred to as "Act") and subject to approval of the Central Government, if required, the approval of the Company be and is hereby accorded to the appointment of Mr. Takeo Iguchi (DIN 03599826) as a Director in the whole-time employment of the Company and designated as "Executive Director" (whose term of office shall be liable to retirement by rotation) for a period of 3 (three) years with effect from 1st November, 2014 or from the effective date of permission under an employment visa/work permit obtained from Indian Authorities whichever is later (the said date) and he shall be entitled to receive a monthly salary of ₹ 3,12,440/- plus special allowances, rent free furnished accommodation, perquisites and other allowances and benefits (collectively called "Total Remuneration") payable on the terms and conditions as set out in the explanatory statement annexed hereto and also in the Agreement to be executed between the Company and Mr. Takeo Iguchi, copy whereof has been initialed by the Chairman for the sake of identification is placed before the meeting, 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. Takeo Iguchi.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year of the Company during the term of Mr. Takeo Iguchi, the remuneration mentioned in the preceding part of the resolution and the said agreement shall be paid to Mr. Takeo Iguchi, as minimum remuneration and the same shall be subject to the limits as set out in section II and section IV of Part II of Schedule V of the Act.

RESOLVED FURTHER THAT so long as Mr. Takeo Iguchi functions as Whole-time Director of the Company, he shall not be paid any sitting fees for attending meeting of the Board of Directors and Committee thereof.

RESOLVED LASTLY THAT any one of the Directors of the Company namely Mr. Dilip D. Dandekar, Chairman & Executive Director, Mr. Shriram S. Dandekar, Vice Chairman & Executive Director, Mr. Ravindra V. Damle, Vice President (Corporate) and 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 accept any modifications/ conditions that may be prescribed by the Central Government while according its approval if any."

16. 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 Section 188 of the Companies Act, 2013 (hereinafter referred to as "the Act"), and other applicable provisions, if any, of the Act, and such other approvals, sanctions, consents and permissions as may be deemed necessary and pursuant to the prior approval given by the Board of Directors at its meeting held on 20th March, 2014, for the sale of 1300000 Equity Shares of ₹10/- each and 1000000, 7% Redeemable non-cumulative Preference Shares of ₹10/- each representing 100% of the equity and preference share capital of Alphakids Learning and Activity Centre limited (previously known as Camlin Alphakids Limited), held by the Company to Mrs. Aditi D. Dighe, Mr. Rahul D. Dandekar, Mr. Dilip D. Dandekar, Mrs. Smita D. Dandekar, Ms. Akshada Joshi, Mr. Dhanraj Dighe and DDI Consultants Private Limited (hereinafter collectively referred to as the "Related Parties"), for a cash consideration of ₹50,00,000/- (Rupees Fifty Lacs Only) in accordance with the terms and conditions mutually agreed to between the Company and the said Related Parties and that the Company hereby approves, ratifies and confirms the said sale agreement entered into with the said Related Parties.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof, be and are hereby authorized to execute the documents, deeds or writings required to be executed in relation to the transfer of the said shares and other incidental documents and to do all such acts, deeds and things as may be deemed necessary to give effect to this resolution."

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹1,50,000/- plus service tax as applicable and reimbursement of out of pocket expenses as approved by the Board of Directors of the Company, to be paid to M/s. Vinay Mulay & Co. as Cost Accountants for conducting the audit of the cost records of the Company for the financial year ending 31st March, 2015 be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

18. To consider and if thought fit, to pass with or without modifications, the following resolution, as an Special Resolution:

"**RESOLVED THAT** consent of the Company, be and is hereby accorded in terms of section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013, for mortgaging and/or charging by the Board of Directors of the Company of all immovable and movable properties of the Company or any part thereof in such form and manner as may be stipulated by the Banks/Financial Institutions (hereinafter called the 'Lenders') in consultation with the Company, wheresoever situate present and future and the whole of the undertaking of the Company, and/ or conferring power to enter upon and to take possession of the assets of the Company in certain events to or in favour of them, for securing term loans/borrowings up to ₹150 Crores, which the Lenders may sanction to the Company from time to time, together with interest at an agreed rate, additional interest, liquidated damages, commitment charges, cost, charges, expenses and all other monies payable by the Company to the Lenders in terms of Agreement to be entered into by the Company in respect of the said term loans/borrowings.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to finalise with the Lenders, the documents for creating the aforesaid mortgages and/or charges and to do all such acts and things as may be necessary from time to time, for giving effect to this resolution."

