



# **KANCHI KARPOORAM LIMITED**

**TWENTY FOURTH  
ANNUAL REPORT  
2016-2017**



**E-Mail Registration**

To

**M/s. Cameo Corporate Services Ltd.**  
"Subramanian Building"  
No.1, Club House Road Chennai - 600 002.  
E-Mail Id: investor@cameoindia.com

Dear Sir / Madam,

**Sub: Registration of E-mail ID for receiving communications in electronic form.**

I am a Shareholder of the Company; I want to receive all communications from the Company including AGM and General Meeting notices and explanatory statement(s) thereto. Balance Sheets, Director's Report, Auditor's Report etc., through email.

Please register my e-mail ID set – up below in your record for sending communication thorough e-mail:

Folio No.\*

Name of the 1st Registered Holder \* \_\_\_\_\_

Name of the Joint Holder(s) \_\_\_\_\_

Address \* \_\_\_\_\_  
\_\_\_\_\_

Pin Code\* \_\_\_\_\_

E-Mail ID \* \_\_\_\_\_

Contact No\*                      Mobile \_\_\_\_\_

   Landline \_\_\_\_\_

\*Date                                      Signature of 1st Holder\* \_\_\_\_\_

**Important Notes:**

- a. Field marked\* are mandatory for registration of the e-mail ID
- b. On registration, all the communication will be sent to the e-mail ID registered in folio.
- c. Any change in e-mail ID may please be registered in the records of the Company.



**KANCHI KARPOORAM LIMITED**

**BOARD OF DIRECTORS**

Mr. Suresh Shah, Managing Director

Mr. Dipesh S Jain, Whole-time Director

Mr. Arun V Shah, Whole-time Director

Mr .S. Srinivasan, Non Executive & Independent Director

Mr. Narasimhan Raghu, Non Executive & Independent Director

Mr. K.Venkateswaran, Non Executive & Independent Director

Mrs .Pushpa S Jain, Non Executive Director

**CHIEF FINANCIAL OFFICER**

Mr. .K. C. Radhakrishnan

**COMPANY SECRETARY**

Ms .Krithika D Thakkar

**AUDITORS**

M/s. R. Subramanian and Company

Chartered Accountants

No.6, Krishnaswamy Avenue,

Luz, Mylapore, Chennai, 600004

**SECRETARIAL AUDITOR**

Mr. V.S. Sowrirajan

C-2, Vijiyarenga Apartment

64, West Adayavalanchan Steet,

Srirangam, Trichy - 620 006.

**BANKERS**

Bank of India,

Chennai Overseas Branch, "Star House" III Floor,

30(Old No.17), Errabalu Street,

Chennai, 600001, Tamilnadu, India

**REGISTERED OFFICE OF THE COMPANY AND FACTORY**

Parandur Road, Enathur Village,

Karaipettai Post, Kanchipuram, 631552,

Tamil Nadu, India

**REGISTRAR AND SHARE TRANSFER AGENT**

M/s. Cameo Corporate Services Ltd.

"Subramanian Building"

No.1, Club House Road, Chennai, 600002, Tamilnadu, India.

E-Mail Id: investor@cameoindia.com



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**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the **24th Annual General Meeting** of the members of Kanchi Karpooram Limited will be held on Thursday, 28th September, 2017 at 11.00 a.m. at M. M. Hotels, 65/66, Nellukara Street, Kanchipuram, 631502, Tamilnadu, India, to transact the following business:

**Ordinary Business:**

1. To consider and adopt the Audited Standalone Financial Statements for the Financial Year ended March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2017.
3. To appoint a Director in place of Mrs. Pushpa S Jain (DIN: 06939054), who retires by rotation and being eligible, offers herself for re-appointment.
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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under (including any statutory modification(s) or re-enactments thereof for the time being in force) M/s. P. Chandrasekar, Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI) vide registration number **S200066**, be and are hereby appointed as Statutory Auditors of the Company (in place of M/s. R. Subramanian and Company, Chartered Accountants, the retiring Auditors) for a term of Five years commencing from the Company's financial year ending March 31, 2018 to hold office from the conclusion of the 24th Annual General Meeting of the Company till the conclusion of the 29th Annual General Meeting (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration plus tax as applicable, out-of-pocket expenses, as may be mutually agreed upon by the Board of Directors and the Statutory Auditors

**RESOLVED FURTHER THAT** Mr. Suresh Shah (DIN: 01659809), Managing Director of the Company be and is hereby authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

**Special Resolution:**

5. To approve Related Party Transactions and in this regard to consider and if thought fit, to pass with or without modification(s), following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permission as may be necessary, consent of the members of the Company be accorded to the Board of Directors of the Company/ Committee of Directors, to enter into contracts and/or agreements with M/s Suresh Industries for sale, purchase or supply of any goods or materials for maximum amount not exceeding Rs.15 Crores (Rupees Fifteen Crores Only) per annum.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in this regard and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable and its decision shall be final and binding.

By Order of the Board  
For KANCHI KARPOORAM LIMITED

Place: Kanchipuram  
Date: 31.08.2017

Suresh Shah  
(DIN: 01659809)  
Managing Director

**Notes:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY**

**A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder**

**Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty eight hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A proxy form is attached hereto.**

2. The business set out in the Notice will be transacted through electronic system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this notice under Note No. 22.
3. Corporate Members intending to send their authorised representatives to attend the meeting are required to send a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Meeting
4. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members, Proxies and Authorised Representatives are requested to bring to the meeting the attendance slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. Duplicate attendance slip or copies of the Report and Accounts will not be made available at the AGM venue
6. In terms of Section 152 of the Companies Act, 2013, Mrs. Pushpa S Jain (DIN: 06939054) Director of the Company, retires by rotation at the meeting and being eligible, offers herself for re-appointment. A brief resume of the director proposed to be re-appointed, nature of her expertise in specific functional areas, names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter se as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and Clause 1.2.5 of Secretarial Standards-2 on General Meetings, are provided in the annexure to the notice.
7. Relevant documents referred to in the accompanying Notice and the statement are open for inspection by the members at the Chennai office of the Company on all working days (except Sundays and Public holidays) between 11.00 a.m. to 04.00 p.m. up to the date of this Annual General Meeting ("AGM") and also at the AGM.
8. The Register of Members and Share Transfer Books of the Company will remain closed from the 21th September, 2017, Thursday to 28th September, 2017, Thursday (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
9. If Dividend as recommended by the Board of Directors is approved at the AGM, the payment of dividend will be made on/before 27th October, 2017 to those members whose names shall appear on the Company's register of members on the closure of business hour on 21th September, 2017 as under:
  - (a) In respect of share held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that day.
  - (b) In respect of share held in physical form, the dividend will be paid to members whose names are furnished after giving effect to valid transfers in respect of transfer request lodged with the company on or before the closure of business hour as on that day.



10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents (RTA), M/s Cameo Corporate Services Limited (“Cameo”) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in Physical form are requested to advise any change in their address or bank mandates immediately to the Company/ Cameo.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of 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 Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Cameo.
13. Pursuant to the provision of Companies Act the dividend which remained unclaimed for a period of Seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the “Investor Education Protection Fund” (IEPF) account established by the Central Government along with the shares in respect of which unpaid or unclaimed dividend has been transferred to IEPF account. Pursuant to the provisions of Investor Education Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company ([www.kanchikarpooram.com](http://www.kanchikarpooram.com)), as also on the website of Ministry of Corporate Affairs.  
Members who have not en-cashed the dividend warrants for the Financial Years 2010-11, 2012-13, 2013-14, 2014-15, 2015-16 are requested to write to the Company giving necessary details in the prescribed form available in company website.  
Unclaimed dividend for the FY 2010-11 will fall due for transfer to the said Fund on 04/02/2018. Those members, who have not en-cashed their dividends for the FY 2010-11, are requested to claim it from the Company or M/s. Cameo Corporate Services Ltd, the Registrars and Share Transfer Agents of the Company, immediately.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Members desirous of making nominations may procure the prescribed form from the Company/Cameo.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Company/RTA, for consolidation into a single folio.
16. Non-Resident Indian Members are requested to inform RTA, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, PAN if not furnished earlier.
17. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc form the Company electronically.
18. Members may also note that the Notice of the 24th AGM and the Annual Report for FY 2016-17 will be available on the Company's website [www.kanchikarpooram.com](http://www.kanchikarpooram.com) for their download and also on the website of Central Depository Services (India) Limited viz. [www.evotingindia.com](http://www.evotingindia.com). Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost. For any communication/ queries the shareholders may also send requests to the Company's investor email id: [secretarial@kanchikarpooram.com](mailto:secretarial@kanchikarpooram.com)



19. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company M/s. Cameo Corporate Services Ltd. "Subramanian Building" No.1, Club House Road, Chennai, 600002, Tel : Phone No.044-28460390 - 94, Email Id: investor@cameoindia.com / cameo@cameoindia.com
20. The cut-off date for the purpose of remote e-voting and voting at the AGM shall be 21st September, 2017. Please note that members can opt for only one mode of voting i.e., either by voting at the meeting or e-voting. If Members opt for e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting may also attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again
21. A route map showing directions to reach the venue of the 24th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meetings"
22. Information and other instructions relating to e-voting are as under:
  - A. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (a electronic voting system from a place other than venue of the AGM) to exercise their right to vote at the 24th AGM. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL). The instructions to members for voting electronically are as under:
    - I. Log on to the E-Voting website [www.evotingindia.com](http://www.evotingindia.com)
    - II. Click on "Shareholders" tab to cast your votes
    - III. Now fill up the following details in the appropriate boxes
    - IV. Next enter the Image Verification as displayed and Click on Login.
    - V. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
    - VI. If you are a first time user follow the steps given below:

Particulars	For Members holding shares in Demat Form	For Members holding shares in Physical form
User ID	For NSDL 8 Characters of DP ID followed by 8 Digits of Client ID For CDSL 16 Digits of Beneficiary ID	Folio Number Registered with the Company
Captcha	Enter the Verification Code for Security reasons i.e. please enter the alphabets and numbers in the exact way as they are displayed	
Password	Your unique password is printed on the AGM Attendance Slip	

PAN	For Members holding shares in Demat Form and Physical Form Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (V).</li></ul>





- VII. After entering these details appropriately, click on "SUBMIT" tab.
- VIII. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- IX. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- X. Click on the EVSN of Kanchi Karpooram Limited.
- XI. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XII. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XIII. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- XIV. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XV. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XVI. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XVII. Note for Non – Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XVIII. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- XIX. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kanchikarpooram.com](http://www.kanchikarpooram.com) and on website of CDSL e-Voting [www.evotingindia.com](http://www.evotingindia.com) within two days of the passing of the Resolutions at the Annual General Meeting of the Company and will also be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed
- B. The voting period begins on 25th September, 2017 at 09.00 am and ends on 27th September, 2017 at 05.00 pm. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off-date (record date) of 21st September, 2017 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter



- C. In case of any query pertaining to E-Voting, please refer the FAQs section and E-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- I. The voting rights of members shall be in proportion to their shares of the paid up equity capital of the Company as on the cut-off date of 21st September 2017.
- II. M/s Rabi Narayan Pal Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- III. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
- IV. In case of those members, who do not access to e-voting facility, they can use the assent/dissent form sent herewith or can be downloaded from our website [www.kanchikarpooram.com](http://www.kanchikarpooram.com) and convey their assent/dissent to each one of the items of business to be transacted at the ensuing Annual General Meeting and send the form to the registered office of the Company on or before **21st September, 2017** to reach M/s Rabi Narayan Pal Scrutinizer appointed by the Company.
- V. Members can choose only one of the two options namely e-voting or voting through physical assent/dissent form. In case votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and those votes casted through physical assent/dissent form would be considered, subject to the assent/dissent form being found to be valid.
- VI. The results of e-voting, physical assent/dissent and poll, if any shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kanchikarpooram.com](http://www.kanchikarpooram.com) and on the website of NSDL within two (2) days of passing the resolutions at the AGM of the Company and will be communicated to BSE Limited.

By Order of the Board  
For KANCHI KARPOORAM LIMITED

Place : Kanchipuram

Date : 31.08.2017

Suresh Shah  
(DIN: 01659809)  
Managing Director

**ANNEXURE****DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT/APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING****PUSHPA S JAIN (DIN: 06939054)**

Mrs. Pushpa S Jain (58) assumed charge as the Non-Executive (Women) Director of the Company with effect from 10.09.2014.

Mrs. Pushpa S Jain has been associated with the Company through her husband Mr. Suresh Shah, Managing Director of the Company. She is having vast experience and knowledge in business which will be of immense helpful to the Company. Apart from that she has been continuously engaging in promoting various charitable activities. A brief detail of Mrs. Pushpa S Jain is as follows:

Name	Pushpa S Jain
Date of Birth	07.09.1958
Nationality	Indian
Relationship with Other Director	Wife of Mr. Suresh Shah
Qualification	Matric
Expertise in Area	Engaging in Social Services
No. of Shares held	2,74,500
List of Directorships held in other Companies	Nil
Chairmanship(s) / Membership(s) of Board Committees in Other Companies	Nil

By Order of the Board  
For KANCHI KARPOORAM LIMITED

Place : Kanchipuram

Date : 31.08.2017

Suresh Shah  
(DIN: 01659809)  
Managing Director

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013:**

Item No. 5: The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case of sale, purchase or supply of any goods or materials, (whether directly or through any agent) and wherein the amount involved exceeds ten per cent of the turnover of the company or rupees hundred crore, whichever is lower, prior approval of the shareholders by way of a Special Resolution must be obtained.

