

**77th AGM Transcript
Kokuyo Camlin Limited**

DATE : **TUESDAY, 6TH AUGUST, 2024**

TIME : **11:00 A.M.**

VENUE : **Via Video Conferencing / Other Audio-Visual Means**

This transcript contains minor modifications from the original for accuracy or clarification, none of which change the substance of the original.

Chairman : Good morning, shareholders, on behalf of Board of Directors, I Dilip Dandekar, Chairman and Non-executive Director of Kokuyo Camlin Limited extend a cordial welcome to you at the 77th Annual General Meeting (AGM) of your Company.

As per the requirements of Companies Act, 2013, sufficient quorum is present, I thereby declare that the meeting has been properly convened and duly constituted. The necessary records are kept available for inspection by the members.

It is my pleasure now to introduce you to all the Board Members and senior management present with us today joining through video conferencing:

- Mr. Masaharu Inoue, Senior Vice Chairman and Non-Executive Director
- Mr. Shriram Dandekar, Vice Chairman and Executive Director, and Chairman of Risk Management Committee and Corporate Social Responsibility Committee
- Mr. Satish Veerappa, Managing Director
- Mr. Takeo Iguchi, Executive Director
- Ms. Nandini Chopra, Independent Director, and Chairperson of Audit Committee
- Ms. Naho Shigeta, Independent Director
- Mr. Naganath Subramanian Iyer, Independent Director, and Chairman of Remuneration & Nomination Committee
- Mr. Nilesh Modi, Independent Director, and Chairman of Stakeholders Relationship Committee
- Mr. Tomoya Okada, Independent Director
- Mr. Nilesh Choudhary, Chief Financial Officer and

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- Mr. Vipul Bhoy, Company Secretary & Compliance Officer

In addition, we also have Mr. Maulik Jhaveri, Partner of BSR & Co. LLP, Statutory Auditors and Mr. Jayant Ranade from JHR & Associates, Secretarial Auditor, and the Scrutinizer for this meeting.

Dear Shareholders,

A very warm welcome to you to the 77th Annual General Meeting of your Company. As we meet again virtually to discuss the progress that your Company has made in the year 2023-24, It gives me immense pleasure to present the Company's annual performance before you. On behalf of the Board of Directors of Kokuyo Camlin Limited, I would like to thank all of you for making time to join us today and for your continued support over the years.

At the outset, I wish to talk about the sad demise of Mr. Subhash Dandekar, Chairman Emeritus of Kokuyo Camlin, on 15th July 2024. He was an eminent industrialist, who has created one of the India's most enduring and beloved brands. He had served as an Executive Chairman of your Company till 31st March 2002 and thereafter, he was associated with your Company as Chairman Emeritus. He was a mentor and guide to many in the field of art and business world, especially to the Camlin family. He was felicitated with many awards. To name a few, 'Vaibhav Ratna Award' by Prasar Bharati, 'Vyapar Shree' award conferred by Federation of Associations of Maharashtra, Wisitex Foundation's 'Lifetime Achievement Award' and Thane Manufacturers' Associations' 'Lifetime Achievement Award'. His legacy will continue to be an inspiration for all of us.

We also lost our former Chief Financial Officer, Mr. Chetan Baddal, on 16th January 2024, who has served your Company for almost 16 years. He was a man of intelligence, integrity, and efficiency. As a CFO of Kokuyo Camlin, he ably shouldered the responsibility of the highest accounting standards and corporate governance. He was instrumental in making your Company financially stronger to withstand the

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changing business dynamics. I convey my heartfelt condolences to his family.

As a tribute to both of them, may I request all of you to observe one minute of silence please.

Thank you.

Let me talk about the Company's performance. I am pleased to report that your Company has made steady progress during the year gone by amidst challenges like increased borrowing costs, geopolitical tensions, longer term effect from COVID-19 pandemic and increasing geoeconomic fragmentation. Your Company reported a revenue of Rs.815.89 crore against Rs.774.94 crore in the previous year with a strong bottom line of Rs.43.83 crore which was around 79.29% higher than the previous year. There was a healthy growth in EPS of 4.37 as against 2.44 in the previous year. Considering this performance, a dividend of Rs.0.50 per equity share of Rs.1/- each (50%) has been recommended by the Board of Directors and will be paid subject to your approval at this AGM. As we look forward, we remain committed towards creating sustainable and profitable growth.

The global economy in 2023 was resilient, despite the challenges posed to it. As per International Monetary Fund (IMF) forecast, the global growth is projected to be at 3.2% in 2024 and 3.3 % in 2025. The Emerging markets in Asia were the main engine for global growth in FY24. As per the report, growth in India and China accounts for almost half of the global growth. India's economic survey has projected the growth of Indian economy at 6.5% - 7% in financial year 2024-25. The Indian economy is on a strong wicket and stable footing, demonstrating resilience in the face of geopolitical challenges. Despite soft consumption demand trends which is hovering at 3-4%, the India's GDP growth in FY24 continues to remain robust at 8.2%, driven by strong growth in Investment expenditure. Rural demand is catching up with consumption expected to support economic growth in FY 2024-25 while urban consumption has remained buoyant. Young population, growing middle class, rapid urbanization and increasing disposable income

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are some of the key drivers leading to India's consumption demand and thereby contributing to the growth of the economy.