By Order of the Board

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

Place : Mumbai
Dated : 9th May, 2014.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 in respect of the business referred to under Item Nos. 4 to 18 (both numbers inclusive) is annexed hereto.
3. The Register of Members and Share Transfer books will remain closed from 11th July, 2014 to 17th July, 2014.
4. Members holding Shares in physical form are requested to communicate any change in address, immediately to the Company's Registrars and Share Transfer (R&T) Agents, M/s. Sharepro Services (India) Private Limited.
5. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 all dividends which remained unpaid or unclaimed upto the financial year ended 31st March, 1994, have been transferred to the General Revenue Account of the Central Government. Concerned members are requested to claim the amount from the Office of the Registrar of Companies, Maharashtra, C.G.O Complex, 2nd Floor, A Wing, CBD – Belapur, Navi Mumbai-400 614.
6. In compliance with Section 205C of the Companies Act, 1956, unclaimed dividend for the year ended 31st March, 2004, has been transferred to the "Investor Education and Protection Fund" established by the Central Government. Members shall not be able to register their claims in respect of their un-encashed dividend with regard to the above dividend.
7. Members who have not encashed their dividend warrants for the financial year ended 31st March 2007 and thereafter, may immediately approach the R&T Agent and submit their claim for the said dividend. The amount of dividend remaining unclaimed for a period of 7 years shall be transferred to the "Investors Education and Protection Fund" as per provisions of Section 205C of the Companies Act, 1956. It may also be noted that once the unclaimed dividend is transferred to the Fund, as above, no claim shall lie in respect thereof.
8. The Company in compliance with Clause 5 A II of the Listing Agreement has send first reminder to the members in respect of shares which are lying unclaimed with the Company. The same shall be transferred to unclaimed Suspense Account in case no response is received after sending three reminders at the address given and shall be dematerialized.
9. Any Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company atleast seven working days prior to the meeting, so that the required information can be made available at the meeting.
10. The Annual Report 2013-14 of the Company circulated to the Member of the Company, will be made available on the Company's website www.kokuyocamlin.com and also on the website of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com.
11. Members, who hold Shares in dematerialised form, are requested to bring their Client ID and DP. ID. Nos. for easy identification of attendance at the meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the R&T Agent.
13. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rules 20 of Companies (Management and Administration) Rule, 2014, the Company is pleased to provide members facility to exercise their right to vote at 67th Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). The complete details of the Instructions for e-Voting is enclosed with the notice.
14. The Ministry of Corporate Affairs has announced a "Green Initiative in Corporate Governance" thereby allowing paperless compliance through electronic mode. The Company supports this environment friendly initiative of the Government of India and proposes to send notices for General meetings/Annual Reports/Other Shareholder Communication through electronic mode to the e-mail addresses which are registered for this purpose from time to time. Members are requested to take advantage of this initiative and register their e-mail address with the Company.

ANNEXURE FORMING PART OF THE NOTICE EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

SPECIAL BUSINESS:

ITEM NO. 4:

Mr. Ramanathan Sriram is a Non-Executive Independent Director joined the Board of Directors of the Company on the 28th July, 2008. Details regarding the proposed appointment of Mr. Sriram and his brief resume has been given in the Corporate Governance Report for the information of members.

Mr. Sriram retires by rotation at the forthcoming Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Sriram being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five (5) consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Sriram as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Sriram fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. A copy of draft letter for appointment of Mr. Sriram as an Independent Director setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company upto the date of Annual General Meeting.

The Board considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mr. Sriram as an Independent Director.

None of the Directors/Key Managerial personnel (KMP) of the Company and their relatives except the appointee are concerned or interested in the resolution.

The Directors recommend the Ordinary Resolution for your approval.