In the light of provisions of Section 188 (1) of the Companies Act, 2013 and the rules made thereunder, the Audit Committee and the Board of Directors of your Company have approved the proposed transactions along with annual limit that your Company may enter into with the related parties. The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

<b>Name of the Related Party</b>	<b>Name of the Directors who are related</b>	<b>Nature of Relationship</b>	<b>Nature of Transaction</b>	<b>Maximum value of transaction per annum</b>
M/s Suresh Industries	SURESH SHAH DIPESH S JAIN ARUN SHAH PUSHPA S JAIN	Firms in which director and their relatives have significant influence	Sale, purchase or supply of any goods or materials	Rs.15 Crore Only (Rupees Fifteen Crore Only)

The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at item No. 5 shall be entitled to vote on this special resolution.

The Board of Directors recommends the resolution set forth in item No. 5 for approval of the Members.

Except Promoter Directors and their relatives (to the extent of their shareholding interest in the Company), no other director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in this resolution.



## DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the Twenty Fourth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended March 31, 2017.

### FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March 2017 is summarised below. Segment wise reporting as per Accounting Standards AS-17 is not applicable to your Company, since your Company is engaged in the activity of single segment only

Particulars	Year ended 31.03.2017 (Rs. in Lakhs)	Year ended 31.03.2016 (Rs. in Lakhs)
Revenue from operations	5865.75	5649.10
Other income	55.56	13.77
Total Expenses	5278.20	5396.99
Cost of Material Consumed	4413.03	4121.06
Depreciation and amortization expenses	63.47	37.63
Finance Cost	173.16	147.76
Other Expenses	673.96	603.73
Profit / Loss Before tax	469.95	118.17
Current tax	166.45	39.16
Profit / Loss After tax	303.50	78.96
<b>Earnings per share</b>		
Basic & Diluted	7.33	1.91
<b>Your Directors recommend the following appropriations:-</b>		
Proposed Dividend		62.13
Dividend Distribution Tax		12.64
Transfer to general Reserve		-

**FINANCIAL PERFORMANCE**

The Standalone Gross Revenue from operations for FY 2017 was at Rs.5865.75/- (Previous Year Rs.5649.10/-), registering a growth of 3.84%. The Standalone Operating Profit stood at Rs.469.95/- (Previous Year Rs.118.12/-). The Standalone Profit after tax stood at Rs.303.50/- (Previous Year Rs.78.96/-).

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as Annexure -1 to this Report.

**DIVIDEND AND TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013**

Your Directors recommend a dividend of 15.00 % (Fifteen Percent) i.e. Rs.1.50/- per equity share of face value of Rs.10/- each (Previous Year Rs.62,13,300/-). Payment of Dividend is subject to the approval of Shareholders at the ensuing Annual General Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2017 and of the profit of the Company for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**SHARE CAPITAL**

The paid up Equity Share Capital as at March 31, 2017 stood at Rs.4,14,22,000/-. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2017, none of the Directors of the company hold instruments convertible into equity shares of the Company

**INFORMATION ABOUT HOLDING / SUBSIDIARY/ JV/ ASSOCIATE COMPANY**

The Company does not have any Holding, Subsidiary, Joint venture or Associate Company.

**DIRECTORS**

The Board of Directors of the company comprises of One Managing Director, Two Whole-time Directors who are the Promoters of the company and Four Non-Executive Directors, including Three Independent Directors and One Women Director who is Non Executive. The composition of the Board of Directors is in compliance with Section 149 of the Companies Act, 2013

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mrs. Pushpa S Jain (DIN:06939054), Non Executive Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers herself for re-appointment. The Board recommends her re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**NUMBER OF MEETINGS OF THE BOARD**

During the year, 6 (Six) meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached to this report.

**KEY MANAGERIAL PERSONNEL**

The following are the Key Managerial Personnel of the Company:

- a) Mr. Suresh Shah (DIN: 01659809) Managing Director
- b) Mr. Dipesh S Jain (DIN: 01659930), Whole Time Director
- c) Mr. Arun V Shah (DIN: 01744884), Whole Time Director
- d) Mr. K. C. Radhakrishnan, Chief Financial Officer
- e) Ms. Krithika D Thakkar, Company Secretary

**COMMITTEES OF THE BOARD**

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

**AUDITORS****(a) STATUTORY AUDITOR**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder the term of office of M/s. R. Subramanian and Company, as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company. The Board of Directors places on record its appreciation to the services rendered by M/s. R. Subramanian and Company as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s. P. Chandrasekar Chartered Accountants (ICAI Firm Registration Number: S200066) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013. Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company.

There is no audit qualification for the year under review.

**(b) COST AUDITOR**

The Company's products come under Table B (Non Regulated Sector) Companies (Cost Records and Audit) Rules 2014. As per Rule 4 Companies (Cost Records and Audit) Rules 2014, Every Company specified in Table B of the Cost Audit would be applicable if the overall turnover of the Company from all its products and services during the immediately preceding financial year is Rs.100 Crores or more and the aggregate turnover of the individual product(s) or Service(s) for which cost records are required to be maintained under Rule 3 is Rs.35 Crores or more. Since the threshold limit of Rs.100 Crores is not reached Cost Auditor was not appointed. However as per rule the Company is maintaining Cost records.

**(c) SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Mr. V.S. Sowrirajan, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure-2 to this Report.

There is no secretarial audit qualification for the year under review.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Your Company has not given any loan or made any investment or given a guarantee or provided any security in accordance with Section 186 of the Companies Act, 2013.

**PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. All related party transactions are placed before the Audit Committee for approval. Details of the transactions are provided in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is appended as Annexure-3 to this Report. Further, there are no material related party transactions during



the year under review with the Promoters, Directors or Key Managerial Personnel. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (31st March 2017) and the date of the report (30 August 2017)

**CORPORATE SOCIAL RESPONSIBILITY**

The Company does not meet the provisions laid down in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 hence there is no requirement of constituting Corporate Social Responsibility Committee.

**DEPOSITS FROM PUBLIC**

During the year under review, your company did not accept any deposits within the meaning of provisions of Chapter V, Acceptance of Deposits by the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has internal control system which includes financial control commensurate with the size, scale and complexity of company's operations and also ensures that the Company's assets are well protected. The internal audit evaluates the efficacy and adequacy of internal control system in the Company, its compliance with accounting procedures and policies of the Company. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

**CORPORATE GOVERNANCE**

The Company is not only committed to maintain the standards of Corporate Governance set out by SEBI but also morally committed to its members. As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a Whistle Blower Policy to report genuine concerns or grievances. Your company hereby affirms that no complaints were received during the year.

**REMUNERATION AND NOMINATION POLICY**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report on the operations of the Company, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms a part of this Report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.



**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure-4 and forms a part of this Report

**RISK MANAGEMENT**

Your Company as part of Standard Operating System and Procedure institutionalized risk management covering risk identification, mitigation and management measures. This Risk Charter and Policy have been brought to practice as per part of internal control systems and procedures. The Management has applied the risk management policy to activities and processes of the business and this is reviewed to ensure that executive management manages risk through means of a properly defined framework.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your company does not satisfy the criteria specified under Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 hence there is no requirement of constituting Corporate Social Responsibility Committee.

**DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has zero tolerance for sexual harassment at workplace and has adopted a policy and implemented an effective mechanism for the prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints. During the year under review, no complaints were received by the Board.

**PARTICULARS OF EMPLOYEES**

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to the ratio of remuneration of each director to the median employee's remuneration is annexed as Annexure-5 to this Report.

**APPRECIATIONS AND ACKNOWLEDGMENTS**

Your Directors place on record their appreciation to employees at all levels for their dedication and commitment. Your Directors would also like to express their sincere appreciation for the assistance and co-operation received from the banks, financial institutions, Government Authorities, customers, vendors and members during the year under review

**By Order of the Board  
For KANCHI KARPOORAM LIMITED**

Place : Kanchipuram

Date : 31.08.2017

<b>Dipesh S. Jain</b>	<b>Suresh Shah</b>
(DIN: 01659930)	(DIN: 01659809)
Whole Time Director	Managing Director



Annexure-1

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

CIN	L30006TN1992PLC022109
Registration Date	31/01/1992
Name of the Company	KANCHI KARPOORAM LIMITED
Category / Sub-Category of the Company	Company limited by Shares, Non Government Company, Public
Address of the Registered office and contact details	Parandur Road, Enathur Village, Karapettai Post, Kanchipuram, 631552, Tamilnadu, India Tel: 044-27294904/27294930
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited "Subramanian Building" No.1, Club House, Road, Chennai - 600 002 Tel: 044-28460390/91/92

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name/Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Camphor and Allied Products	20119	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate/ Joint Venture
NIL			


**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(I) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	15,86,250	1,39,650	17,25,900	41.67%	15,86,250	1,39,650	17,25,900	41.67%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	<b>15,86,250</b>	<b>1,39,650</b>	<b>17,25,900</b>	<b>41.67%</b>	<b>15,86,250</b>	<b>1,39,650</b>	<b>17,25,900</b>	<b>41.67%</b>	<b>0.00%</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bank / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any other (Specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A) shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>15,86,250</b>	<b>1,39,650</b>	<b>17,25,900</b>	<b>41.67%</b>	<b>15,86,250</b>	<b>1,39,650</b>	<b>17,25,900</b>	<b>41.67%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	35,200	35,200	0.85%	-	35,200	35,200	0.85%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>35,200</b>	<b>35,200</b>	<b>0.85%</b>	<b>-</b>	<b>35,200</b>	<b>35,200</b>	<b>0.85%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	43,865	1,22,700	1,66,565	4.02%	67,210	1,22,700	1,89,910	4.58%	0.56%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3,60,939	10,96,750	14,57,689	35.19%	4,86,052	10,47,150	15,33,202	37.01%	1.82%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3,03,474	1,75,900	4,79,374	11.57%	2,12,462	1,75,900	3,88,362	9.37%	-2.2%
<b>c) Others (specify)</b>									
Non Resident Indians	46,200	2,01,200	2,47,400	5.97%	18,300	1,86,200	2,04,500	4.94%	-1.03%
HUF	27,372	-	27,372	0.66%	94,925	-	64,925	1.57%	0.91%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	2,700	-	2,700	0.07%	201	-	201	0.00%	-0.07%
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – DR	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>7,84,550</b>	<b>15,96,550</b>	<b>23,81,100</b>	<b>57.48%</b>	<b>8,49,150</b>	<b>15,31,950</b>	<b>23,81,100</b>	<b>57.48%</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>7,84,550</b>	<b>16,31,750</b>	<b>24,16,300</b>	<b>58.33%</b>	<b>8,49,150</b>	<b>15,67,150</b>	<b>24,16,300</b>	<b>58.33%</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	0.00%	-	-	-	0.00%	-
<b>Grand Total (A+B+C)</b>	<b>7,84,550</b>	<b>17,71,400</b>	<b>41,42,200</b>	<b>100.00%</b>	<b>24,35,400</b>	<b>17,06,800</b>	<b>41,42,200</b>	<b>100.00%</b>	<b>-</b>



**(ii) Shareholding of Promoter**

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Suresh V Shah	337300	8.14%	0.00%	337300	8.14%	0.00%	0.00%
2	Shanta V Jain	107600	2.60%	0.00%	107600	2.60%	0.00%	0.00%
3	Veerchand D Shah HUF	31950	0.77%	0.00%	31950	0.77%	0.00%	0.00%
4	V.M.Goal	136500	3.30%	0.00%	136500	3.30%	0.00%	0.00%
5	Pushpa S Jain	274500	6.63%	0.00%	274500	6.63%	0.00%	0.00%
6	Kavita Jain	14500	0.35%	0.00%	14500	0.35%	0.00%	0.00%
7	Varshaa Goal	318400	7.69%	0.00%	318400	7.69%	0.00%	0.00%
8	Arun V Shah	38500	0.93%	0.00%	38500	0.93%	0.00%	0.00%
9	Jitendra V Shah	38000	0.92%	0.00%	38000	0.92%	0.00%	0.00%
10	Lata A Shah	89500	2.16%	0.00%	89500	2.16%	0.00%	0.00%
11	Madhu J Shah	66000	1.59%	0.00%	66000	1.59%	0.00%	0.00%
12	Dipesh Suresh Jain	212850	5.14%	0.00%	212850	5.14%	0.00%	0.00%
13	Soniya.A	30000	0.72%	0.00%	30000	0.72%	0.00%	0.00%
14	K.C Radhakrishnan	30300	0.73%	0.00%	30300	0.73%	0.00%	0.00%

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

Sl.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	There is no change in Promoters' Shareholding between 01.04.2016 to 31.03.2017			
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
3	At the end of the year				
	At the End of the year				