India has one of the youngest populations globally compared to other leading economies and it will continue to have one of the youngest populations in the world till 2030. This presents an opportunity for the stationery businesses to expand their offerings to cater to their demand for innovative and customized products. Further, with an aim of nation building, the government has undertaken many initiatives to effectively implement its education policy such as Sarva Shiksha Abhiyan. Increased enrolment in educational institutions, supported by government initiatives, is driving the demand for stationery products. Improved literacy rate and quality educational opportunities have given rise to the demand for stationery and art materials. The Indian stationery industry is estimated to grow at 8.2% CAGR over the 2023-2029 period.

I believe that your Company is well positioned to capitalise on the opportunities and provide the consumers with the value propositions that will enhance their user experience. Your Company is on the journey of resurgence to become strong, agile, and innovative with a focus on value led growth. our flagship brands 'Camel' and 'Camlin' are the household names in the Indian stationery market. Various initiatives to revitalize the brands have been undertaken including 'we are changing' campaign with an aim to constantly evolve and deliver products that are augmenting user experience with revamped packaging and fresh look. Considerable efforts have been made to improve the efficiency of supply chain management to meet consumer demand. Emphasising on 'Operating with excellence', your Company has increased focus on cost optimization across functions with targeted solutions to bring sustainable cost savings and efficiency. Your Company is strengthening its operations by digital interventions through manufacturing automation and salesforce automation. This will help to enhance efficiency and ensure the products reach in every corner of India.

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The Board of Directors firmly believes that governance is an essential keystone for ethical, responsible, and transparent operations of the Company and to maximize shareholders' value. Your Company is committed towards pursuing good Corporate Governance.

During the fiscal year 2024, the Board of Directors of your Company has undergone change. On 12th May 2023, Mr. Koji Higashiguchi resigned as Sr. Vice Chairman & Non-Executive Director. The Board appreciates his contribution to the Company during his association. On the same day, Mr. Masaharu Inoue was appointed as Sr. Vice Chairman & Non-Executive Director of your Company. Ms. Naho Shigeta was appointed as an Independent Director with effect from 1st February 2024. Mr. Nilesh Modi, Mr. N S Iyer and Mr. Tomoya Okada were appointed as Independent Director effective from 8th February 2024. During the year, Mr. Shishir Desai and Mr. Sriram Venkataraman retired as an Independent Director on 31st March 2024 due to completion of their respective second term. The Board places on record its appreciation for valuable services rendered by them during their tenure with the Company.

Mr. Takeo Iguchi was appointed as an Executive Director with effect from 1st February 2024 for 3 years and Mr. Shiram Dandekar was re-appointed as 'Vice Chairman & Executive Director' with effect from 1st February 2024 till 31st March, 2025. Further, your Company appointed Mr. Satish Veerappa as Managing Director, effective from 1st April 2024 for a period of 3 years. I believe that your Company will reach new heights under the able leadership of the Board members.

I take this opportunity to thank all my colleagues on the Board for their continued support and guidance. I would also like to express my sincere appreciation to Kokuyo Co. Ltd. for their continued co-operation and support. I take this opportunity to express our gratitude to various officials of State and Central Government departments, our bankers Mizuho Bank, MUFG Ltd, Sumitomo Mitsui Banking Corporation and HDFC Bank Ltd for their ongoing support and assistance. We remain indebted to all our

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stakeholders, employees, customers, consultants, contractors and vendors for their continued trust and faith in the Company.

Thank you.

This 77th AGM is being conducted in the manner laid down in the circulars issued by the Ministry of Corporate Affairs, applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations prescribing the procedures and manner of conducting general meetings through VC/OAVM. The proceedings of this meeting are being web-casted live for all the shareholders as per the details provided in the Notice to the AGM. The proceedings of this meeting are being recorded for compliance purposes.

The Notice convening this 77th AGM and the Annual Report for the year ended 31st March 2024 along with the Directors' Report and the Audited Financial Statements of the Company have been circulated to you. The Audit Report issued by the Statutory Auditors on the audited financial statements does not contain any qualification. I now request your kind permission to take these documents as read.

The requirements of sending a physical copy of the Notice of the 77th AGM and the Annual Report for the year ended 31st March 2024 to the Members have been dispensed with, pursuant to the relevant circulars issued by the Ministry of Corporate Affairs and SEBI.

As you are aware, the Company has provided to all the shareholders the facility of e-voting and the e-voting was open between Saturday, 3rd August 2024 (9:00 a.m.) to Monday, 5th August 2024 (5:00 p.m.). Mr. Jayant Ranade, Practicing Company Secretary of M/s. JHR & Associates has been appointed as Scrutinizer to carry out the entire exercise of e-voting.

The Company is providing the facility to electronically cast the votes during this AGM for those shareholders who could not exercise their votes during the e-voting period. As per the

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provisions of the Companies Act, 2013 there will be no show of hands for the proposed resolutions.

Accordingly, I will now only read the resolutions set out in the Notice of the 77th AGM and then take questions from the shareholders who have registered themselves as speakers during the registration period kept open by the Company.

When we start the question answer sessions, whatever is connected with the corporate philosophy, I will address. I have already introduced Mr. Satish Veerappa, who has taken over as the Managing Director of the organization and Mr. Nilesh Choudhary as the Chief Financial Officer of the Company. Both will address points raised by the shareholders.

Now, I move to the first resolution.

ORDINARY RESOLUTION NO: 1

To receive, consider and adopt the audited financial statements for the financial year ended 31st March 2024 and the Reports of the Board of Directors and Auditors thereon.

ORDINARY RESOLUTION NO: 2

To declare dividend of Rs.0.50 per equity share of Rs.1/- each (50%) for the financial year ended 31st March 2024.