ITEM NO. 5:

Mr. Shishir B. Desai is a Non-Executive Independent Director joined the Board of Directors of the Company on the 28th July, 2008. Details regarding the proposed appointment of Mr. Desai and his brief resume has been given in the Corporate Governance Report for the information of members.

Mr. Desai is a Director whose period of Office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Desai being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five (5) consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Desai as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Desai fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. A copy of draft letter for appointment of Mr. Desai as an Independent Director setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company upto the date of Annual General Meeting.

The Board considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mr. Desai as an Independent Director.

None of the Directors/Key Managerial personnel (KMP) of the Company and their relatives except the appointee are concerned or interested in the resolution.

The Directors recommend the Ordinary Resolution for your approval.

ITEM NO. 6:

Mr. Hisamaro Garugu is a Non-Executive Independent Director joined the Board of Directors of the Company on the 19th October, 2011. Details regarding the proposed appointment of Mr. Garugu and his brief resume has been given in the Corporate Governance Report for the information of members.

Mr. Garugu is a Director whose period of Office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Garugu being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five (5) consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Garugu as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Garugu fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. A copy of draft letter for appointment of Mr. Garugu as an Independent Director setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company upto the date of Annual General Meeting.

The Board considers that his continued association would be immense benefit to the Company and it is

desirable to continue to avail services of Mr. Garugu as an Independent Director.

None of the Directors/Key Managerial personnel (KMP) of the Company and their relatives except the appointee are concerned or interested in the resolution.

The Directors recommend the Ordinary Resolution for your approval.

ITEM NO. 7:

Mr. Devendra Kumar Arora is a Non-Executive Independent Director joined the Board of Directors of the Company on the 17th January, 2012. Details regarding the proposed appointment of Mr. Arora and his brief resume has been given in the Corporate Governance Report for the information of members.

Mr. Arora is a Director whose period of Office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Arora being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five (5) consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Arora as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Arora fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. A copy of draft letter for appointment of Mr. Arora as an Independent Director setting out the terms and conditions would be available for inspection by the members at the registered office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company upto the date of Annual General Meeting.

The Board considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mr. Arora as an Independent Director.

None of the Directors/Key Managerial personnel (KMP) of the Company and their relatives except the appointee are concerned or interested in the resolution.

The Directors recommend the Ordinary Resolution for your approval.

ITEM NO. 8:

Mr. Venkataraman Sriram is a Non-Executive Independent Director joined the Board of Directors of the Company on the 31st January, 2014 in a casual vacancy caused by resignation of Mr. Ravindra Chandra Bhargava. As per the provisions of Section 161 of the Companies Act, 2013 ("Act"), he holds office only upto the date of forthcoming Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member alongwith a deposit of ₹1,00,000/- proposing the candidature of Mr. V. Sriram for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013 as Director not liable to retire by rotation.

Details regarding the proposed appointment of Mr. V. Sriram and his brief resume has been given in the Corporate Governance Report for the information of members.

Mr. V. Sriram retires by rotation at the forthcoming Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. V. Sriram being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five (5) consecutive years for a term upto 31st March, 2019.

In the opinion of the Board, Mr. V. Sriram fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. A copy of draft letter for appointment of Mr. V. Sriram as an Independent Director setting out the terms and conditions would be available for inspection by the members at the registered office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company upto the date of Annual General Meeting.

The Board considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mr. V. Sriram as an Independent Director.

None of the Directors/Key Managerial personnel (KMP) of the Company and their relatives except the appointee are concerned or interested in the resolution.

The Directors recommend the Ordinary Resolution for your approval.

ITEM NO. 9:

Mr. Noriyuki Watanabe is a Non-Executive Independent Director joined the Board of Directors of the Company on the 17th October, 2012 in a casual vacancy caused by resignation of Mr. Hiroaki Takayama. As per the provision of Section 161 of the Companies Act, 2013 ("Act"), he holds office only upto the date of forthcoming Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member alongwith a deposit of ₹1,00,000/- proposing the candidature of Mr. Noriyuki Watanabe for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013 as Director not liable to retire by rotation.

Details regarding the proposed appointment of Mr. Watanabe and his brief resume has been given in the Corporate Governance Report for the information of members.

