



**SPEECH DELIVERED BY THE CHAIRMAN & MANAGING DIRECTOR, MR. DILIP DANDEKAR, ON THE OCCASION OF THE SIXTYFIRST ANNUAL GENERAL MEETING, HELD ON THURSDAY, THE 3<sup>rd</sup> JULY, 2008.**

**LADIES & GENTLEMEN,**

I extend a warm welcome to all of you on the occasion of the 61<sup>st</sup> Annual General Meeting of your Company. The Directors Report on the operations of your company and the Audited Accounts for the year ended on 31<sup>st</sup> March, 2008 have been with you for sometime now. I am sure you have had the opportunity to peruse the same

**ECONOMIC SCENARIO:**

In the fiscal year 2007-08, Indian economy performed well by registering GDP growth of over 8.7% and for the year 2008-2009 it is estimated to be in the range of 8 to 8.5 per cent. While Agriculture and manufacturing sector witnessed a noticeable slowdown service sector contributed the most in the current years growth.

Recent slowdown in US economy, inflation rearing its head especially in mass consumption commodities, increasing cost of food and current increase in Gas and petroleum products will further give rise to inflation which is a matter of concern.

**PERFORMANCE HIGHLIGHTS:**

I am happy to inform you that your company's strategic business initiatives and robust business model have delivered a healthy performance. The process of restructuring initiated in the last three years included discontinuing of pharma activity, selling of Andheri property and shifting of manufacturing activities from Andheri to various locations, Introduction of VRS to control high labour cost and lastly demerger of Fine Chemical Division. Your company is now a single segment company in the business of Colour & Stationary products.

During this year your company crossed Rs 200 Crores turnover landmark and is now fully geared up to cross the next milestone of Rs 300 Crores in the current financial year.

Since the Annual Report has been with you for some time, with your permission, I will highlight the key aspects of the performance.

- # Total Revenue crossed Rs 200 Crores to reach at Rs. 224 Crores – an increase of 23.86% over the previous year.
- # Profit before Tax from operations of Consumer Products was at Rs. 818.31 lacs which is higher by 306.45% over 2006-07.
- # Earnings Per Share (EPS) was Rs. 7.07.

Our performance on every parameter reflects significant improvement. What makes our performance even more satisfying is that, it was achieved inspite of the challenges that we had to face on account of rising material and energy costs and an appreciating currency. Simultaneously, we had also focused on improving operational efficiencies, fully utilizing the core competence of Camlin's proprietary know-how, aggressive cost compression, product re-engineering as also enrichment of product and market mix. I am glad that as an organization we have responded well.

The outstanding performance of the company has given your directors an opportunity to recommend a dividend of 25% on 60,00,000 Equity Shares of Rs 10/- each. This dividend is on the expanded capital of Rs. 600.00 lacs on account of preferential allotment of Equity shares to Foreign Institutional Investors.

### **OTHER SIGNIFICANT DEVELOPMENTS:**

As already reported in the Directors report of our new manufacturing facility at Samba Phase I, Jammu. I am happy to announce that we have taken trial runs and commercial production is expected to start this month. This unit will manufacture Fine Art, Hobby & Scholastic products.

We have placed before you for your approval Sub-division of Equity Shares from the existing Face Value of Rs 10/- to Face Value of Rs 1/- . This sub-division will improve the liquidity of the Shares and will also increase trading volumes. As a step forward, I take this opportunity to inform you that we have applied to National Stock Exchange for listing of Companies Shares and we expect that the shares will be listed on NSE in the current month.

It is proposed to issue shares to employees of the company under the Employees Stock option scheme 2008 for which your approval is being sought at the ensuing meeting. The valuable contribution by employees at all levels is also a factor in the success achieved by the Company.

### **CURRENT PERIOD PERFORMANCE:**

Current year has started on an encouraging note and we are confident to continue the growth powered by optimizing efficiencies, increasing capacities and thrust on value added product mix which will take us to reach another milestone of Rs 300 crores.

### **FUTURE PROSPECTS:**

Your company is optimistic about carrying forward this momentum with a greater pace and I feel confident that we are better positioned than ever before and years ahead will be very rewarding. Capital expenditure for the last three years has helped to create additional capacities which will enable your Company to fulfill the promise of better growth rate. For achieving this growth your company has initiated following actions.

- # New product launches.
- # Increasing thrust on Writing Instruments, School and Office Stationery Products.
- # New Business Plan of Hobby kits and Direct Marketing
- # Increasing the capacities.
- # Increased spend on Advertisements.

### **ACKNOWLEDGEMENTS:**

In conclusion of my speech, I take this opportunity to offer my sincere thanks to my colleagues on the Board for their co-operation and continued guidance. My heartfelt thanks go to our Bankers, Government Authorities, Financial Institutions, Suppliers, Distributors and Customers for their valued support and co-operation.

I wish to thank all the employees for their concerted efforts in realising our objectives. The shareholders need a special mention, since most of you hold on to your share. That speaks of your trust in stability and strengths of your company. I thank all of you for the unstinting support and confidence.

Having provided you with a snapshot of your company, in all of its key dimensions, may I now commend the first resolution relating to the adoption of the Accounts and Directors' Report for your consideration and approval.

**DILIP DANDEKAR  
CHAIRMAN & MANAGING DIRECTOR**

Mumbai,  
3rd July, 2007

---

**NOTE:** This does not purport to be a record of the proceedings of the Annual General Meeting of the Company.