ORDINARY RESOLUTION NO: 3

To appoint a director in place of Mr. Masaharu Inoue (DIN: 10154904), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL RESOLUTION NO: 4

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

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I now request the Company Secretary & Compliance Officer to share guidelines for question-and-answer sessions.

Thank you.

Over to Vipul, please.

Vipul Bhoy

- : Thank you, Chairman Sir. Today we have received twenty speaker registrations for this meeting. In order to conduct this question answer session smoothly, I will be reading out the name of the shareholder who have registered themselves as a speaker. This session will be anchored by me, and I will call the pre-registered shareholders one by one. Members are requested to unmute their microphone before speaking and also enable webcam if they wish to appear on a video. Members are also requested to mention their name and introduce themselves before raising the questions. Members are also requested to restrict their questions to three minutes so that all the speakers may get an opportunity to share their views. It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time for the AGM.

I am now commencing the question answer session. I will take the name of the first shareholder, after the first shareholder completes his/her question, I will read the name of the second shareholder who will come on screen. I once again request all the shareholders to be very precise with their questions and observations and avoid the duplication of questions and observations already mentioned. Answers to the queries raised by the shareholders will be provided once all the shareholders have completed their questions. Let's start with a question answer session, our first speaker shareholder is Ms. Lekha Shah. Ms. Lekha Shah, you are requested to unmute your microphone and ask your question.

Lekha Shah

- : Am I audible sir?

Vipul Bhoy

- : Yes, you are.

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- Lekha Shah** : Thank you, Sir. Respected Chairman Sir, Board of Directors and my fellow Members, Good Morning and regards to everyone. Myself, Lekha Shah from Mumbai. First of all, I would like to thank the Company Secretary, Vipul ji and Manisha Ma'am for giving me the opportunity and for a smooth process where I am able to talk in front of you all in AGM. I found the AGM Notice. I am delighted to say that AGM report is so beautiful, full of colours, facts and pictures in place. Also, I thank Manisha Ma'am for their best performance and always outstanding support for all my doubts. Hence, I have no questions today. Thank you, Chairman Sir, for explaining us about the Company and I pray to God, 2024 comes with great prosperity for our Company. Chairman Sir, I would like to thank all the persons of the Company for receiving awards and recognition by our plant during year 2023-2024 and I am also glad that the Company is doing very well in the field of CSR activities. Chairman Sir, I hope the Company will continue video conferencing meeting in future. So, I strongly and wholeheartedly support all the resolutions for today's meeting. Thank you so much Sir.
- Chairman** : Thank you, Madam.
- Vipul Bhoy** : Thanks Ms. Lekha Shah. We will move to our second speaker shareholder, Mr. Anil Parekh.
- Anil Parekh** : Hello. am I audible?
- Vipul Bhoy** : Yes Sir.
- Anil Parekh** : Our Chairman Emeritus, Subhash ji, Chairman and Non-Executive Director, Dilip Dandekar ji, other Board members and my fellow shareholders, Good Morning to all of you and hope you all are doing well at your respective end. Chairman Sir, I would like to welcome our new Company Secretary as well as new CFO to the Company and extending my appreciation to Vipul for sending me a link to attend this meeting as well as a physical copy on my request. Thank you, Vipul, for doing so. Chairman Sir, you have also rewarded us, fifty paise i.e., fifty percent dividend as usual. You are always an investor friendly Company and we have been having conversations earlier in physical meetings also. But now, we are not able to

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meet physically. I hope you can at least plan a plant visit for shareholders, where we can meet and greet you, Sir. Chairman Sir, having gone through our balance sheet, our turnover has exceeded last year from 770 crore to 821 crore. Excellent performance and profitability have also grown. Chairman Sir, with inclusion of Japanese Directors in the Company, we have now reached one number in the stationery and all that kind of business. I hope we will have one number in future as well. I would like to thank Manisha madam for extending all kinds of support. Chairman Sir, my first question is on page no. 14. In Bankers, we have only 1 bank from India and 3 Banks from Japan. What benefit we are deriving from it? I would like to understand Sir. Also, on page no. 5, we have a long list of products. If any new products can be added this year, please highlight. Chairman Sir, how you are evaluating this digital era. How you are evaluating our business vis-a-vis this digital era. Chairman Sir, on page no. 100, where we have very strong reserves against our capital. Do we have any plan to declare a bonus for the benefit of the shareholders? Sir, I have no further questions to ask you. I am very pleased that I am part and parcel of this family of Camlin and will remain for the entire my life. Thank you for patient hearing. I support all the resolutions.

- Chairman** : Thank you.
- Vipul Bhoy** : Thank you, Sir. We move to our next speaker shareholder. Mr. Satish Shah.
- NSDL Tech Support** : The speaker shareholder is not connected. We can move to the next speaker.
- Vipul Bhoy** : Okay. Mr. Rajendra Sheth.
- Rajendra Sheth** : Hello.
- Vipul Bhoy** : Sir, your voice is not audible.
- Rajendra Sheth** : Hello.
- Vipul Bhoy** : Yes Sir, go ahead.
- Rajendra Sheth** : Hello. Hello.