Mr. Watanabe retires by rotation at the forthcoming Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Watanabe being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five (5) consecutive years for a term upto 31st March, 2019.

In the opinion of the Board, Mr. Watanabe fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. A copy of draft letter for appointment of Mr. Watanabe as an Independent Director setting out the terms and conditions would be available for inspection by the members at the registered office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company upto the date of Annual General Meeting.

The Board considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mr. Watanabe as an Independent Director.

None of the Directors/Key Managerial personnel (KMP) of the Company and their relatives except the appointee are concerned or interested in the resolution.

The Directors recommend the Ordinary Resolution for your approval.

ITEM NO. 10:

Mr. Yasushi Inoue was appointed as a Director in casual vacancy caused by resignation of Mr. Hirofumi Iwatsu on 20th March, 2014. As per the provisions of Section 161 of the Companies Act, 2013 ("Act"), he holds office only upto the date of forthcoming Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member alongwith a deposit of ₹1,00,000/- proposing the candidature of Mr. Yasushi Inoue for the office of Director, liable to retire by rotation.

The details regarding the proposed appointment of Mr. Inoue as Director and his brief resume has been given in the Corporate Governance report for the information to the members.

None of the Directors/Key Managerial personnel (KMP) of the Company and their relatives except the appointee are concerned or interested in the resolution.

The Directors recommend the Ordinary Resolution for your approval.

ITEM NO. 11:

The Company proposes to amend the existing provision in Article No. 128(d) of Articles of Association of the Company in respect of re-designating two permanent Directors as Directors liable to retire by rotation. The aforesaid amendment is necessary in view of new provisions under the Companies Act, 2013.

A copy of Memorandum and Articles of Association of the Company incorporating the aforesaid proposed amendment will be available for inspection of 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 date of Annual General Meeting.

The Directors recommend the Special Resolution for your approval.

ITEM NO. 12:

Mr. Takuya Morikawa, Non-Executive Director joined the Board of Directors of the Company on 19th October, 2011. In view of new provisions of Companies Act 2013, the Company proposes amendment in Article 128(d), of Article of Association of Company and to appoint Mr. Morikawa as a Director whose term of office being liable to retire by rotation.

Details regarding the proposed appointment of Mr. Morikawa and his brief resume has been given in the Corporate Governance Report for the information of members.

None of the Directors/Key Managerial personnel (KMP) of the Company and their relatives except the appointee are concerned or interested in the resolution.

The Directors recommend the Ordinary Resolution for your approval.

ITEM NO. 13:

Mr. Nobuchika Doi, Executive Director joined the Board of Directors of the Company on 19th October, 2011. In view of new provisions of Companies Act 2013, the Company proposes amendment in Article 128(d), of Article of Association of Company and to appoint Mr. Doi as a Director whose term of office being liable to retire by rotation.

Details regarding the proposed appointment of Mr. Doi and his brief resume has been given in the Corporate Governance Report for the information of members.

None of the Directors/Key Managerial personnel (KMP) of the Company and their relatives except the appointee are concerned or interested in the resolution.

The Directors recommend the Ordinary Resolution for your approval.

ITEM NOS. 14 TO 15:

The Company had appointed Mr. Nobuchika Doi and Mr. Takeo Iguchi as Directors in Whole-time employment designated as Executive Directors for the period of 3 (three) years with effect from 1st November, 2011 by passing an Ordinary Resolutions through Postal Ballot on 11th January, 2012 which expires on 31st October, 2014.

The Company now proposes to re-appoint Mr. Nobuchika Doi and Mr. Takeo Iguchi as Directors in Whole-time employment designated as Executive Directors for the further period of 3 (three) years with effect from 1st November, 2014 or from the effective date of permission under an employment visa/work permit obtained from Indian Authorities whichever is later (the said date) and to their receiving remuneration for a period of 3 (three) years from the said date. The said appointment and their remuneration were also approved by the Remuneration and Nomination Committee and the Board of Directors at their meeting held on 9th May, 2014.

Details regarding the persons proposed to be appointed as Executive Directors and their briefed resume has been given in the Corporate Governance Report for the information of the member.