I) Shareholding Pattern of top ten Shareholders							
(other than Directors, Promoters and Holders of GDRs and ADRs):							
Sl.No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning (01.04.2016)/ end(31.03.2017) of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>BETALA GLOBAL SECURITIES LIMITED</b>						
	At the beginning of the year			90,000	2.17%		0.00%
	Changes during the year			-	-		0.00%
	At the end of the year			90,000	2.17%		0.00%
<b>2</b>	<b>SHEELA B DASWANI*</b>						
	At the beginning of the year			56,108	1.35%		0.00%
	Changes during the year	03/06/2016	Transfer	1,400	2.49%	57,508	1.38%
		10/06/2016	Transfer	1,000	1.73%	58,508	1.41%
		17/06/2016	Transfer	3,944	6.74%	62,452	1.50%
		24/06/2016	Transfer	2,200	3.52%	64,652	1.56%
		05/08/2016	Transfer	(2,000)	(3.09%)	62,652	1.51%
		12/08/2016	Transfer	(49,678)	(79.29%)	12,974	0.31%
	At the end of the year			12,974	0.31%	12,974	0.31%
<b>3</b>	<b>SURENDRA KUMAR SHAH</b>						
	At the beginning of the year			53,559	1.29%		0.00%
	Changes during the year	29/04/2016	Transfer	100	0.18%	53,659	1.29%
		10/06/2016	Transfer	50	0.093%	53,709	1.30%
		17/06/2016	Transfer	200	0.37%	53,909	1.30%
		03/03/2017	Transfer	6	0.01%	53,915	1.30%
	At the end of the year			53,915	1.30%	53,915	1.30%
<b>4</b>	<b>RADHIKA SEKSARIA*</b>						
	At the beginning of the year			53,300			1.28%
	Changes during the year	03/06/2016	Transfer	(1,925)	(3.61%)	51,375	1.24%
		10/06/2016	Transfer	(600)	(1.16%)	50,775	1.22%
		17/06/2016	Transfer	(1,600)	(3.15%)	49,175	1.18%
		24/06/2016	Transfer	(3,200)	(6.50%)	45,975	1.11%
		08/07/2016	Transfer	(1,000)	(2.17%)	44,975	1.08%
		15/07/2016	Transfer	(9,700)	(21.56%)	35,275	0.85%
		29/07/2016	Transfer	(5,500)	(15.59%)	29,775	0.72%
	At the end of the year			29,775	0.72%	29,775	0.72%
<b>5</b>	<b>JITHENDRA KUMAR ROOPCHAND</b>						
	At the beginning of the year			50,600			0.00%
	Changes during the year			-			0.00%
	At the end of the year			50,600			0.00%
<b>6</b>	<b>JAIKISHAN MIRCHANDANI</b>						
	At the beginning of the year			40,000			0.00%
	Changes during the year			-			0.00%
	At the end of the year			40,000			0.00%
<b>7</b>	<b>HITESH KUMAR S SHAH</b>						
	At the beginning of the year			39,200			0.00%
	Changes during the year			-			0.00%
	At the end of the year			39,200			0.00%
<b>8</b>	<b>BANK OF INDIA A/C. BOI MUTUAL FUND</b>						
	At the beginning of the year			33,300			0.00%
	Changes during the year			-			0.00%
	At the end of the year			33,300			0.00%



Sl.No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning (01.04.2016)/ end(31.03.2017) of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>9</b>	<b>MILAN R.PAREKH</b>						
	At the beginning of the year			31,800			0.00%
	Changes during the year			-			0.00%
	At the end of the year			31,800			0.00%
<b>10</b>	<b>BLUE CIRCLE SERVICIES LTD</b>						
	At the beginning of the year			31,000			0.00%
	Changes during the year			-			0.00%
	At the end of the year			31,000			0.00%
<b>11</b>	<b>BISWA NATH PATRA**</b>						
	At the beginning of the year	-	-	-			0.00%
	Changes during the year	29/07/2016	Transfer	30,000	0.72%		0.72%
	At the end of the year			30,000	0.72%	30,000	0.72%
<b>12</b>	<b>CHANDINI SHARMA**</b>						
	At the beginning of the year	-	-	-			0.00%
	Changes during the year	12/08/2016	Transfer	25,900	0.62%		
	At the end of the year			25,900	0.62%	25,900	0.00%
<b>13</b>	<b>RAJENDRAN V**</b>						
	At the beginning of the year		-	-			0.00%
	Changes during the year	23/09/2016	Transfer	28,101			0.67%
	Changes during the year	30/09/2016	Transfer	641	0.01%	28,742	0.63%
	Changes during the year	07/10/2016	Transfer	(19,742)	(0.47%)	9,000	0.22%
	At the end of the year			9,000		9,000	0.22%

v) \*Ceased to be in the list of Top 10 Shareholders as on 31.03.2017. The same is reflected above since the Shareholder was one of the Top 10 Shareholder as on 01.04.2016

vi) \*\* Not in the list of Top 10 Shareholders as on 01.04.2016. The same has been reflected above since the Shareholder was one of the Top 10 Shareholder as on 31.03.2017.

**vii) Shareholding of Directors and Key Managerial Personnel:**

Personnel:					
Sl.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	At the beginning of the year				
	Suresh Shah	337300	8.14	337300	8.14
	Dipesh Suresh Jain	212850	5.14	212850	5.14
	Arun V Shah	38500	0.93	38500	0.93
	K. Venkateswaran	0	0.00	0	0.00
	S. Srinivasan	0	0.00	0	0.00
	Narasimhan Raghu	0	0.00	0	0.00
	Pushpa Suresh Jain	274500	6.63	274500	6.63
	K. C. Radhakrishnan	30300	0.73	30300	0.73
	Krithika D Thakkar	0	0	0	0
<b>2</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
<b>3</b>	At the end of the year				
	Suresh Shah	337300	8.14	337300	8.14
	Dipesh Suresh Jain	212850	5.14	212850	5.14
	Arun V Shah	38500	0.93	38500	0.93
	K. Venkateswaran	0	0.00	0	0.00
	S. Srinivasan	0	0.00	0	0.00
	Narasimhan Raghu	0	0.00	0	0.00
	Pushpa Suresh Jain	274500	6.63	274500	6.63
	K. C. Radhakrishnan	30300	0.73	30300	0.73
	Krithika D Thakkar	0	0	0	0

<b>V. INDEBTEDNESS</b>				
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	12,39,66,205.16	1,40,75,000	-	13,80,41,205.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>12,39,66,205.16</b>	<b>1,40,75,000</b>		<b>13,80,41,205.16</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	29477790	6000000	-	
* Reduction	6497100	-	-	
<b>Net Change</b>	<b>22980690</b>	<b>6000000</b>		
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	146946895	20075000	-	167021895
ii) Interest due but not paid			-	
iii) Interest accrued but not due			-	
<b>Total (i+ii+iii)</b>	<b>146946895</b>	<b>20075000</b>		<b>167021895</b>

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>					
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:					
SL.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		SURESH SHAH	DIPESH S JAIN	ARUN V SHAH	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1740000	1596000	1080000	44160000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	336431	342847	0	679278
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	as % of profit	0	0	0	0
	others	0	0	0	0
5	Others, please specify	0	0	0	0
	Employers contribution to PF	21600	21600	21600	64800
	<b>TOTAL (A)</b>	<b>2098031</b>	<b>1960447</b>	<b>1101600</b>	<b>5160078</b>

<b>B. Remuneration to other directors:</b>					
SL.No.	Particulars of Remuneration	Name of Directors			Total Amount (RS)
1	<b>Independent Directors</b>	<b>S.Srinivasan</b>	<b>Na Raghu</b>	<b>K.Venkateswaran</b>	
	Fee for attending board committee meetings	55,000	55,000	55,000	1,65,000
	Commission				-
	Others, please specify				-
	<b>Total (1)</b>	<b>55,000</b>	<b>55,000</b>	<b>55,000</b>	<b>1,65,000</b>
2	<b>Other Non-Executive Directors</b>	<b>Pushpa S Jain</b>			
	Fee for attending board committee meetings	15,000			15,000
	Commission				-
	Others, please specify				-
	<b>Total (2)</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>15,000</b>
	<b>Total (B)=(1+2)</b>	<b>70,000</b>	<b>55,000</b>	<b>55,000</b>	<b>1,80,000</b>
	<b>Total Managerial Remuneration</b>				<b>1,80,000</b>



<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : NIL</b>					
SL.No.	Particulars of Remuneration		Name of Key Managerial Personnel		Total Amount (RS)
	Name	Designation	CFO	Company Secretary	
			K.C.Radhakrishnan	Krithika D Thakkar	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		15,60,000	379500	1939500
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		3,33,000		3,33,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock				
	Option				
3	Sweat				
	Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify		-	-	
	Employers contribution to PF		21,600	19800	41400
	<b>Total</b>		<b>19,14,600</b>	<b>399300</b>	<b>2313900</b>

<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**-----NIL-----**



**ANNEXURE 2****FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]To:

To,

The Members

**KANCHI KARPOORAM LIMITED**

Parandur Road, Enathur Village,

Karaipettai Post, Kanchipuram, 631552,

Tamil Nadu, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KANCHI KARPOORAM LIMITED (hereinafter called the Company). The Secretarial Audit was conducted in a manner, which provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during audit period);
  - (i) Other laws applicable to the company



- (i) Other laws applicable to the company
  - a. Factories Act, 1948.
  - b. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) as issued by The Institute of Company Secretaries of India.
  - (ii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

I further report that during the audit period the Company has not passed any Special Resolution in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

Place: Chennai

Date : 01/09/2017

**V.S.Sowrirajan**  
Company Secretary  
FCS:2368 / CP: 6482

This report is to be read with our letter of even date which is annexed as "**Annexure A**" and forms an integral part of this report



“ Annexure A”

To

The Members of  
**Kanchi Karpooram Limited**  
Parandur Road, Enathur Village,  
Karaipettai Post, Kanchipuram-631552,  
Tamilnadu, India

My report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai  
Date : 01/09/2017

**V.S.Sowrirajan**  
Company Secretary  
FCS:2368 / CP: 6482



## ANNEXURE 3

## FORM NO.: AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

## 1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sl.No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	NIL
2	Nature of contracts/arrangements/transaction	NIL
3	Duration of the contracts/arrangements/transaction	NIL
4	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
5	Justification for entering into such contracts or arrangements or transactions'	NIL
6	Date of approval by the Board	NIL
7	Amount paid as advances, if any	NIL
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

## 2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl.No.	Particulars	Details		
		Suresh Industries	Ambika Industries	Rahul Industries
1	Name (s) of the related party nature of relationship	Suresh Industries	Ambika Industries	Rahul Industries
2	Nature of relationship	Director have significant influence	Director have significant influence	Director have significant influence
3	Nature of contracts/arrangements/ transaction	Sale of Camphor, Gum Rosin, Turpentine and its derivatives	Sale of Camphor, Gum Rosin, Turpentine and its derivatives	Sale of Camphor, Gum Rosin, Turpentine and its derivatives
4	Duration of the contracts / arrangements/transaction	01.06.2016 - 31.03.2017	01.06.2016 - 31.03.2017	01.06.2016 - 31.03.2017
5	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of Goods Rs. 11219745/-	Sale of Goods NIL	Sale of Goods NIL
6	Justification for entering into such contracts or arrangements or transactions'	Transactions in ordinary course of business and on Arm's Length Basis	Transactions in ordinary course of business and on Arm's Length Basis	Transactions in ordinary course of business and on Arm's Length Basis
7	Date of approval by the Board	30.05.2016	30.05.2016	30.05.2016
8	Amount paid as advances, if any	NIL	NIL	NIL

For and on Behalf of the Board of Directors

Place : Chennai  
Date : 31.8.2017

Suresh Shah  
Managing Director



## ANNEXURE 4 TO THE DIRECTOR'S REPORT

## FORM NO.: A

Form for disclosure of particulars with respect to conservation of energy

	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
<b>A. Power and Fuel Consumption</b>		
Electricity		
a. Purchase :		
Unit	1201600	1072712
Total Amount (Rs)	9379583	8484006
Rate/Unit (Rs)	7.81	7.91
<b>b. Own Generation</b>		
(i) Through Diesel Generator :		
Unit	37376	21295
Unit per lit of diesel oil	0.32	1.03
Cost / Unit	18.19	7.91
(ii) Through Steam Turbine / Generator	NA	NA
Unit		
Cost / Unit		
<b>2 Unit</b>		
Coal (Specify quality and where used)	NA	NA
<b>3 Unit / Cost</b>		
Furnace Oil :		
Quantity (M.T.)	30.33	47.03
Total Amount	740054	1099065
Average rate (Rate per MT)	24400	23369
<b>4 Others / Internal Generation</b>	NA	NA
Quantity		
Total cost		
Rate / Unit		

**Foreign Exchange Earnings & Outgo**

Your company has also earned foreign exchange of Rs.83.42 Lakhs through exports. The total Foreign Exchange utilized by the company during the year for the purchase of Raw Materials and others was Rs. 3281.58 Lakhs.

For and on behalf of the Board of Directors  
KANCHI KARPOORAM LIMITED

Place : Kanchipuram

Date : 31.08.2017

Arun Shah  
DIN:01744884  
Whole-time Director

Suresh Shah  
DIN:01659809  
Managing Director



*Annexure-5*

**DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014**

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Sl.No.	Name	Designation	Ratio
1	SURESH SHAH	MANAGING DIRECTOR	10.13
2	DIPESH S JAIN	WHOLE-TIME DIRECTOR	9.46
3	ARUN V SHAH	WHOLE-TIME DIRECTOR	5.32

B) The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year

Sl.No.	Name	Designation	%
1	Suresh Shah	Managing Director	12.62
2	Dipesh S Jain	Whole-time Director	14.79
3	Arun V Shah	Whole-time Director	27.86
4	Radhakrishnan Chandrasekaran	Chief Financial Officer	14.95
5	Krithika D Thakkar	Company Secretary	NA

C) The percentage increase in the median remuneration of employees in the financial year: 7.94

D) The number of permanent employees on the rolls of company: 44

E) The explanation on the relationship between average increase in remuneration and company performance: The turnover of the company vis-à-vis the earnings of the Company has increased. Considering this factor and also the cost of living and performance of the employees the remuneration has been increased.

F) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

Sl.No.	Name	Designation	CTC*	% of increase in CTC	Profit After Tax (PAT)	% increase in PAT
1	SURESH SHAH	MANAGING DIRECTOR	2098031	12.62%	Rs. 303.50	284.37%
2	DIPESH S JAIN	WHOLE-TIME DIRECTOR	1960447	14.79%		
3	ARUN V SHAH	WHOLE-TIME DIRECTOR	1101600	27.86%		
4	K.C.RADHAKRISHNAN	CHIEF FINANCIAL OFFICER	1914600	14.95%		
5	KRITHIKA D THAKKAR	COMPANY SECRETARY	399300	NA		

\* Consists of salary/allowance, value of perquisites, bonus and retirement benefits

Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

Particulars	Paid Up Capital	Closing Market price per share	EPS	PE Ratio	Market Capitalisation (Rs)
As on 31.03.2016	4,14,22,000	19.75	1.91	10.34	81808450
As on 31.03.2017	4,14,22,000	57.10	7.33	7.78	2365196200
Increase / Decrease	-	37.35	5.42	2.56	2283387750
%Increase / Decrease	-	189.11	283.77	24.75	2791.13
No. of issue of Share during the year	Nil	Nil	Nil	Nil	Nil

H) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof any exceptional circumstances for increase in the managerial remuneration: Average increase in salaries of employees other than the managerial personnel is 7.94% and the average increase in the managerial remuneration is 16.02%

I) The key parameters for any variable component of remuneration availed by the Directors: NA

J) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year: Nil

K) If remuneration is as per the remuneration policy of the company: **Yes**



## CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the compliance with Corporate Governance provisions is not mandatory to the listed entities having paid up equity share capital not exceeding rupees ten crore and networth not exceeding rupees twenty five crore. However the Company is regular in complying with the requirements of Corporate Governance

### 1. COMPANY'S PHILOSOPHY

The Company's governance philosophy is based on trusteeship, transparency and accountability. The driving forces of Corporate Governance are its core values - Belief in people, Entrepreneurship, Customer Orientation and the Pursuit of Excellence. The Company believes in having high standard of corporate behaviour towards everyone we work with. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances. The Company's governance framework is appropriate with composition and size of the Board. The Company always takes into account the interest of stakeholders' before making any business decision.

### 2. BOARD OF DIRECTORS

All statutory and other significant material information are placed before the Board of Directors to enable it to discharge its responsibility of superintendence, control and direction of management of strategic and day to day affairs of the Company. The Company has a judicious combination of Executive and Non- Executive Directors. as on March 31, 2017, the Board comprised of 7 Directors out of which three are Executive Directors, three are Independent Directors and one is Non-Executive Director. The Chairman of the Board is an Executive Director. Board of Directors meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board members possess requisite skills, experience and expertise that are required to take decisions, which are in the best interest of the Company. Board meetings are generally chaired by Mr. Suresh Shah. Policy formulation, evaluation of performance and control functions vest with the Board.

The Composition of Board, attendance at Board Meeting, last Annual General Meeting (AGM) and details of memberships of Director's in Boards and Board Committees held by them are as follows:

Name of the Director	Designation & Category	No. of Board Meetings in the year		Attendance of Last AGM	No. of Outside Directorships	No. of out side Board Committee Memberships
		Held	Attended			
Suresh Shah	Managing Director, Executive	6	6	Yes	NIL	NIL
Dipesh S Jain	Whole-Time Director, Executive	6	6	Yes	NIL	NIL
Arun V Shah	Whole-Time Director, Executive	6	6	Yes	NIL	NIL
S. Srinivasan	Director, Independent	6	6	Yes	NIL	NIL
Na Raghu	Director, Independent	6	6	Yes	NIL	NIL
K. Venkateswaran	Director, Independent	6	6	Yes	NIL	NIL
Pushpa S Jain	Director, Non-Executive	6	6	Yes	NIL	NIL

### 3. BOARD MEETINGS AND BOARD COMMITTEE MEETINGS

The Meetings of the Board are regularly held at the Chennai Office. There is constant endeavor to improve the practices with regard to the Board Meetings. The agenda and the relevant papers are circulated in advance to facilitate the members of the Board to take informed decisions and discharge their responsibility effectively. The Board of Directors has constituted four committees, namely Audit Committee, Stakeholder's Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee. The Board is authorised to constitute additional functional Committees from time to time depending on business needs.

#### BOARD MEETING

The Board meetings of the Company are usually held at the Chennai office of the Company at No.1, Barnaby Avenue, Barnaby Road, Kilpauk, Chennai - 600 010. The Company has minimum of four pre-scheduled board meetings in a year. Additional Board meeting are conveyed by giving appropriate notice to address the Company's specific needs.



During the year 6 (Six) meetings of the Board of Directors were held. The Details of board meetings are given below:

Sl.No.	Date of Meeting	Total Board Strength	No. of Directors Present
1	30/05/2016	7	7
2	27/07/2016	7	7
3	08/08/2016	7	7
4	14/11/2016	7	7
5	03/12/2016	7	7
6	14/02/2017	7	7

**BOARD COMMITTEES:**

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day to- day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Board currently has the following Committees:

**A) AUDIT COMMITTEE**

Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. All the members of the Audit Committee are financially literate and have adequate accounting and financial experience. The Committee reviews the financial statements before submission to the board, recommends appointment or removal of Auditors and other areas which are in line with the regulatory requirements.

The Audit Committee of the Company comprises of three Independent Directors. The Audit Committee met four times during the financial year 2016 – 2017 i.e. on 30.05.2016, 08.08.2016, 14.11.2016 and 14.02.2017. Attendance and other details of the Audit Committee are as follows:

Sl.No.	Name of the Director	Position	No. Meetings	
			Held	Attended
1	K. Venkateswaran	Chairman	4	4
2	S. Srinivasan	Member	4	4
3	Na Raghu	Member	4	4

**Terms of Reference**

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, appointment of Statutory Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Review of Internal Audit Reports and significant related party transactions. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

The Audit Committee also oversees and reviews the functioning of a vigil mechanism and reviews the findings of investigation into cases of material nature and the actions taken in respect thereof.

**B) STAKE HOLDERS' RELATIONSHIP COMMITTEE**

The Stake Holders' Relationship Committee of the Company comprises of three Independent Directors. The Committee met Eleven times during the financial year 2016 – 2017. Attendance and other details of the Stake Holders' Relationship Committee are as follows:





Sl.No.	Name of the Director	Position	No. Meetings	
			Held	Attended
1	S. Srinivasan	Chairman	11	11
2	Na Raghu	Member	11	11
3	K. Venkateswaran	Member	11	11

**Terms of Reference**

The Committee looks into the matters of Shareholders/ Investors grievances oversees and reviews all matters connected with the transfer of the Company's Securities, approves issue of duplicate share certificates, etc. The Committee reviews and redresses all investors' grievances and complaints in general including non-receipt of dividend, non-receipt of Annual Report, change of address, etc and performs such other functions as may be necessary. No complaints have been received from SEBI SCORES by the Company during the year ended March 31, 2017 and there were no complaints outstanding as on March 31, 2017.

**C) NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Company comprises of three Independent Directors. The Committee met once on 22.07.2016 during the financial year 2016 – 2017. Attendance and other details of the Nomination and Remuneration Committee are as follows:

Sl.No.	Name of the Director	Position	No. Meetings	
			Held	Attended
1	Na Raghu	Chairman	1	1
2	S. Srinivasan	Member	1	1
3	K. Venkateswaran	Member	1	1

**Terms of Reference**

The Committee was constituted to determine and recommend payment of remuneration to executive directors. The committee shall also identify the persons, reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management (one level below the Board of Directors), who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the board their appointment/removal and to carry out evaluation of directors' performance and perform such other functions as may be necessary.

**REMUNERATION POLICY****A. Remuneration to Non-Executive Directors**

The Non-Executive Directors are paid by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each Meeting of the Board or Committee of Directors attended by them. The Non-Executive Director/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

**B. Remuneration to Executive Directors**

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Whole-time Director is governed by the recommendation of the Remuneration & Nomination Committee, The remuneration package of Chairman and Managing Director and Whole-time Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Remuneration and Nomination Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. Presently, the Company does not have a stock options scheme for its Directors.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process

**D) RISK MANAGEMENT COMMITTEE**

The Board of the Company has formed a risk management committee to review the risk management process and monitor the risk management plan for the Company. The Company is exposed to the risk of price fluctuation including foreign exchange fluctuation, of raw materials as well as finished goods. The Company proactively manages its risk through forward booking inventory management and proactive vendor development practices. The Audit Committee has additional oversight in the area of financial risks and controls.

**4. REMUNERATION OF DIRECTORS****EXECUTIVE DIRECTOR:**

The Company has three Executive Directors. The details of remuneration paid to the Executive Directors during the year 2016 – 2017 as under:

Sl.No.	Name	Designation	Salary	Perquisites	Total
1	Suresh Shah	Managing Director	1740000	358031	2098031
2	Dipesh S Jain	Whole-Time Director	1596000	364447	1960447
3	Arun V Shah	Whole-Time Director	1080000	21600	1101600

The Executive Directors are not paid any sitting fees for Board Meetings or Committee Meetings attended by them.

**NON-EXECUTIVE DIRECTOR:**

Remuneration paid to Non-Executive Directors (including Independent Directors) are fixed by the Board and the Compensation is within the limits prescribed under the Companies Act, 2013. None of the Independent Directors of your company have any pecuniary relationship or material transactions with the Company except for Sitting Fees paid to them for attending Board Meetings and Board Committee Meetings.

The details of Remuneration paid to the Non-Executive Directors are as under:

Sl.No.	Name	Designation	Sitting Fees paid for the year (In Rs.)
1	S. Srinivasan	Independent Director	55,000
2	Na Raghu	Independent Director	55,000
3	K. Venkateswaran	Independent Director	55,000
4	Pushpa S Jain	Non-Executive (Women) Director	15,000

**5. DETAILS OF SHAREHOLDING OF DIRECTORS AS ON 31st MARCH 2017:**

Sl.No.	Name of the Director	No. of Shares
1	Suresh Shah	3,37,300
2	Dipesh S Jain	2,12,850
3	Arun V Shah	38,500
4	S. Srinivasan	Nil
5	Na Raghu	Nil
6	K. Vekateswaran	Nil
7	Pushpa S Jain	2,74,500

**6. GENERAL BODY MEETINGS:**

The Details of last three Annual General Meeting are given as under:

Year	Date	Time	Venue
2013 - 2014	10.09.2014	11.00AM	MM. Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052
2014 – 2015	11.09.2015	11.00AM	MM. Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052
2015 – 2016	07.09.2016	11.00AM	MM. Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052

All the resolutions including Special Resolutions as set out in the respective notices were passed by the Shareholders. No Extra Ordinary General Meeting was held during the year. No special resolutions were put through postal ballot last year. There is no proposal to pass any resolution by postal ballot.

**7. WHISTLE BLOWER POLICY**

Your Company has established whistle blower policy as per to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations. The Board of Directors of the Company have formulated and adopted Whistle Blower Policy which aims to provide a channel to the Stake holders (Including directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The mechanism provides adequate safeguards against victimization of Directors and employees to avail the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

Your company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

**8. MEETING OF INDEPENDENT DIRECTORS**

During the year, meeting of Independent Directors (without the presence of Non-Independent Directors) was held on 31/03/2017 to review the performance of the Board as a whole on the parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

**9. RECONCILIATION OF SHARE CAPITAL AUDIT**

Share Capital Audit was conducted by a Practising Company Secretary, reconciling the issued and listed capital of the Company. The audit confirms that the total paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

**10. MEANS OF COMMUNICATION**

The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.

**Quarterly Results:** The Company's quarterly results after the Board's approval are promptly sent to the Stock Exchange in the prescribed format as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements)



Regulations, 2015. These are published in English language “Trinity Mirror” and in Vernacular language (Tamil) in “Makkal Kural” and are displayed on the Company's website ([www.kanchikarpooram.com](http://www.kanchikarpooram.com))

**Official News Releases:** Official News Releases are sent to stock exchanges.

Presentation made to institutional investors/analysts: During the year no presentations has been made to institutional investors/analysts.

**Website:** The Company's website ([www.kanchikarpooram.com](http://www.kanchikarpooram.com)) contains a separate dedicated section “Investor Info” where shareholders' information is available.

## **11. DISCLOSURES**

**Related Party Transactions:**

All related party entered by the Company during the year, were in the Ordinary course of business and at Arm's Length Pricing basis. There were no materially significant related party transactions during the year. The details of transactions with related parties have been disclosed in the notes to the Financial Statement forming part of this Annual Report.

**Compliances by the Company:**

Your Company has complied with all the requirements of the listing agreement of the stock exchanges as well as regulations and guidelines of SEBI. No penalties have been levied/strictures been imposed on the Company in the last three years by Stock Exchanges, SEBI and other statutory authorities.

**Code of Conduct for Directors and Senior Management**

The Board of Directors of the Company have adopted a Code of Conduct for Directors and Senior Management for conducting the business of the of the Company in accordance with applicable laws, rules, regulations and highest standards of business ethics, to detect and prevent unethical conduct of business and the same is posted on the Website of the Company.