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- Vipul Bhoy** : Yes Sir, we can hear you.
- Rajendra Sheth** : Chairman Sir, management team and my fellow shareholders, I am Rajendra Seth from Thane, Maharashtra. First of all, I want to thank to the Chairman and the management. The Company has performed well. Also, I want to thank the Secretarial team who worked well. Manisha madam has sent me a detailed notice. I just have one question that what steps will we take to increase domestic market share and when will we get higher dividend? I wish the Company will grow in the leadership of our Chairman.
- Before I end, I want to say one Shloka:
- Yaa Devi Sarva-Bhutessu Kshaanti-Ruupenna
Samsthitaa | Namas-Tasyai Namas-Tasyai Namas-
Tasyai Namoh Namah | |
- I support all resolutions. Thank you for giving me the opportunity to speak. Thank you.
- Vipul Bhoy** : Thank you.
- Chairman** : Thank you.
- Vipul Bhoy** : Our next speaker is Ms. Prakashini Shenoy.
- Prakashini Shenoy** : Hello, am I audible Sir?
- Vipul Bhoy** : Yes, you are.
- Prakashini Shenoy** : Thank you, Sir. I am Prakashini Ganesh Shenoy from Mangalore. Respected Hon'ble Chairman, other dignitaries on the Board and my fellow shareholders. Good morning to all of you. I received the AGM report well in time, which is colorful, transparent, knowledgeable, informative and contains all the information as per corporate governance. I Thank the Company Secretary, Mr. Vipul and Manisha for the same. I should also thank them once again for reminding me of today's meeting. Thank you once again Vipul and Manisha. The Chairman has given a beautiful picture regarding the Company and it's working in all parameters. Thank you, Chairman Sir. I am glad to know that the Company is doing better than last year in all parameters such as revenue, PAT,

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PBT etc. I am glad to know that the Company has done outstanding work in the field of CSR activities during the year. At the outset, I am thankful to the Board for recommending a dividend for the financial year 2023-2024 and congratulations to one and all for receiving many awards and accolades during the year.

Sir, now my questions. My first question is, kindly highlight the future roadmap for growth and risk in business due to global situation. My next question is what is the expenditure incurred for developing products in R&D? How do we adopt digital technology to increase productivity? Chairman Sir, last but not the least, my personal request to you to please continue in VC so people all over the world will have an opportunity to express their views. For instance, I am from Bombay and have just come to Mangalore to visit and I am in a position to express my views. I wish the Company good luck for a bright future and pray God, the profit of the Company shall reach the peak in due course. Chairman Sir, I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you, Chairman Sir.

- Chairman** : Thank you.
- Vipul Bhoy** : Thank you. Our Next speaker is Mr. Naresh Kachalia.
- NSDL Tech Support** : The speaker shareholder is not connected. We can move to the next speaker.
- Vipul Bhoy** : Okay. Mr. Kishor Kachalia. Is he connected?
- NSDL Tech Support** : The speaker shareholder is not connected. We can move to the next speaker.
- Vipul Bhoy** : Ms. Saloni Hemnani.
- NSDL Tech Support** : The speaker shareholder is not connected. We can move to the next speaker.
- Vipul Bhoy** : Okay. Our next speaker is Mr. Manoj Kumar Gupta.
- Manoj Kumar Gupta** : Hello. Good morning. Respected Chairman, Board of Directors and fellow shareholders. My name is Manoj Kumar Gupta, joined this meeting from my residence,

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Kolkata. I feel proud to be part of the Kokuyo Camlin. So, first of all, I thank you and your team and the entire team of management for the excellent result of the Company for the year 2023-2024. Thanks to the Company Secretary and his entire team for helping us to join this meeting through VC. Even, I got two calls yesterday, that have you got the link, kindly join the meeting on time and your speaker number is this. So, thank you.

Sir, I have full faith and confidence on our partner country, Japan. Japan is very dedicated, loyal and faithful country for India. Our beloved and visionary Prime Minister, Shri. Narendra Modi ji has full faith and confidence in Japan and after becoming Prime Minister, Shri. Modi, our friendship has gone on high peak with Japan. Japan is very supportive partner in every aspect of the country for development in India. Either Bullet train, either electronics, either defense or either any other field, so Japan is loyal, and we thank them that they are our partner, and they are supporting us.

Now, I have three questions to ask. How do you face challenges in the stationery business? Some listed entities are there. DOMS, ITC Classmate, Linc and Flair. How do you face the challenges? Sir, you have three plants, two in the West and one in the North, Samba, Jammu. Sir, you have cash and surplus funds. How will you utilize? Sir, do you have any plan to come up with a new plant in the eastern part of the Country to supply throughout the Country. Either go in South, because in the eastern part of the Country, Assam, Jharkhand, Bengal is growing. In Bengal, there is a new SEZ that has come in Panagarh. Several new companies are coming in Panagarh, Bengal. In Aasam, in Tinsukia and other parts, do you have any plan to invest some money in this part to create employment, start production and fulfill the supply? What is your plan for Export and Make in India to fulfill the vision of our beloved Prime Minister to export the Camlin brand globally?

Considering the discount coupons Sir, DOMS and Flair are giving a full kit of stationery in a school bag at a MRP of Rs. 450/- to 500/-. So, do you have any plan to launch such a type of bag or a drawing kit or school

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kits for the school students? And why are you not approaching the schools, more than 10 crore students are there in the country. Why are you not approaching schools for tie up for using your products in their school from Nursery to 10th class for their drawing and other project items. Sir, I can suggest you send some sample kits to all speaker shareholders that they can use. My children are also using your products. If you consider, please send sample products. Thank you, Sir.

Chairman : Thank you.

Vipul Bhoy : Thank you so much. I think Ms. Saloni Hemnani has joined. I would request her to please come on screen and ask the question.

Saloni Hemnani : Hello, am I audible Sir?

Vipul Bhoy : Yes. You are. Go ahead.