The terms of remuneration for the period of three (3) years from 1st November, 2014 to 31st October, 2017 are as under:

I. **Salary:**

Sr. No.	Name &Designation of The Whole-Time Directors	Salary Per Month (₹)
1.	Mr. Nobuchika Doi	3,12,440/-
2.	Mr. Takeo Iguchi	3,12,440/-

Such respective salaries shall be increased annually by 7% for each of the Whole-time Directors effective from 1st November, 2015.

II. **Special Allowance:**

Special Allowance of ₹53,500/- per month shall be paid in addition to salary to each of the Whole-time Director. Special Allowances shall be annually increased by 7% for each of the Whole-time Director effective from 1st November, 2015.

III. **Rent Free Furnished Accommodation:**

The Company will provide Rent Free Furnished Accommodation with the monthly rentals for premises not exceeding ₹2,50,000/- per month to each of the Whole-time Director.

IV. **Perquisites and Other Allowances:**

In addition to the Salary, Special Allowance and Rent Free Furnished Accommodation, each of the Wholetime Director shall be entitle to.

- Gas Electricity & Water limited to 10% of monthly Salary. (i.e. ₹31,244/- per month)
- Leave Travel Concession of ₹6,42,000/- per annum.
- Education Allowance of ₹26,750/- per month.
- Medical Allowance limited to 10% of monthly Salary (i.e. ₹31244/- per month)

In addition to the above the Whole-time Directors shall be entitled to meal vouchers for themselves and their families, provision of car with driver, telephone/Fax facilities and benefit of personal accident insurance scheme and such other perquisites and other allowances in accordance with the rules of the Company.

Such respective Perquisites and Other Allowances shall be increased annually by 7% for each of the Whole-time Director effective from 1st November, 2015.

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

V. **Provident/Gratuity Fund and Leave Encashment:**

Company's contribution to Provident Fund, Employee Pension Scheme as per rules of the Company. Gratuity and encashment of leave at the end of their tenure.

VI. **Total Remuneration:**

The aggregate of the remuneration including contribution towards Provident Fund, Employee Pension Scheme, and Gratuity Fund, payable to each of the Whole-time Director of the Company taken together shall be calculated in accordance with the provisions of Sections 197 of the Companies Act, 2013 read with Schedule V thereof.

VII. **Minimum Remuneration:**

In the event of inadequacy or absence of profit in any financial year of the Company during the term of Whole-time Directors, the minimum remuneration payable respectively to each of them shall be by way of Salary, Special Allowance, Rent Free Furnished Accommodation, Perquisites and other allowances as set above subject to the provisions of Section 197 of the Companies Act, 2013 and subject to compliances required under Schedule V of the Companies Act, 2013 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 Section IV of Schedule V of the Companies Act, 2013 as may be amended from time to time.

ANNEXURE – A

The information relevant to the appointment of Mr. Nobuchika Doi and Mr. Takeo Iguchi as Whole-time Directors as required as per Part II 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 of commencement of commercial production:**

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

iii. **Financial Performance based on given indicators – (₹ In Lacs)**

Sr. No.	Particulars	2013-2014	2012-2013
1	Total Income (Including net sales and non-recurring items)	**47,396.60**	43,616.99
2	Profit /(Loss) before tax	**(1,323.49)**	(1,878.00)
3	Profit / (Loss) after tax	**(1,158.30)**	(1,343.69)

iv. **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 The Whole-time Directors**:

i. **Background Details:**

Mr. Nobuchika Doi, (48) Bachelor of Economics joined the Company as Executive Director since October 2011.

Mr. Takeo Iguchi, (46) Bachelor of Arts, joined the Company as Executive Director since October 2011.

ii. **Past Remuneration:**

Sr. No.	Name of Whole-time Directors	₹ In Lacs
1.	Mr. Nobuchika Doi – Executive Director	83.43
2.	Mr. Takeo Iguchi – Executive Director	83.94

iii. **Job Profile and his suitability:**

Nobuchika Doi, aged 46 years, is an Executive Director of the Company. He has a degree in Bachelor of Economics. He joined Kokuyo Co. Ltd. in the year 1989. He has approximately 23 years of work experience in the field of business strategy and marketing, planning, research and development, production technology and distribution management, of stationery products. Presently, he looks after all the business aspects of strategy, planning and execution of the Company.