**CEO and CFO Certification**

The CEO and CFO certification of the Financial Statements for the year 2016 – 2017 is enclosed at the end of this report. The Company has complied will all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **12. GENERAL SHAREHOLDERS' INFORMATION**

Annual General Meeting (Date and Time)	28th September 2017, 11.00AM
Venue	MM. Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052
Book Closure Date	21st September to 28th September 2017 (both days inclusive)
Date of Payment of Dividend	Between 28th September, 2017 to 27th October 2017
Rate of Dividend	15% (Rs.1.5/-per share)
Listing of Equity Shares	Bombay Stock Exchange(BSE)
BSE Stock Code	538896
ISIN	INE081G01019
Corporate Identification Number (CIN)	L30006TN1992PLC022109
Financial Year	01st April to 31st March
<b>FINANCIAL CALENDAR (Tentative)</b>	
30th June 2017	2nd / 3rd Week of August 2017
30th September 2017	2nd / 3rd Week of November 2017
31st December 2017	2nd / 3rd Week of February 2018
31st March 2018	End of May 2018

**13. PAYMENT OF LISTING FEE**

The Company's Securities are listed with BSE Ltd. Annual Listing Fees for the year 2016 – 2017 has been paid by the Company to BSE.

**14. STOCK MARKET PRICE DATA**

Month	BSE		Volume (No. of Shares)
	High (in Rs,)	Low(in (Rs,))	
April - 2016	22.10	19.15	15376
May - 2016	21.65	19.55	10080
June – 2016	20.45	18.25	25789
July – 2016	22.70	18.50	44584
August – 2016	33.10	22.25	321486
September – 2016	34.40	32.00	102816
October – 2016	44.70	36.00	142208
November – 2016	49.00	31.30	57327
December – 2016	36.85	30.90	26874
January – 2017	44.70	34.00	67978
February – 2017	55.80	36.95	91364
March - 2017	57.10	53.90	62247

**15. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2017**

Sl.No.	Holding	No. of Share holders		No. of Shares	
		Number	% of Total	Shares	% of Total
1	1 - 1000	1744	48.87	1615130	3.90
2	1001 - 5000	1252	35.08	3363340	8.12
3	5001 - 10000	237	6.64	2140430	5.17
4	10001 - 20000	119	3.33	1932250	4.66
5	20001 - 30000	61	1.71	1593950	3.85
6	30001 - 40000	32	0.9	1171050	2.83
7	40001 - 50000	40	1.12	1950320	4.70
8	50001 - 100000	43	1.2	3544680	8.56
9	100001 and Above	41	1.15	24110850	58.21
	TOTAL	3569	100	41422000	100

**16. CATEGORY WISE SHAREHOLDING PATTERN AS ON 31st MARCH 2017**

Sl.No.	Category	No. of Shares	% of Holding
1	Resident	1986489	47.96
2	NRI	204500	4.94
3	Corporate Body	189910	4.58
4	Clearing Member	201	0.00
5	Mutual Funds	35200	0.85
6	Promoters	1725900	41.67
	Total	4142200	100

**17. DEMATERIALIZATION OF SHARES**

The Company's shares are available for trading in both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company is INE081G01019.



Sl.No.	Particulars	No. of Shares	Percentage
1	CDSL	1882156	45.44
2	NSDL	553244	13.35
3	Physical	1706800	41.21
	Total	<b>41,42,200</b>	100

**18. REGISTRARS AND SHARE TRANSFER AGENTS**

M/s Cameo Corporate Services Limited is the Registrars and Share Transfer Agents of the Company. All matters connected with Share Transfer, Transmission, Change of address, duplicate share certificates and other related matters are handled by the share transfer agent.

M/s Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai – 600 002. Phone No.044-28460390-94, Email Id: investor@cameoindia.com

**19. SHARE TRANSFER SYSTEM**

The Shares received for transfer in physical mode are registered within 15days of receipt of the document (if it is in order) and returned to the transferees immediately thereafter. The Share Transfers are approved by the Share Transfer Committee (Stakeholders' Relationship Committee) which meets as and when required.

**Electronic Clearing Service**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the Bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through ECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

**Service of documents through electronic mode**

As a part of Green Initiatives, the members who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Ltd; to its dedicated e-mail id i.e., [investor@cameoindia.com](mailto:investor@cameoindia.com)

**20. DIVIDEND DECLARED FOR LAST 10 YEARS**

Sl.No.	Financial Year	Dividend Per Share
1	2006 - 2007	-
2	2007 - 2008	-
3	2008 - 2009	-
4	2009 - 2010	-
5	2010 - 2011	1.0/-
6	2011 - 2012	-
7	2012 - 2013	1.5/-
8	2013 - 2014	1.5/-
9	2014 - 2015	0.5/-
10	2015 - 2016	1.5/-

**21. UNCLAIMED DIVIDEND AMOUNTS**

Pursuant to the provisions of Section 123 of the Companies Act, 2013 the dividend which remained unclaimed for a period of Seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the "Investor Education Protection Fund" (IEPF) account established by the Central Government along with the shares in respect of which unpaid or unclaimed dividend has been transferred to IEPF account.



The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company ([www.kanchikarpooram.com](http://www.kanchikarpooram.com)). Members who have not so far encashed their dividend warrant(s) are requested to seek revalidation of dividend warrants by writing to the Company immediately.

**22. SEBI COMPLIANTS REDRESSAL SYSTEM (SCORES)**

SEBI has initiated SCORES for processing the investor complaints in a centralised web based redress system and online redressal of all the shareholders complaints. No Shareholders' complaint has been received through SCORES during the year.

**23. COMPLIANCE WITH CODE OF CONDUCT**

The Company has in place a code of conduct applicable to the board members as well as Senior Management and that the same has been hosted on the Company's website. The members of the Board and Management Personnel affirmed that they have complied with the Code of Conduct for the financial year 2016–2017.

**24. CODE FOR PREVENTION OF INSIDER TRADING**

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has instituted a Code of Conduct to regulate, monitor and report trading by its employees and other connected persons for prohibition of insider trading in the Company's shares. The code endeavors to preserve the confidentiality on un-published price sensitive information and to prevent the misuse of such information. The policy is also posted on the website of the Company.

**25. COMPLIANCE OFFICER DETAILS AND ADDRESS FOR CORRESPONDANCE**

Ms. Krithika D Thakkar

Company Secretary

Correspondence Address: No.1, Barnaby Avenue, Barnaby Road, Kilpauk, Chennai – 600 010, Phone No. 044-26401914/15/16/17, email: [secretarial@kanchikarpooram.com](mailto:secretarial@kanchikarpooram.com)

Registered Office: Parandur Road, Enathur Village, Karaipettai Post, Kanchipuram – 631552

Place : Chennai  
Date : 31.08.2017

For and on Behalf of the Board of Directors

**Suresh Shah**  
Managing Director

**Compliance certificate under Regulation 17 (8) of SEBI (LODR) Regulation, 2015**

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of KANCHI KARPOORAM LIMITED ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For KANCHI KARPOORAM LIMITED**

Place: Kanchipuram  
Date : 31.08.2017

**Suresh Shah**  
(DIN:01659809)  
Managing Director

**K. C. Radhakrishnan**  
Chief Financial Officer

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE****To the Members of Kanchi Karpooram Limited**

We have examined the compliance of conditions of Corporate Governance by Kanchi Karpooram Limited for the year ended on 31st March 2017, as per the provisions of SEBI (Listing Obligations Disclosure Requirement) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For M/s R.SUBRAMANIAN AND COMPANY**  
(Chartered Accountants)  
(Registration No.FRNO041375)

**K. Jayasankar**  
Partner  
M.No.014156





## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

We, the Board of Directors, present its analysis covering performance of the Company for the year 2016 - 2017 and the business outlook for the future. The business outlook performance is based on the current business environment and do not include any economic variation.

### **Industrial product and development:**

The Camphor industry is sustaining its growth and is expected to continue in the same pattern. The positive outlook is the increase in demand for Camphor. Your Company's geographical location is a positive factor in the Camphor market. In today's competitive operation the focus need to be on reduction of Cost. Therefore by exercising the degree of attention your Company has bettered in the year under review and look forward for the same in the forthcoming years.

### **General risks:**

The Foreign Exchange fluctuations may have adverse effect as your Company imports huge raw materials.

### **Operational risks:**

Price of the main raw material may have an adverse effect if the demand and supply gap is widen.

### **Financial risks:**

Your Company needs to import Raw Materials at appropriate time, which warrants sizable working capital with conscious approach to the degree of risk in terms of procurement of raw material keeping in view of the finance available.

### **Regulatory and Legal risks:**

The Company is exposed to environmental regulations. The Company has adequate system and controls to mitigate various risks.

### **Risk management:**

The Company's risk management is based on various risks and proper risks assessment and strategic measures by continuous monitoring the procedural establishment for this purpose which are in line with normal industrial practice.

### **Internal Control System:**

Keeping in mind the size of the Company the business control procedure ensures maximum efficiency and compliance. The procedure also produces well documented policies, authorization and approval etc. The Company has achieved a turnover of Rs.5865.75 lakhs as compared to 5649.10 lakhs and has profit after tax Rs.303.49 lakhs as compared to Rs.78.96 lakhs profit in the previous year.

### **Managerial Development and Human Resources and Industrial Relation:**

There are no material changes in Human resources front during the year under review.

### **Cautionary Statement**

The Management Discussion and Analysis Report contains forwarding looking statements based upon the data available with the Company, assumptions with regard to global economic conditions, the Government policies etc. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Therefore, it is cautioned that the actual results may materially differ from those expressed or implied in the report.

Place : Chennai  
Date : 31.08.2017

For and on behalf of the Board of Directors  
**KANCHI KARPOORAM LIMITED**

**Suresh Shah**  
Managing Director



## **INDEPENDENT AUDITORS' REPORT**

**TO  
THE MEMBERS OF  
KANCHI KARPOORAM LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying Standalone Financial Statements of KANCHI KARPOORAM LIMITED ("The Company") which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance sheet of the state of affairs of the Company as at 31 March 2017,
- b) In the case of profit and loss account of the profit for the year ended on that date and
- c) In the case of Cash flow statement of the cash flows for the year ended on that date.



**Report on Other Legal and Regulatory Requirements**

- 1 As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
  - (e) on the basis of the written representations received from the Directors as on 31 March 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2017 from being appointed as a Director in terms of Section 164(2) of the Act; and
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) the Company has no pending litigations as on 31st March 2017, and accordingly disclosing the impact of the same on its financial position in its financial statements does not arise
    - (ii) The Company did not have any long-term contracts, including derivative contracts, that requires a provision for material foreseeable losses in these financial statements; and
    - (iii) There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
    - (iv) The Company has provided adequate disclosures in the financial statements as to holdings as well as dealing in Specified Bank notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management – Refer Note 27(12)
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure "B" a statement on the matters specified in the Paragraphs 3 and 4 of the Order, to the extent applicable.

For M/s R.SUBRAMANIAN AND COMPANY LLP  
(Chartered Accountants)  
(Firm Registration No.004137S/S200041)

Place : Chennai  
Date : 29th May 2017

**K.Jayasankar**  
Partner  
Membership No.014156



**ANNEXURE "A" to The Independent Auditor's Report of even date on the  
Standalone Financial Statements of KANCHI KARPOORAM Limited.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of  
the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of KANCHI KARPOORAM Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s R.SUBRAMANIAN AND COMPANY LLP  
(Chartered Accountants)  
(Firm Registration No.004137S/S200041)

**K.Jayasankar**

Partner

Membership No.014156

Place : Chennai  
Date : 29th May 2017



**Annexure “B” to the Independent Auditors' Report of even date on the  
Standalone Financial Statements of Kanchi Karpooram Limited.**

The Annexure referred to in Paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date:

- (I) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The Management has conducted physical verification of inventory at reasonable intervals and as per the information made available to us no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans to any party covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, the company does not have any loans, investments, guarantees, and security which are subject to the provisions of Sections 185 and 186 of the Companies Act 2013. Therefore the provisions of Para 4(iv) of the Companies (Auditors Report) 2016 are not applicable to this company.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has prescribed maintenance of Cost Records under Sub-section (1) of Section 148 of the Companies Act, 2013 and such accounts and records have been made and maintained.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other Statutory Dues to the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of sales tax, income tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute, as at 31st March 2017.
- (viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) The Company has not noticed any fraud by the Company or any fraud on the Company by its Officers or employees or reported during the year.



- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise.
- (xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements, etc., as required by the applicable Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For M/s R.SUBRAMANIAN AND COMPANY LLP

(Chartered Accountants)

(Firm Registration No.004137S/S200041)

**K.Jayasankar**

Partner

Membership No.014156

Place : Chennai

Date : 29th May 2017



**BALANCE SHEET AS AT 31ST MARCH 2017**

PARTICULARS	NOTE NO	" AS AT 31-03-2017 "		" AS AT 31-03-2016 "	
		Rs.		Rs.	
<b>A. EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' funds</b>					
a) Share capital	1	41422000		41422000	
b) Reserves and surplus	2	62788592.77		32438927.92	
			<b>104210592.77</b>		<b>73860927.92</b>
<b>2 Non-current liabilities</b>					
a) Long-term borrowings	3	1605520.56		1406098.4	
b) Deferred tax liabilities (Net)	4	3428713			
			<b>5034233.56</b>		<b>1406098.4</b>
<b>3 Current liabilities</b>					
a) Short-term borrowings	5	164628235.02		135852536.75	
b) Trade payables	6	12165507.05		10454893	
c) Other current liabilities	7	22839180.26		10704893.97	
d) Short-term provisions	8	15462979		11790142	
			<b>215095901.33</b>		<b>168802465.72</b>
<b>TOTAL</b>			<b>324340727.66</b>		<b>244069492.04</b>
<b>B. ASSETS</b>					
<b>1 Non-current assets</b>					
a) Fixed assets					
i) Property Plant & Equipment	9	69968034		30152048	
ii) Intangible Assets	9	-		-	
iii) Capital Work in Progress	9	1604093		8262150	
b) Deferred tax Asset (Net)	4	-		216437	
c) Long-term loans and advances	10	3590381		9385528	
			<b>75162508</b>		<b>48016163</b>
<b>2 Current assets</b>					
a) Inventories	11	137748556		95723229	
b) Trade receivables	12	59845529.13		44988798.24	
c) Cash and bank balances	13	19355454.44		17426872.67	
d) Short-term loans and advances	14	31598376.69		36342615	
e) Other current assets	15	630304		1571814.13	
			<b>249178220.26</b>		<b>196053329.04</b>
<b>TOTAL</b>			<b>324340728.26</b>		<b>244069492.04</b>
Significant Accounting Policies & notes to accounts	23 & 24				

For and on behalf of the Board,

As per our Report of even date

For R.SUBRAMANIAN AND COMPANY  
Chartered Accountants

Suresh Shah  
Managing Director

Dipesh S Jain  
Whole-time Director

Arun V Shah  
Whole-time Director

K.C.Radhakrishnan  
Chief Financial Officer

K.Jayasankar  
Partner  
M.No: 014156

Krithika D Thakkar  
Company Secretary

Place: Chennai  
Date: 29.05.2017





**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017**

PARTICULARS	NOTE No.	FY 2016-17 Rs.	FY 2015-16 Rs.
I Revenue from operations (Gross)	16	66,07,33,866	63,54,34,517
Less: Excise Duty		(7,41,58,905)	(7,05,24,585)
Revenue from operations (Net)		58,65,74,961	56,49,09,932
II Other Income	17	55,56,087	13,76,929
III <b>Total Revenue ( I + II )</b>		<b>59,21,31,048</b>	<b>56,62,86,861</b>
IV Expenses:			
a) Cost of materials consumed	18	44,13,03,190	41,21,05,597
b) Change in inventories of finished goods and work-in-progress	19	(1,80,52,353)	3,56,61,922
c) Employee benefits expense	20	3,08,25,741	2,77,95,698
d) Finance Cost	21	1,73,16,435	1,47,75,552
e) Depreciation and amortization expense	9	63,47,102	37,62,987
f) Other expenses	22	6,73,96,118	6,03,73,166
<b>Total Expenses</b>		<b>54,51,36,233</b>	<b>55,44,74,923</b>
V <b>Profit / (Loss) before taxation ( III - IV )</b>		<b>4,69,94,815</b>	<b>1,18,11,938</b>
VI Tax expenses:			
a) Current tax		1,30,00,000	32,00,000
b) Current tax expenses relating to earlier years		-	3,46,123
b) Deferred tax		36,45,150	3,69,695
Total Tax expense for the year		1,66,45,150	39,15,818
VII Profit / (Loss) for the year after taxation ( V - VI )		<b>3,03,49,665</b>	<b>78,96,120</b>
VIII Earnings per equity share:			
Weighted average no. of equity shares outstanding during the year		41,42,200	41,42,200
a) Basic (Rs. Per Share)		7.33	1.91
b) Diluted (Rs. Per Share)		7.33	1.91
Significant Accounting Policies & notes to accounts	23 & 24		

For and on behalf of the Board,

As per our Report of even date

For R.SUBRAMANIAN AND COMPANY  
Chartered Accountants

Suresh Shah  
Managing Director

Dipesh S Jain  
Whole-time Director

Arun V Shah  
Whole-time Director

K.C.Radhakrishnan  
Chief Financial Officer

K.Jayasankar  
Partner  
M.No: 014156

Place: Chennai  
Date: 29.05.2017

Krithika D Thakkar  
Company Secretary


**NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH 2017**

PARTICULARS	Number of Shares	As at 31-03-2017 Rs.	Number of Shares	" As at 31-03-2016 " Rs.
<b>Note 1: Share capital</b>				
a) Share capital				
Authorised share capital				
Equity shares of Rs. 10/- each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, subscribed and paid up capital				
Equity shares of Rs. 10/- each	41,42,200	4,14,22,000	41,42,200	4,14,22,000
b) Reconciliation of number of shares outstanding	Number of Shares	" As at 31-03-2017 " Rs.	Number of Shares	" As At 31-03-2016 " Rs.
Shares Outstanding as at 1st April 2016 / 1st April 2015	41,42,200	4,14,22,000	41,42,200	4,14,22,000
Shares Outstanding as at 31st March 2017 / 31st March 2016	41,42,200	4,14,22,000	41,42,200	4,14,22,000
c) "List of share holdings more than 5% of total shares issued by the company"	Number of Shares held	% of holdings	Number of Shares held	% of holdings
Suresh Shah	3,37,300	8.14%	3,37,300	8.14%
Pushpa S Jain	2,74,500	6.63%	2,74,500	6.63%
Dipesh S Jain	2,12,850	5.14%	2,12,850	5.14%
Varshaa Goal	3,18,400	7.69%	3,18,400	7.69%

Terms/rights attached to Equity Share: The company has only one class of equity share having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. Each holder of Equity share is entitled to one vote per share. Dividend (if any) proposed by the board of directors is subject to approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.

PARTICULARS	" As at 31-03-2017 " Rs.	" AS AT 31-03-2016 " Rs.
<b>Note 2: Reserves and surplus</b>		
a) Capital reserve		
State Government Subsidy	40,74,000	40,74,000
b) General reserve		
i) Opening Balance	2,10,00,000	2,10,00,000
ii) Transfer from Statement of Profit and Loss	-	-
iv) Closing Balance	2,10,00,000	2,10,00,000
c) Surplus in statement of profit and loss		
i) Opening Balance	73,64,928	69,47,012
ii) Add/(Less): Net Profit / (Loss) for the Year	3,03,49,665	78,96,120
iii) Less: Proposed Dividend Rs / (0.5) per Share	-	(62,13,300)
iv) Less: Dividend Distribution Tax	-	(12,64,904)
v) Less: Transferred to General Reserve	-	-
vi) Depreciation adjustment ( Refer Note 24(11))	-	-
	3,77,14,593	73,64,928
<b>TOTAL (a+b+c)</b>	<b>6,27,88,593</b>	<b>3,24,38,928</b>
<b>Note 3: Long-Term Borrowings</b>		
Term Loans from Banks ( Secured by vehicles purchased)		
Total	16,05,521	14,06,098
Secured	16,05,521	14,06,098
Unsecured	-	-
Total	16,05,521	14,06,098
Current maturities of Long Term Debt grouped under "Other Current Liabilities"	7,88,139	7,82,570

a) HP Loan from HDFC bank Rs.1.58 lacs of which Rs 1.58 lacs under current maturity. Balance installments - 6. Rate of Interest 11.01%

b) HP Loan from HDFC bank Rs. 0.34 lacs of which Rs. 0.34 lacs under current maturity. Balance installments - 2. Rate of Interest 10.75%

c) HP Loan from HDFC bank Rs.9.88 lacs of which Rs. 7.24 lacs under long term borrowings and Rs. 2.64 lacs under current maturity. Balance installments - 40. Rate of Interest 9.61%

d) HP Loan from HDFC bank Rs.12.14 lacs of which Rs. 8.81 lacs under long term borrowings and Rs. 3.32 lacs under current maturity. Balance installments - 39. Rate of Interest 10.15%



PARTICULARS	" As at 31-03-2016 " Rs.	" AS AT 31-03-2015 " Rs.
<b>Note 4: Deferred tax Asset / Liability (Net)</b>		
a) Deferred tax (Asset) / Liability		
Deferred tax liability:		
Timing Difference on Depreciation of Fixed Assets		
Deferred tax asset:		
Timing Difference on Depreciation of Fixed Assets	34,28,713	(2,16,437)
On account of others		
Net Deferred tax (Asset) / Liability	<b>34,28,713</b>	<b>(2,16,437)</b>
<b>Note 5: Short Term Borrowings (Secured) Loans Repayable on Demand</b>		
a) Working capital Loan from Bank of India*	5,54,94,884	6,19,91,984
b) Buyer's Credit*	8,90,58,351	5,97,85,553
*The entire borrowing limits availed/to be availed by the company from Bank of India are secured primarily by First Charge in favour of the Bank, of all the company's Inventory, Book Debts, Plant & Machinery, both present and future, and collaterally secured by First Charge on the company's Factory Land and Buildings by way of Equitable Mortgage. The entire facilities are also collaterally secured by personal property of Directors and also guaranteed by all Directors of the Company.		
<b>Short Term Borrowings (Unsecured)</b>		
c) Loan from Directors	84,75,000	24,75,000
d) Inter Corporate Deposits	1,16,00,000	1,16,00,000
Inter corporate deposits carry an interest of 14% p.a and Loans from Directors carry an interest of 13% p.a		
TOTAL	<b>16,46,28,235</b>	<b>13,58,52,537</b>
<b>Note 6: Trade Payables</b>		
a) Trade Payables	1,21,65,507	1,04,54,893
The Company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Act, 2006. The disclosures relating to amounts unpaid as at the year end together with interest payable / paid under this act has not been given		
TOTAL	<b>1,21,65,507</b>	<b>1,04,54,893</b>
<b>Note 7: Other current liabilities Other Current Liabilities</b>		
a) Current maturities of long term borrowings	7,88,139	7,82,570
b) Interest accrued but not due on borrowings	82,472	95,291
c) Trade Deposit	80,00,000	-
d) Unclaimed dividend	33,89,157	23,99,389
e) Other payables		
i) Statutory	20,51,120	18,23,894
ii) Others	85,28,292	56,03,750
TOTAL	<b>2,28,39,180</b>	<b>1,07,04,894</b>
<b>Note 8: Short term provisions Short Term Provisions</b>		
a) Provision for employee benefits		
Gratuity	-	-
Leave Encashment	2,34,571	3,66,878
Bonus	14,11,244	17,01,060
b) Provision for taxation (net)	1,38,17,164	22,44,000
c) Proposed Dividend (Including dividend distribution tax)	-	74,78,204
TOTAL (a+b+c)	<b>1,54,62,979</b>	<b>1,17,90,142</b>



**Note 9: Fixed Assets**

Particulars	Gross Block				Depreciation						Net Block	
	Balance as on 01.04.2016	Additions	Deletions	Balance as on 31.03.2017	Upto 01.04.2016	On Opening Balance	On Additions	Depreciation for the period	Adjustments	Balance as on 31.03.2017	Net Block 31.03.2017	Net Block 31.03.2016
<b>TANGIBLE ASSETS</b>												
Land	29,06,658	-	-	29,06,658	-	-	-	-	-	-	29,06,658	29,06,658
Buildings	2,21,01,102	7,46,828	-	2,28,47,930	1,28,44,977	7,48,336	2,774	7,51,110	-	1,35,96,087	92,51,843	92,56,125
Plant & Machinery	10,64,42,998	4,30,88,293	-	14,95,31,291	9,40,76,222	15,84,499	24,70,827	40,55,326	-	9,81,31,548	5,13,99,743	1,23,66,776
Electrical Installations	71,01,753	-	-	71,01,753	68,59,417	34,585	-	34,585	-	68,94,002	2,07,751	2,42,336
Lab Equipments	4,21,581	-	-	4,21,581	4,01,508	12,891	-	12,891	-	4,14,399	7,182	20,073
Vehicles	73,78,783	14,10,262	-	87,89,045	26,18,315	9,35,322	95,627	10,30,949	-	36,49,264	51,39,781	47,60,468
Air Conditioners	8,25,220	2,71,684	-	10,96,904	7,21,840	39,708	33,789	73,497	-	7,95,337	3,01,567	1,03,380
Office Equipments	9,58,368	1,30,661	-	10,89,029	7,59,418	63,697	43,296	1,06,993	-	8,66,412	2,22,617	1,98,950
Computers	22,49,757	3,00,777	-	25,50,534	20,88,591	1,00,651	83,643	1,84,294	-	22,72,885	2,77,649	1,61,166
Furnitures	10,84,781	2,14,583	-	12,99,364	9,48,665	16,859	80,597	97,456	-	10,46,120	2,53,244	1,36,116
	<b>15,14,71,001</b>	<b>4,61,63,088</b>	<b>-</b>	<b>19,76,34,089</b>	<b>12,13,18,953</b>	<b>35,36,548</b>	<b>28,10,554</b>	<b>63,47,102</b>	<b>-</b>	<b>12,76,66,055</b>	<b>6,99,68,034</b>	<b>3,01,52,048</b>
<b>Capital Work In Progress</b>												
CWIP-Plant & Machinery	82,62,150	3,71,77,612	4,38,35,669	16,04,093	-	-	-	-	-	-	16,04,093	82,62,150
	<b>82,62,150</b>	<b>3,71,77,612</b>	<b>4,38,35,669</b>	<b>16,04,093</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,04,093</b>	<b>82,62,150</b>
	<b>15,97,33,151</b>	<b>8,33,40,700</b>	<b>4,38,35,669</b>	<b>19,92,38,182</b>	<b>12,13,18,953</b>	<b>35,36,548</b>	<b>28,10,554</b>	<b>63,47,102</b>	<b>-</b>	<b>12,76,66,055</b>	<b>7,15,72,127</b>	<b>3,84,14,198</b>
<b>INTANGIBLE ASSETS</b>												
Software	88,189	-	-	88,189	88,189	-	-	-	-	88,189	-	-
<b>TOTAL (TANGIBLE + INTANGIBLE)</b>	<b>15,98,21,340</b>	<b>8,33,40,700</b>	<b>4,38,35,669</b>	<b>19,93,26,371</b>	<b>12,14,07,142</b>	<b>35,36,548</b>	<b>28,10,554</b>	<b>63,47,102</b>	<b>-</b>	<b>12,77,54,244</b>	<b>7,15,72,127</b>	<b>3,84,14,198</b>
<b>Previous Year</b>												
Tangible Assets	14,87,71,682	42,65,454	15,66,135	15,14,71,001	11,81,63,405	32,63,285	4,99,702	37,62,987	6,07,439	12,13,18,953	3,01,52,048	3,06,08,277
Intangible Assets	88,189	-	-	88,189	88,189	-	-	-	-	88,189	-	-
Capital Work in Progress	-	82,62,150	-	82,62,150	-	-	-	-	-	-	82,62,150	-
<b>Total</b>	<b>14,88,59,871</b>	<b>1,25,27,604</b>	<b>15,66,135</b>	<b>15,98,21,340</b>	<b>11,82,51,594</b>	<b>32,63,285</b>	<b>4,99,702</b>	<b>37,62,987</b>	<b>6,07,439</b>	<b>12,14,07,142</b>	<b>3,84,14,198</b>	<b>3,06,08,277</b>