Saloni Hemnani : Sir, I just had one question regarding the Company. So, after Covid, since we have recovered from the deepen sales that we experienced, we have actually exceeded the sales that we used to do before Covid. My question is, what is our strategy going forward for the upcoming two/three years? Where do we see ourselves in terms of sales? What kind of sales growth are we aspiring to achieve for the next two/three years? What are the steps that we are planning to take to achieve that? Also, on the margins. Is there any possibility that we could see our increased margins for the upcoming two/three years? Thank you.

Vipul Bhoy : Thank you. We can move to our next speaker, Mr. Amit Doshi.

Amit Doshi : Hi, Good Morning. Thank you for this opportunity. First of all, congratulations on touching the sales top line of Rs.800 crore plus. Of course, growing the profit from Rs.24 crore to Rs.40 crore, almost 80/85 percent higher than last year. And I wish to congratulate Mr. Veerappa on being promoted as Managing Director of the Company. I will start with the question but before that I have a small humble request that please answer all questions of ours. Because this is the only

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opportunity in the entire year that we get to speak to the Board and the management of the Company. Last time also, I asked questions. But unfortunately, I did not get answers to all my questions. So, request to please answer them point by point.

The first question is, while of course the growth of Rs.800 crore topline is nicely achieved. But if you break down the numbers, compare it with the industry, our numbers are either slow growth or there is negative growth as far as the office scholastic segment or technical instruments are concerned. In writing instruments, we have hardly around 6 percent growth which is again lower than the 6 percent mug and which Chairman Sir said that the industry itself expected to grow at 8 percent for next 5-7 years. So, what are the reasons for this slow growth or no growth? and how are we trying to outperform the industry growth? The second point is, if we are not growing in terms of the industry or with reference to peers, means are we losing the market share? If you can also give some numbers, what is our current market share and have we lost some market share because of the slightly lower growth compared to the industry? So that's the second question. Third, our earlier speaker shareholder asked about the margins. So again, I will refer to the peers set, where they are actually growing in a higher double digit and their margins are also in higher double digit whereas we are still in the single digit. While I really appreciate that we have slightly improved in terms of the last 3-5 years. If I look at the trajectory of the margins, it has improved definitely. But then, when do you see or what are the operating levers that you believe will ensure that we also come in the double digit of operating margin levels. That's my third question. Fourth, if you can give us number on volume growth. What has been our volume growth? Fifth is, of course we have the art segment, stationery and office scholastic segment. So, what is the breakup. Last year we did Camel and Camlin, two separate brands and we started marketing the two categories separately. I understand that from various social media campaigns. So, how are we seeing the mix which is currently as of now and what is that we are seeing in future? For the next 2-3 years, what is our trajectory? How Camel v/s Camlin, the revenue breakup would

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be? Along with that If you can also answer the Camel brand which is the artistic segment. Whom are we competing with? Because for Camlin, we know what are the other players whether Flair, Linc or DOMS and multiple other branded players. But in the artistic segment, can you share some market information about whom are we competing with etc.? Next point is regarding with the trading. Our trading and manufacturing, if you see the ratio, we are noticing that stock-in-trade is increasing which means we are doing more of trading and less of manufacturing. So, if you can give idea about what is our current capacity utilization and what are the IBU. We have significant high capacity at our Patalganga plant. What is current capacity utilization ratio and If I believe that there is significant room available then what is the reason that we are more of trading versus manufacturing? Because I am presuming, that is one of the reasons, why our margins are in the single digit and not in the double-digit level. Just correct me or clarify if my understanding is incorrect. Seventh point is regarding the new product launches. If you refer page no. 9 of the annual report, there is mention of two things. One is the introduction of wooden pencils. We just wanted to confirm that weren't we present earlier in the wooden pencils or is it like a re-entry of the wooden pencil which was not the case earlier and what is our focus area and how are we looking at this segment. Second mention is about additives, Additives market spaces is mentioned. So, what is that product and what is our thought process around that if you can share something on those two points on the new product launches which is mentioned on page no. 9 of the annual report.

Coming to next point about the Capital allocation. Since, we spoke about Patalganga plant capacity, I also understand that we have made an investment in Jammu and Kashmir of around Rs.4.60 crore. So, what is that unit is doing for us in Jammu Kashmir? What kind of sales that we can expect from there? Overall, now that our balance sheet is significantly better since last 4-5 years, if I look at the trend, then how are we planning to use the capital. Now, our profits have also grown. So, what is the plan to utilise this capital allocation? What kind of capex, or what kind of R&D spend that we are likely to do? Also, our

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EPS, which I have mentioned earlier grown to 80 percent plus, so last year we announced a dividend of 50 paisa. So, despite of jump in profit, why have you not increased the dividend for the shareholders? Again, this is a capital allocation plan. So, if you can answer both together, it will be useful. The Next point is about the Ad spent. Our Ad spent is slightly increased. We noticed that it was 1.6 percent, now it has jumped to 2.2 percent of the sales, but historically, I mean if I go pre-covid levels, our Ad spent has been in the range of 5 percent. Obviously, now sale has also jumped. But what is a plan on Ad spent? Because probably that's where we are not able to capture the market etc. So, if you can give some points on the Ad spent. The last point is on the role of parent, I think couple of people also mentioned about. Because Kokuyo, being a very strong player in the Japanese market and I am sure that there are lot of new advance economic, developed economic products which are there. So, how is the role of the parent? How are they contributing in terms of new product launches and especially, I want to understand, what is their thinking process about India as their market? How Kokuyo is looking at the Camlin or the India market to grow? what is their focus area vis-à-vis the Indian player. So, I have covered almost all the questions. Thank you and I expect all the answers. Thank you so much for this opportunity.