Takeo Iguchi, aged 44 years, is an Executive Director of our Company. He has a degree in Bachelor of Arts. He joined Kokuyo Co. Ltd. in the year 1991 and was the department manager of the business planning department of Kokuyo S&T, Asia Pacific marketing division. He has approximately 21 years of experience in the field of production, planning and control in the stationery business. He has been instrumental in setting up stationery manufacturing plants of Kokuyo S&T in Vietnam and China as well as expanding the existing stationery manufacturing operations in Thailand. Iguchi looks after the business aspects with respect to production, planning and control of the Company.

Mr. Nobuchika Doi and Mr. Takeo Iguchi are the part of the Senior Management considering their vast experience in the relevant field, the Whole-time Directors are best suited for the responsibilities assigned to them by the Board of Directors.

iv. **Remuneration Proposed:**

As stated in the Explanatory Statement at Item Nos. 14 & 15.

v. **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 to be 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.

vi. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Besides the contract of employment is proposed Mr. Nobuchika Doi and Mr. Takeo Iguchi do not have any other pecuniary relationship with the Company and its managerial personnel.

Mr. Nobuchika Doi

Name of the Company	Position
Kokuyo Riddhi Paper Products Private Limited	Director

Mr. Takeo Iguchi

Name of the Company	Position
Kokuyo Riddhi Paper Products Private Limited	Director

Mr. Nobuchika Doi and Mr. Takeo Iguchi are not holding any shares in the Company.

III. **Other Information:**

(a) **Reasons for loss or inadequate profits:**

Inspite of growth in sales volume, the Company incurred losses for last 2 years due to increased manpower cost, input cost, sales and marketing spends and operative expenses some of which Company had strategically planned looking into future long term benefits.

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

For improving profitability, the Company has 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 come out from the losses.

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

During the financial year 2013-14, the Company raised ₹ 10,323.66 Lacs by way of rights issue with an object to set up a new fully integrated manufacturing plant situated at Patalganga. This plant will help to improve production efficiency and also reduce factory and other overheads. All these measures will put the Company back on the course of profitability and growth.

IV. **Disclosures:**

The Agreement to be entered into between the Company and Mr. Nobuchika Doi and Mr. Takeo Iguchi 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 House, MIDC, Andheri (E), Mumbai – 400 093 between 11.00 a.m. to 1.00 p.m. on any working day of the Company upto the date of Annual General Meeting of the Company.

None of the Directors/Key Managerial personnel (KMP) of the Company and their relatives except the appointee are concerned or interested in the resolution.

The Directors recommend the Special Resolutions for your approval.

ITEM NO. 16:

M/s. Alphakids Learning and Activity Centre Limited (formerly known as Camlin Alphakids Limited) 100% Subsidiary incorporated in the year 2009 with an object to carry the pre-school activities. Since inception, the business of the Subsidiary has been incurring huge losses and had never turned around. The present financials have a negative EBIDTA and as a result till date the Subsidiary was provided continuous funding by your Company to meet Working Capital requirements. Till F.Y. 2013-14, your Company has invested ₹ 535.32 Lacs by way of Equity, Preference Capital and advances. The Continuing losses of Subsidiary and its inability to give return in foreseeable future are diverting the attention of your management from the Stationery business to a non-core business of pre-school activity. In order to arrest the losses and erosion of shareholders value especially at this stage when the Company's performance is not as per expectation. Your Management also explored the alternative of closure of Subsidiary but in view of certain fore-closure clauses in the agreements and cost of closing the Subsidiary, the Management decided to exit from the business of pre-school by looking for a interested buyer for acquiring the entire stake. Since the Company could not get any buyer and with an interest shown by one of our Director who is a related party, the Board took a decision to divest its entire holding by selling its Equity and Preference Capital to the Related Parties. The Company has taken a independent valuation while arriving at the consideration amount.