PARTICULARS	" As at 31-03-2017 " Rs.	" AS AT 31-03-2016 " Rs.
<b>Note 10: Long term loans and advances</b>		
<b>Long Term Loans And Advances (Unsecured, considered good)</b>		
a) Security Deposits	35,90,381	25,08,153
b) Capital Advances	-	68,77,375
<b>TOTAL</b>	<b>35,90,381</b>	<b>93,85,528</b>
<b>Note 11: Inventories</b>		
<b>Inventories</b>		
a) Raw Materials (Including Goods under Clearance)	6,18,60,868	3,88,46,437
b) Work in progress	2,88,24,563	2,35,54,215
c) Finished Goods	4,31,07,961	3,03,25,956
d) Store, Fuel & Packing Materials	39,55,164	29,96,621
<b>TOTAL</b>	<b>13,77,48,556</b>	<b>9,57,23,229</b>
<b>Note 12: Trade receivables</b>		
<b>Trade Receivables</b>		
(Unsecured and Considered good)		
a) For a period exceeding six months	15,53,159	8,60,948
b) Others	5,82,92,370	4,41,27,851
<b>TOTAL</b>	<b>5,98,45,529</b>	<b>4,49,88,798</b>
<b>Note 13: Cash and bank balances</b>		
<b>Cash and Bank Balances</b>		
a) Cash and cash equivalents		
Cash on hand	2,76,548	1,19,060
Balance with scheduled banks in current a/c	1,99,494	2,08,424
b) Other bank balances		
Balance with scheduled banks in deposit a/c held as margin money	1,54,90,255	1,47,00,000
Earmarked Balances with bank a/c -Dividend Warrant	33,89,157	23,99,389
<b>TOTAL</b>	<b>1,93,55,454</b>	<b>1,74,26,873</b>
<b>Note 14: Short term loans and advances</b>		
<b>Short term loans and advances</b>		
(Unsecured, considered good)		
a) Security deposits	11,400	91,700
b) Balances with govt authorities	2,84,70,957	2,78,36,968
c) Prepaid expenses	10,06,413	4,53,684
d) Loans and advances to employees	10,53,125	3,93,555
e) Others	10,56,482	75,66,708
<b>TOTAL</b>	<b>3,15,98,377</b>	<b>3,63,42,615</b>
<b>Note 15: Other Current asset</b>		
<b>Other current assets</b>		
a) Interest accrued	2,46,554	9,91,756
b) Claims receivable	3,83,750	5,80,058
<b>TOTAL</b>	<b>6,30,304</b>	<b>15,71,814</b>



PARTICULARS	For the year Ended 31-03-2017 Rs.	For the year Ended 31-03-2016 Rs.
<b>Note 16: Revenue from operations</b>		
a) Revenue from sale of products (Gross)		
Sale of products		
i) Camphor	52,28,68,504	47,38,36,690
ii) Dipentine	7,97,60,702	8,67,06,634
iii) Others	5,70,98,601	7,39,04,718
	<b>65,97,27,807</b>	<b>63,44,48,042</b>
b) Other operating revenues (Gross)		
Sale of Scrap	10,06,059	9,86,475
<b>TOTAL</b>	<b>66,07,33,866</b>	<b>63,54,34,517</b>
<b>Note 17 : Other Income</b>		
a) Interest income from bank	12,52,938	12,90,409
b) Interest income from others	95,968	77,948
c) Profit on sale of asset	-	8,572
d) Foreign Exchange Gain	42,07,181	
<b>TOTAL</b>	<b>55,56,087</b>	<b>13,76,929</b>
<b>Note 18: Cost of materials consumed</b>		
Raw materials		
<b>Imported :</b>		
a) -Oleo Pine Resin	72,15,181	2,17,10,787
b) -Commercial Alpha Pinene	-	5,07,61,769
c) -Gum Turpentine	35,00,84,148	26,74,14,876
d) -Other Raw Materials	1,55,24,807	1,63,05,161
<b>Indigenous</b>		
e) Other Materials	6,84,79,055	5,59,13,005
<b>TOTAL</b>	<b>44,13,03,190</b>	<b>41,21,05,597</b>
<b>Note 19: Change in inventories of finished goods, work in progress</b>		
<b>Finished goods and work in progress</b>		
a) OMENING stock	5,38,80,171	8,95,42,093
b) Closing stock	(7,19,32,524)	(5,38,80,171)
c) Change in inventory	<b>(1,80,52,353)</b>	<b>3,56,61,922</b>
<b>Note 20: Employee benefits expense</b>		
a) Salaries and wages	2,68,28,866	2,27,94,302
b) Contribution to provident and other funds	23,50,573	33,31,999
c) Staff welfare expenses	16,46,302	16,69,397
<b>TOTAL</b>	<b>3,08,25,741</b>	<b>2,77,95,698</b>



<b>Note 21: Finance Costs</b>		
<b>Finance costs</b>		
a) Interest expense on cash credit and others	1,27,37,613	1,08,36,675
b) Other Borrowing Cost	45,78,822	39,38,878
<b>TOTAL</b>	<b>1,73,16,435</b>	<b>1,47,75,552</b>
<b>Note 22: Other expenses</b>		
<b>Other expenses</b>		
a) Consumption of stores & spare parts	27,25,705	14,15,093
b) Power and fuel	3,32,05,786	2,97,55,029
c) Rent	20,18,640	16,45,599
d) Repairs to buildings	11,64,069	1,52,937
e) Repairs to machinery	38,08,921	48,44,570
f) Repairs to others	20,75,045	17,88,028
g) General expenses	27,01,425	24,99,374
h) Insurance	6,12,196	6,19,808
i) Rates and taxes	8,05,108	5,53,749
j) Communication expenses	6,76,070	5,94,781
k) Travelling and conveyance	25,66,760	5,57,476
l) Printing and stationery	3,23,430	2,76,815
m) Selling expenses	87,58,503	76,83,664
n) ED on Finished Goods	23,50,139	(2,90,257)
o) Donations and contributions	3,17,102	74,501
p) Legal and professional charges	27,55,425	25,20,955
q) Payments to auditors-Refer Note 23(4)	5,31,793	4,83,128
r) Net loss on foreign currency transactions and translation	-	46,56,107
s) Loss on fixed assets sold	-	2,51,553
<b>TOTAL</b>	<b>6,73,96,118</b>	<b>6,03,73,166</b>

**NOTE 23: SIGNIFICANT ACCOUNTING POLICIES**
**(I) BACKGROUND**

Kanchi Karpooram Limited ('the company') was incorporated on 31-01-1992. The Company manufactures Camphor and allied products.

**(II) SIGNIFICANT ACCOUNTING POLICIES**
**1 BASIS OF PREPARATION**

The financial statement are prepared under the historical cost convention method in accordance with the Generally Accepted Accounting Principles (GAAP) and the provisions of the Companies Act 2013 and Mandatory Accounting Standards as prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 .

**2 USE OF ESTIMATES**

The preparation of financial statements requires management of the company to make certain estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of financials and reported amounts of income and expenses during the year. Example of such estimate include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment.



The Management believes that these estimates and assumptions are reasonable and prudent. However actual results could differ from these estimates. Differences between actual results and estimates are recognized in the period in which they materialize.

### **3 INCOME RECOGNITION**

Revenue from sale of goods is recognized upon dispatch of goods. Sales are accounted net of Excise Duty, returns, sales tax and freight.

Interest income is recognized using time proportion method.

### **4 FIXED ASSETS AND DEPRECIATION**

- a) Fixed Assets are carried at cost less Accumulated depreciation and impairment loss if any. Cost includes all expenses incurred to bring the assets to its present location and condition and allocated preoperative expenditure during construction period. Income earned out of Trial operations is netted against the cost of the Project.
- b) Fixed assets are depreciated as per Schedule II of the Companies Act, 2013 based on the useful life of the Assets..
- c) Impairment loss, if any, is provided to the extent the carrying amount of assets exceeds their recoverable amount.
- d) Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### **5 INVENTORIES**

- a) Raw materials and Stores and spares are valued at cost under First – In – First – Out (FIFO) method.
- b) Finished goods are valued at cost (including applicable overheads and excise duty) or net realizable values whichever is lower
- c) Work-in-progress value is derived from the value of finished goods less estimated cost of work still to be completed.
- d) Modvat / Cenvat / Service Tax credits on materials / capital items are availed on purchases / installation of assets respectively and utilized for payment of excise duty on goods manufactured and the unutilized credit is carried forward in the books.

### **6 FOREIGN CURRENCY TRANSLATIONS**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies at the yearend are recognized in the profit and loss account.

### **7 EMPLOYEE BENEFITS**

- a. Short term employee benefits are charged off at the undiscounted amount in the year in which related service is rendered.
- b. The company has a defined benefit gratuity plan funded with Life Insurance Corporation of India, covering eligible employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or in termination of employment. Liability for unavailed leave is actuarially valued and is funded with Life Insurance Corporation of India.

### **8 TAXES ON INCOME**

Tax expense comprises of current tax and Deferred Tax. Current income tax is provided on the taxable income for the period as per the provisions of Income Tax Act, 1961. Deferred Tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods.



**9 EARNINGS PER SHARE**

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all the dilutive potential equity shares.

**10 LEASES**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rental payments made under operating leases are charged to the statement of Profit and Loss.

**11 SEGMENT REPORTING**

The Company's primary segment is identified as Business segment based on nature of product, risks, returns and the internal business reporting system and the secondary segment is identified based on Geographical location of the customers as per Accounting Standard -17. The Company is principally engaged in a single business segment Viz, manufacture and sale of Camphor and allied products.

**12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources.

Contingent Liabilities are not recognized, but are disclosed in the notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

**13 IMPAIRMENT OF ASSETS**

The company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amount of such assets is estimated and if any indication of impairment exists, impairment loss is recognized where the carrying amount of the assets exceeds its recoverable amount.

**NOTE 24. OTHER NOTES**

- 1 (a) Contingent Liability- Performance Guarantee issued by Bank of India to TNPCB for Rs 200000/- (PY. Rs. 200000/-)
- (b) Estimated Amount of Contracts remaining to be executed on capital accounts not provided for Rs.16,04,093/- ( P.Y.93,68,725)

**2. Related Party Disclosures:-****Key Managerial Personnel (KMP)**

A Shri. Suresh V Shah	Managing Director
B Shri. Arun V Shah	Director
C Shri. Dipesh S. Jain	Whole Time Director
D KC.Radhakrishnan	CFO

**Director**

Pushpa S Jain	Director
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**Other Related Parties**

A. M/s Suresh Industries	Firms in which directors have significant influence
B. M/s Ambika Industries	Firms in which directors have significant influence
C. Mukhesh Goal	Relative of Director



**Details of Transactions with related parties**

SI No	Name	Nature of Relation	Nature of Transaction	Total Amount		Amount Outstanding as at year end	
				Current Year (Rs)	Previous Year (Rs)	Current Year (Rs)	Previous Year (Rs)
1	Suresh Shah	Managing Director	Remuneration Including Contribution to Provident Fund and other perquisites	*2098031	*1862855	1,55,923.00	1,30,638.00
2	Dipesh Jain	Director	Remuneration Including Contribution to Provident Fund and other perquisites	*1960447	*1707816	1,43,923.00	1,17,783.00
3	Arun V Shah	Director	Remuneration Including Contribution to Provident Fund and other perquisites	*1101600	*861600	91,800.00	71,800.00
4	KC.Radhakrishnan	CFO	Remuneration Including Contribution to Provident Fund and other perquisites	*1581600	*1341600	-	-
5	Suresh Shah	Director	Unsecured Loan to the Company	2000000	NIL	2750000	750000
6	Dipesh Jain	Director	Unsecured Loan to the Company	2000000	NIL	3725000	1725000
7	Arun V Shah	Director	Unsecured Loan to the Company	2000000	NIL	2000000	NIL
8	Suresh Shah	Director	Interest paid	147244	99125	NIL	NIL
9	Dipesh Jain	Director	Interest paid	300308	227988	NIL	NIL
10	Arun V Shah	Director	Interest paid	72944	NIL	NIL	NIL
11	KC.Radhakrishnan	CFO	Salary Advance	1000000	NIL	1000000	NIL
11	Mukhesh Goal	Relative	Consultancy Charges	660000	660000	NIL	NIL
12	Mukhesh Goal	Relative	Telephone Charges	NIL	NIL	NIL	NIL
13	Pushpa S.Jain	Director	Sitting Fees	15000	15000	NIL	NIL
14	Suresh Industries	Firms in which directors have significant influence	Sales	11219745	9178280	14818	195073
15	Ambika Industries	Firms in which directors have significant influence	Sales	NIL	321	NIL	NIL

**Note:**\*The amount excludes contribution to Gratuity fund and provision for leave encashment liability as separate figures are not available.