Vipul Bhoy : Thank you, Sir. We will move to our next speaker, Mr. Anil Mehta.

Anil Mehta : Hello. am I audible?

Vipul Bhoy : Yes Sir. You are audible. Please go ahead.

Anil Mehta : Thank you. Good morning to all of you. This is Anil Mehta attending this meeting from my residence with all the family members who all are the shareholders of this Company. Sir, we have a few questions. The question number one, with increased globalisation, what has the Company done to increase the international knowledge and experience on the Board? Next question. How the does the management monitors inter-company transactions? Next question. What are the major opportunities and

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challenges, the Company is facing and how does the management plan to respond? Next question. What are the principal objectives in the Company's business plan for the next 5 years? Next question. How does the Company assess its liquidity and availability of fundings sources for its operations? The last question, what is the Company doing to improve its shareholders relation. Sir, I have one issue that whenever you are doing any repairing work in your office, help transferring any concerned person with an extension number. I request you to at least you can inform to the receptionist. If I take an example, If I want to talk to Mr. Vipul Bhoy, whose extension number is 137. Since, last 4 months, I am trying to contact Mr. Vipul Bhoy, dialling by 137, it was always ringing and then I dialled to reception also, she also told me is ringing only. Then, yesterday I came to know, I had spoken with Vipul Bhoy, he told me temporary repairing work was going on. So, sitting arrangement was changed. So, my humble request is that at least you can inform to the receptionist, so she can transfer to the correct extension number. With this we are supporting all the resolutions and thanks for the secretarial department for their co-operation and supportive nature. Thank you. All the Best.

- Vipul Bhoy** : Thank you. We will move to our next speaker, Mr. Ashok Jain.
- Ashok Jain** : Am I audible?
- Vipul Bhoy** : Yes Sir. Please go ahead.
- Ashok Jain** : My first question is our sales in 2015 was around Rs. 550 crore while in 2023, we are around Rs. 800 crore. We have grown sales at CAGR of around 5 percent which mirrors domestic inflation CAGR. There has been no real growth in terms of volumes in the last 10 years. What is our long-term strategy to address this stagnation in the real growth of Kokuyo Camlin Limited. My second question Sir, Kokuyo is the global leader in the notebook sector as we all know. Yet, we have not been able to meaningfully scale up this business. On page 145 of the Annual report, paper stationery sector contributed to just Rs.127 crore out of Rs.814 crore of topline last fiscal. So, how do we

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address this? Are any inorganic acquisitions on the cards, to meaningfully scale up notebook sector sales. My third question is, our marketing spends are Rs.18 crore for last fiscal year which is very low as a percentage of sales. We have sale at around Rs.800 crore, that is about 2.2 percent of sales. Why are we not increasing our AD spent to target better mass penetration and highlight the amazing quality of our products? My Fourth question, how much expansion capex has been lined up for upcoming art material facility in Jammu? My last question, any plans to meaningfully scale up the exports to southeast Asia? Because our annual report says our foreign exchange earned is just about Rs.38 crore on page 35. This is hardly single digit percentage of our total sales. Just one more question, one last question, what is current capacity utilisation of Patalganga plant? Thank you very much. I look forward to your responses. Thank you.

Vipul Bhoy : Thank you, Sir. We will move to next speaker, Mr. Dilip Ashok Jain.

Ashok Jain : It's me. We had two folios. So, please go ahead.

Vipul Bhoy : Okay. Thank you. We will move to our next speaker, Mr. Sharad Kumar Shah.

NSDL Tech Support : The Speaker shareholder is not connected. We can move to the next speaker.

Vipul Bhoy : Okay. Mr. Hardik Indramal Jain.

NSDL Tech Support : The Speaker shareholder is not connected. We can move to the next speaker.

Vipul Bhoy : Mr. K. Bharatraj.

NSDL Tech Support : The Speaker shareholder is not connected. We can move to the next speaker.

Vipul Bhoy : Okay. Ms. Sweccha Jain.

NSDL Tech Support : The Speaker shareholder is not connected. We can move to the next speaker.

Vipul Bhoy : Okay. Our next speaker is Mr. Dinesh Bhatia.

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- NSDL Tech Support** : The Speaker shareholder is not connected. We can move to the next speaker.
- Vipul Bhoy** : Mr. Yusuf Rangwala.
- NSDL Tech Support** : The Speaker shareholder is not connected. We can move to the next speaker.
- Vipul Bhoy** : Okay. Our last speaker is Mr. Bimal Kumar Agarwal.
- Bimal Kumar Agarwal** : Hello.
- Vipul Bhoy** : Yes Sir, we can hear you.
- Bimal Kumar Agarwal** : Good morning, good afternoon, good evening and good night to all the shareholders. First of all, thanks to Company secretary and his team. Because we are having a video conference that's why I am saying everything and good day to everyone. Because I don't know from where people are joining all over the world. I hope Company will continue with video conference because anyone can join from anywhere in the world. As already questions were asked by the other speaker. So, I just want to know what is our order book? How we can maintain profitability in future? Please try to arrange a plant visit for the shareholders. That's all from me. Always continue with video conference. Other questions were asked by other shareholders. So, I have no questions to ask. That is all from me.
- Vipul Bhoy** : Thank you so much. With this we have completed the questions from all the speaker shareholders. I would request Satish san to address the shareholders.
- Satish Veerappa** : Thank you and good morning to all the shareholders and thank you for your questions. I think there is a wide variety and wide range of questions. Just allow us a minute to organize and we will respond to all of your questions in just a bit. So, fundamentally, if I were to broadly categorize the questions that have been asked, I think one is on what are future plans, what is the strategy and what is the roadmap on growth. Within that what are our aspirations on enhancing profit levels, I think that seems to be a category of questions that have been asked under that front.