The entire shareholding in Alphakids Learning and Activity Centre Limited is held by the Company. The shares have been sold for consideration of ₹ 50.00 Lacs to Mrs. Aditi D. Dighe, Mr. Rahul D. Dandekar, Mr. Dilip D. Dandekar, Mrs. Smita D. Dandekar, Ms. Akshada Joshi, Mr. Dhanraj Dighe and DDI Consultants Private Limited who are related parties and therefore, this transaction is a Related Party Transaction and in terms of Section 188 of the Companies Act, 2013 and the applicable rules thereunder requires either prior approval or ratification is required within three months by the members by passing a Special Resolution.

Your Board of Directors has already given approval to the said sale of shares on 20th March 2014, while the agreement was executed on 21st April, 2014 and in terms of Section 188(3) of the Act, is seeking ratification of the said related party transaction.

The particulars of transaction pursuant to Para 3 of explanation (1) to Rule 15 of Companies (meeting of Board and its powers) Rules, 2014 are as under:

Name of the Related Party	:	Mr. Dilip D. Dandekar, Mrs. Aditi D. Dighe, Mr. Rahul D. Dandekar, Mrs. Smita D. Dandekar, Ms. Akshada Joshi, Mr. Dhanraj Dighe and DDI Consultants Private Limited ("Related Parties")
Name of Director or Key Managerial Personnel	:	Mr. Dilip D. Dandekar

Nature of relationship	:	Mr Dilip. D Dandekar is a Chairman and Executive Director of the Company . The relationship of the acquirers are as under: (i) Aditi D Dighe – Daughter (ii) Rahul D Dandekar – Son (iii) Smita D Dandekar – Wife (iv) Dhanaraj Dighe – Son-in-law (v) Akshada Joshi – Daugher-in-law (vi) DDI Consultants Pvt. Ltd. – Promoter
Nature, Material Term, Monitory value and Particulars of Contract or Arrangement	:	Sale Consideration – ₹ 50.00 Lacs Agreement for sale of Equity Shares executed between the company and related parties for sale of Investment in Equity/Preference shares of face value of ₹ 230.00 lacs.
Any other information relevant or important for the members to take decision on the propose resolution.	:	None

Further, in terms of Section 188 of the Companies Act, 2013, Related Parties will not vote on the special resolution as shareholders of the Company.

Except Mr. D. D. Dandekar, no other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested in this Special Resolution.

The Agreement for Sale, is available for inspection by the members on any working day of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m.

The Directors recommended the Special Resolution for your approval.

ITEM NO.17:

In pursuant to provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules 2014, the Board shall appoint an individual who is a cost accountant in practice on the recommendation of the Audit Committee, which shall also recommend remuneration for such Cost Auditor. The Remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified by the members.

On the recommendation of the Audit Committee at its meeting held on 9th May, 2014, the Board has considered and approved the appointment of M/s. Vinay Mulay & Co. as Cost Accountants to conduct the cost audit of the Company at a remuneration of ₹ 1,50,000/- plus service tax as applicable and reimbursement of out of pocket expenses for the financial year ending 31st March, 2015.

The Resolution at Item No. 17 of the Notice as set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors/Key Managerial Personnel (KMP) of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at item No. 17 of the Notice.

The Directors recommend the Ordinary Resolutions for your approval.

ITEM NO. 18:

Section 180 (1) (a) of the Companies Act, 2013, provides interalia that the Board of Directors of the Company, shall not without consent of the members in General Meeting, sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the Company.

For meeting growing needs for working capital and capital expenditure, the Company may be required to approach the Banks/Financial Institutions for sanction of loans/borrowings. As a security, the Company may also be required to create Mortgage/Charge on Fixed Assets in favour of the said Banks/Financial Institutions. Since mortgaging and/or charging by the Company on all its immovable and movable properties or part thereof, may deemed to be disposal of the whole or substantially the whole of undertaking of the Company within meaning of section 180(1) (a) of the Companies Act, 2013, the consent of the members is required for limit of ₹150 Crores proposed under the resolution which is considered adequate for the time being for meeting future requirements.

None of the Directors/Key Managerial personnel (KMP) of the Company and their relatives are concerned or interested in the resolution.

The Directors recommend the Special resolution for your approval.

By Order of the Board

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

Place : Mumbai
Dated : 9th May, 2014.

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