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Second, questions around innovations which range between what action the Company has been taking on NPDs with some specific comments on bringing out certain NPDs which you believe is relevant to this industry and to our consumers. So, that's the second question. There are questions around innovation and the impact of innovation on NPDs. The set of questions they have asked about what we are doing with capex plan based on reserves that we have accumulated and the enhanced profitability which has been added to the reserves. How we intend to allocate capital going forward. The broad set of questions around that and of course a set of questions on how we can synergize better with the parent and scale up some of the businesses which we believe that there are synergetic possibilities with the parent Company in Japan. So, I think these are the four categories and if anything specific beyond this, and anything technical, I will request my colleagues from the finance team to chip in. So, let's just start off with the broad question on strategy and what is our future roadmap and how do we see growth and profitability going forward. We have been committing to the shareholders in all the AGMs before this, our direction is to grow the profits and grow revenue sustainably in the future. Now, Sustainability means that our intent is to drive growth at double-digit levels and grow profits a little ahead of revenue growth. That's the broad intent and that's the direction in which the Company works. Having said that specific to the year gone by, it's not like that we had a secular low growth trajectory, that's not correct. Our growth is punctuated with periods of high growth and then growth which is kind of subsided post that.

On specific to the year gone by, if you see, each quarter, we had a good start to the year. The seasonal business, which is typically the April-May-June period, that period last year, we had a very good start. We grew between 17 to 18 percent. Post that we have seen a little bit of the slowdown. This is largely reflective of what we have seen as consumption demand in the overall environment. We have been affected by some of that slowdown in our core businesses. But on the businesses which we called as our growth bets which is essentially the

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business in notebooks, business in adhesives and the business of wooden pencils which as rightly called out by one of you is a business which we are trying to revive. We were there but what we are now bringing out is a completely different set of offerings in wooden pencils. These businesses, which we have called growth bets, they have continued to hover around high double digit growth rates in all these quarters beyond the seasonal quarter of last year. Hence, we have not really slowed down to the extent that one has seen slowed down happened in the consumer sector across the board. But we have seen the impact of slowing down of consumption spends in core categories that we operate in, which is essentially the school colors and the scholastic business of art. That's it. Our intent is to grow every category. Different categories will have different levels of thrust, but the primary direction of growth within the Company is to see what the consumer journey is. To work with consumer, meeting his emerging needs and to also come out with products which have designed very well which possibly add great user experience and enhance the product performance and the equity of the brand with the consumers to whom we currently cater to. There was a mention of challenges. While we formulate our strategy, we obviously take into cognizance challenges that are posed by competition. There are clear actions that we work towards, category by category, product by product and in an environment where growth is getting slowed down a little bit. I am sure most of you would be broadly aware of the macro trends. When consumption slows down, you see intensity of competition especially in the form of discounts getting enhanced. There we have tried to be a little choosy or where we want to go out and aggressively cut down the prices and grow the market and where we believe that protection of margins is more important than any short-term gain and sale. So, with that said, we will continue to focus on four pillars. For organic growth, four pillars for our business would be centered around innovation and the equity strengthening that we will continue to continuously invest in as far as the brand is concerned. So, the brand and innovation will go together. Distribution will be a pivotal focus for growth. There is an opportunity to grow distribution

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and through that grow the size of our business. In distribution, while we do, what we have to do in the domestic market, we will continue to pursue opportunities beyond India. I will also try to answer some specific questions that were asked around exports. So far, our focus has been on branded exports, we will continue to expand the footprint of Camlin brand overseas wherever the brand is of relevance. So far, we have been targeted towards the diaspora markets. We will further stretch the presence of our Camlin footprint globally and certain continents or certain Countries of interest which we will go after. We will also look at opportunities which allow us to use the inherent scale that we have in manufacturing certain products. It means we will have to get into some arrangement of supplying to some other brands globally. We will look at that, but that will be only after we satisfy our potential for branded export. Our distribution effort will be on both the domestic front and on the international strength. If I just quickly add on distribution and bring questions asked on what else the Company is doing about digital and kind of impact that revolution of digitization is happening in the world. We are proud to say that we have been thrusting ahead and putting digital into our salesforce operations. We walked out on a limb and made sure that we are one of the pioneers in bringing digitization in terms of the way the entire sales operations are conducted. It's not been easy, but we intend to perceive and make sure that digitization is key lever to drive analytics and through analytics, unlock growth as far as our distribution effort is concerned.

And the last pillar on organic growth will be centered around operation excellence that will have a significant bearing on the profitability of our operations. Last year, we engaged with an external partner to come and consult us and work together with us to help us unlock, what driven opportunities to enhance the quality of our operations. Happy to report that we have made significant progress and benefit from that, some of that has already impacted in a previous year. I still believe a lot of that is likely to come through the current year also. So, these will be the four pillars of organic growth. In inorganic, yes of course, we are not saying no to anything. But

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inorganic has to pass through a specific set of criteria before we say this is something that we would like to go after. So, that is as much as I could discuss on growth. Moving on to what were questions around profitability. As I said, our intent is to grow the Company, not just for the sake of growth but also to make our growth profitable and hence, there are businesses that we have stayed away from heavy discounting or heavy price reductions to drive growth. We believe that we look at the other opportunities like using levers for category development where category development is very essential way forward like for example, category development has very significant role to play in the way we grow the art material category. Rather than just fight for market share gains, there is immense work to be done to drive user penetration. Through that, you grow the market and you being the leader in the category, you are the key beneficiary of whatever category growth happens. So, that will be the way we work towards growth in some of those categories and without sacrificing profits and we will look at innovation to drive profitability. We are trying to bring in some new age products into categories where, the consumer in India is being used to a certain type of product. Here I am referring to markers. I would encourage you to go out and check out some of our new offerings and see if we are really pushing the envelopes in some of categories in terms of delivering unparalleled experience and to address profitability, we were looking at the opportunities to bring out the kind of new products as some of you were suggesting but we didn't just want to come back and match competitors, we also wanted to make sure that while being relevant, we are also differentiated. So, we are in the process of launching a new range of kits which possibly have not been experienced by Indian consumer. I would again request you to go out and keep a watch on what's happening from Camlin, and I would really encourage you to go out and check the market whenever you find time to see how we are progressing as a business.

So, all the initiative that I am talking about, while its focused on driving innovation and through innovation equity. It is also focused on driving profitability. So, our intent is to make sure that we

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don't lose ground and we continue to build a robust Company which delivers strong growth but growth which is centered on respectable profits. Coming to the questions on capital allocation and around that and the last question on parent and I will answer a bit of it and I would request my colleague from the Kokuyo team to support me on that but before I get there, question on capex and what we intend to do. First let me get through the questions on capacity utilization. I would reasonably believe that we are at a reasonable capacity utilization across all our plants. Except there are months where we are stretched for capacities and that's where we are trying to balance between in-house production and trading. It's not like we are skewed in favour of one vis-à-vis the other. So, it's really about balancing resources which are at play, depending on how the intensity of the business varies across the year. With that said, our Patalganga plant's operational capacity is between 75 to 80 percent and at the rest of the plants, we are hovering around the 80 to 85 percent mark. Our intent with trading is to see where we are not just buying because we get low cost. We also want to work with some of our vendors as partners and also work with them in product development. That's been our endeavors on trading. It's not just buying materials at a lower cost. I believe that's a good approach for de-risking and product development, and we have continued to stay invested on this approach. As we expand where categories are seeing some ceiling on capacity utilization, we will not hesitate in going out and expanding the floor plate. We are currently looking at a few such scenarios but as and when something fructifies, I will be able to come back and share more details. We will be investing for growth, and I don't think if there is any reason to be backing out. Lastly, on how are we able to synergize and how are we able to use the synergies to scale up some of the businesses which are relevant in the partnership between Kokuyo and Camlin. We have had a successful business in notebooks, we see opportunity at the same time as a peculiar way in which the notebook business works in India which might not be the very similar way it works in Japan. So, we will have to be very focused and clear about what is it about Japan that we bring to India and what is it that we may not be able to bring it today because of various

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other reasons. So, on that front, there is a lot work that is happening and not just in notebooks, there are also other technologies which we believe, we partnered with parent Company and some of that is important into a marker business. I see that the co-ordination, collaboration, and the efforts that the team internally are making with each other, I see more hope that we should see something interesting or something substantive happening in the way we work with the parent going forward. If there is anything from anyone from the parent to add to it, I will just leave the floor open to them.

Masaharu Inoue : (This is the translation of Japanese language to English language by Mr. Takashi Itoguchi)
(addressing in Japanese language)

Kokuyo has a high hope with the Indian market. There may be short-term economic turmoil due to intense competition and inflation. It has a market with strong growth potential in the mid-term and long term. In terms of introducing Kokuyo products, we held a pop-up store for seven days in a shopping mall in Mumbai in May this year, selling a high priced Kokuyo products from Japan and China. Nearly 1000 consumers purchased products which gave us a real sense of great potential. We are currently considering a business model for full scale market. We will share the result with the shareholders in future. Thank you very much.

Chairman : Vipul, Satish san has very nicely covered all the business prospects and future. I think, on finance side there were not much questions. Satish, anything on that?

Satish Veerappa : Nothing.

Chairman : Only the Banker was one of the questions.

Satish Veerappa : Anyone wants to respond. Any special benefits you are getting from working with Japanese Banks?

Nilesh Choudhary : I will take this up. We are working with Japanese Bank and one of the Bank is HDFC Bank. So, while it will have a partnership with the Parent Company, of course we are getting a better competitive rate in the terms of borrowings and that's what we always

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tried for the long-term relationships, which is beneficial for overall profitability of the Company as a whole. Thank you.

Chairman

- : Thank you. I think most of the questions have been answered by the Managing Director and the CFO. Also, Inoue san gave a clarity that how Kokuyo Japan is going to have more focus in Indian market and How the Camel brand or the Kokuyo brand will jointly work in the international market. With his new leadership and the support what the Indian team is getting from Japan, you will be able to see good future and Japanese products as well as Indian products going outside India.

With this, now I request the shareholders to cast their votes on all the resolutions set out in the AGM notice. Those shareholders who have already voted through e-voting will not be eligible to vote again in the meeting but can only participate in the business of the meeting. After all the shareholders have cast their vote, the Scrutinizer will go through all the votes cast by the shareholders and the combined result of the remote e-voting and voting at the AGM will be announced on or before Wednesday, 7th August 2024. The voting result will also be forwarded to the stock exchanges and made available on the website of the Company.

As business of the meeting is over, I formally declare the Meeting as concluded. Thank you very much for your presence and support. Thank you once again.