**3.Basis for calculation of Basic and Diluted Earnings per Share**

Particulars	2016-2017	2015-2016
Net Profit/(Loss) as per Statement of Profit and loss (in Rs.)	3,03,49,665	7896120
Weighted Average Number of Equity Shares (in Nos.)	41,42,200	4142200
Face Value per share(in Rs.)	10	10
Basic and Diluted Earnings Per share	7.33	1.91



#### 4. Payment of Remuneration to Auditors

Particulars	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
Statutory Audit Fee	3,50,000	350000
Tax Audit Fee	25,000	25000
Limited review	32,563	30050
Others	1,24,230	78078
<b>Total</b>	<b>5,31,793</b>	<b>4,83,128</b>

#### 5. Segment Reporting

The company's primary segment is identified as business segment based on nature of production, risks, returns and the internal business reporting system and the secondary segment is identified based on the Geographical location of the customers, as per the Accounting Standard 17. The company is principally engaged in a single business of camphor and allied products and hence primary segment reporting is not applicable and reporting under geographical segment is as follows:-

Particulars	Year	In India(In Rs)	Outside India(In Rs)	Total(In Rs)
Revenue from external customers	2017	57,82,32,431	83,42,530	58,65,74,961
	2016	55,77,36,070	71,73,862	56,49,09,932
Segment assets	2017	5,94,77,377	3,68,152	5,98,45,529
	2016	4,49,88,798	-	4,49,88,798

#### 6. Employee Benefits

The following table sets forth the status of unavailed leave and Gratuity plan of the Company and of the amounts recognised in the Balance Sheet and statement of Profit and Loss

##### Assumptions:

Particulars	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
i Discount Rate (Per Annum)	6.80%	7.80%	6.80%	7.80%
ii Salary Escalation	7.00%	7.00%	7.00%	7.00%

##### Changes in present value of obligation

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
i Present Value of obligations as at the beginning of the year	44,24,932	40,70,726	10,17,831	10,10,006
ii Interest Cost	3,53,995	3,23,870	81,426	79,498
iii Current Service Cost	4,29,136	3,89,732	2,96,417	1,78,889
iv Past Service Cost - (non vested benefits)	-	-	-	-
v Past Service Cost - (vested benefits)	-	-	-	-
vi Benefits and Charges Paid	(84,202)	(44,709)	-	(32,563)
vii Actuarial gain/(loss) on plan assets	(8,61,388)	(3,14,687)	(33,225)	(2,17,999)
viii Present Value of obligations as at the end of the year	42,62,473	44,24,932	13,62,449	10,17,831


**Changes in fair value of plan assets**

Particulars	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
i Fair Value of Plan Assets at the beginning of the year	57,15,043	35,98,846	11,33,783	4,45,661
ii Expected return on plan assets	4,28,628	3,57,485	85,034	58,508
iii Contributions less charges	19,740	17,84,151	3,63,266	6,03,929
iv Benefits and Charges Paid	(84,202)	(44,709)	-	(32,563)
v Actuarial gain/(loss) on plan assets	(22,803)	19,270	(24,912)	58,248
vi Fair Value of Plan Assets at the end of the year	60,56,406	57,15,043	15,57,171	11,33,783

**Amounts recognised in the Balance Sheet**

Particulars	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
i Closing Balance of Present Value of Obligation	42,62,473	44,24,932	13,62,449	10,17,831
ii Closing Balance of Fair Value of Plan Assets	60,56,406	57,15,043	15,57,171	11,33,783
iii Net Liability/(Asset) recognised in the Balance Sheet	(17,93,933)	(12,90,111)	(1,94,722)	(1,15,952)

**Amounts recognised in the Profit and Loss Account**

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
i Current Service Cost	4,29,136	3,89,732	2,96,417	1,78,889
ii Interest Cost	3,53,995	3,23,870	81,426	79,498
iii Expected return on plan assets	(4,28,628)	(3,57,485)	(85,034)	(58,508)
iv Net Actuarial Gain/(Loss)	(8,38,585)	(3,33,956)	(8,313)	(2,76,247)
v Expenses recognised in the statement of Profit and Loss Account	(4,84,082)	22,161	2,84,496	(76,368)

**7.Foreign Exchange Earnings and Outgoing**

Description	Year 2016-2017	Year 2015-2016
<b>EXPENDITURE</b>		
Foreign Travel Expenditure	21,54,165	32532
Membership & Subscriptions	0	0
<b>INCOME</b>		
Export of goods	83,42,530	7173862

**8. Value of Imports (on CIF Basis)**

Description	Year 2016-2017	Year 2015-2016
Raw Material	32,77,67,852	313170246
<b>Total</b>	<b>32,77,67,852</b>	<b>313170246</b>

**9.Cost of Material Consumed**

Description	Year 2016-2017	Year 2015-2016
Oleo Pine Resin	72,15,181	2,17,10,787
Commercial Alpha Pinen	-	5,07,61,769
Gum Turpentine	35,00,84,148	26,74,14,876
Others		
- Imported	1,55,24,807	1,63,05,161
- Indigenous	6,84,79,055	5,59,13,005
<b>Total</b>	<b>44,13,03,190</b>	<b>41,21,05,597</b>



Description	2016-2017		2015-2016	
	%	Rs	%	Rs
Imported	84.48%	37,28,24,135	86.43%	35,61,92,592
Indigenous	15.52%	6,84,79,055	13.57%	5,59,13,005
<b>Total</b>	<b>100%</b>	<b>44,13,03,190</b>	<b>100%</b>	<b>41,21,05,597</b>

**10. Operating Lease**

a) Maximum lease payments in respect of vehicle purchased under hire purchase (Future Commitment) is as under:

Particulars	As on 31.03.2017	As on 31.03.2016
Not later than One Year	7,88,139	7,82,570
Later than One Year and not later than Five Years	16,05,521	14,06,098
Later than Five Years	Nil	Nil

**11. Details of remuneration to Managing Director**

Particulars	Year 2016-2017	Year 2015-2016
Salary	17,40,000	15,00,000
Company's contribution to Provident Fund	21,600	21,600
Other Perquisites	3,36,431	3,41,255
<b>Total*</b>	<b>20,98,031</b>	<b>18,62,855</b>

**Note:**\*The amount excludes contribution to Gratuity fund and provision for leave encashment liability

**Whole Time Directors**

Particulars	Year 2016-2017	Year 2015-2016
Salary	26,76,000	21,96,000
Company's contribution to Provident Fund	43,200	43,200
Other Perquisites	3,42,847	3,30,216
<b>Total</b>	<b>30,62,047</b>	<b>25,69,416</b>

**Note:**\*The amount excludes contribution to Gratuity fund and provision for leave encashment liability

12. Information required in terms of notification number 244 issued by Ministry of Corporate Affairs dated March 30, 2017 is as under :

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	7,90,500	68,870	8,59,370
(+) Receipts for permitted transactions	-	1,34,30,688	1,34,30,688
(+) Receipts for non permitted transactions *	10,000	-	10,000
(-) Paid for Permitted transactions	-	5,24,394	5,24,394
(-) Paid for Non Permitted transactions	-	-	-
(-) Amount deposited in Banks	8,00,500	1,22,33,169	1,30,33,669
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>7,41,995</b>	<b>7,41,995</b>

\* The amount has been directly deposited by the customer in the bank account

13. Amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31.03.2017 is Rs NIL.

14. Previous year figures have been regrouped and rearranged, wherever necessary to conform to current year classification and rounded off to the nearest rupee.

For and on behalf of the Board,

As per our Report of even date  
For R.SUBRAMANIAN AND COMPANY  
Chartered Accountants

Suresh Shah  
Managing Director

Dipesh S Jain  
Whole-time Director

Arun V Shah  
Whole-time Director

K.C.Radhakrishnan  
Chief Financial Officer

K.Jayasankar  
Partner

M.No: 014156

Place: Chennai  
Date: 29.05.2017


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

PARTICULARS	As at 31.03.2017 (Rs.)		As at 31.03.2016 Rs.	
<b>A . CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax		<b>4,69,94,815</b>		<b>1,18,11,938</b>
Adjustments for:				
Depreciation	63,47,102		37,62,987	
Finance cost - Interest	1,73,16,435		1,47,75,552	
Interest Income	(13,48,906)		(13,68,357)	
(Profit)/Loss on sale of assets (net)	-	2,23,14,631	2,42,981	1,74,13,163
Operating Profit / (Loss)before Working Capital changes		<b>6,93,09,446</b>		<b>2,92,25,101</b>
(Increase) / Decrease in trade Inventories	(4,20,25,327)		69546046	
(Increase) / Decrease in trade receivables	(1,48,56,731)		(2,08,35,580)	
Increase) / Decrease in Loans and Advances/other current assets	1,14,80,895		(70,39,195)	
Increase / (Decrease) in trade and other payables	1,24,27,440		(22,20,060)	
		<b>(3,29,73,722)</b>		<b>3,94,51,211</b>
Cash generation from operations		<b>3,63,35,723</b>		<b>6,86,76,312</b>
Less: Interest Paid on Working Capital borrowings and bank charges	(1,70,62,060)		(1,45,18,020)	
Less: Income tax paid	(14,26,835)		(18,02,123)	
		<b>(1,84,88,895)</b>		<b>(1,63,20,143)</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<b>1,78,46,827</b>		<b>5,23,56,168</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest received	13,48,906		12,65,411	
(Increase) / Decrease in Fixed deposits	(790255)		(7,23,938)	
Purchase of Fixed Assets/Increase in CWIP	(3,95,05,031)		(1,25,27,604)	
Sale of Fixed Assets	-		7,15,715	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		<b>(3,89,46,380)</b>		<b>(1,12,70,416)</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Increase / (Decrease) on Long term loans from bank	2,04,991		7,41,422	
Increase / (Decrease) on working capital loans from banks	2,27,75,699		(4,45,78,321)	
Increase / (Decrease) on Unsecured demand loans	60,00,000		50,00,000	
Interest on borrowings	(2,54,375)		(3,95,493)	
Dividend and Dividend Distribution tax paid	(74,78,204)		(25,04,453)	
<b>NETCASH FLOW FROM FINANCING ACTIVITIES (C)</b>		<b>2,12,48,111</b>		<b>(4,17,36,845)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,48,558</b>		<b>(6,51,093)</b>
Cash and Cash equivalents at the beginning		3,27,484		9,78,577
Cash and Cash equivalents at the close		4,76,042		3,27,484
		<b>1,48,558</b>		<b>(6,51,093)</b>
Note:				
Cash and cash equivalents consist of Cash on Hand, Balance with Banks. Cash equivalents included in Cash Flow Statement comprises the following Balance Sheet amounts:				
(i) Balances with banks - in Current accounts		1,99,494		2,08,424
(ii) Cash on hand		2,76,548		1,19,060
		<b>4,76,042</b>		<b>3,27,484</b>

For and on behalf of the Board,

 As per our Report of even date  
 For R.SUBRAMANIAN AND COMPANY  
 Chartered Accountants

 Suresh Shah  
 Managing Director

 Dipesh S Jain  
 Whole-time Director

 Arun V Shah  
 Whole-time Director

 K.C.Radhakrishnan  
 Chief Financial Officer

 K.Jayasankar  
 Partner

 Place: Chennai  
 Date: 29.05.2017

 Krithika D Thakkar  
 Company Secretary

M.No: 014156

**KANCHI KARPOORAM LIMITED**

CIN: L30006TN1992PLC022109

Registered Office: Parandur Road, Enathur Village, Karaipettai Post, Kanchipuram – 631552

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies Management and Administration) Rules, 2014]

**24<sup>th</sup> ANNUAL GENERAL MEETING**

<b>Name of the Member(s)</b>	
<b>Registered Address</b>	
<b>E-Mail ID</b>	
<b>Folio No./Client ID :</b>	
<b>DP ID:</b>	

I/We being the member(s) of **KANCHI KARPOORAM LIMITED** having shares of \_\_\_\_\_ hereby appoint:

1. Name: \_\_\_\_\_ Address \_\_\_\_\_

E-Mail Id \_\_\_\_\_ Signature \_\_\_\_\_

2. Name: \_\_\_\_\_ Address \_\_\_\_\_

E-Mail Id \_\_\_\_\_ Signature \_\_\_\_\_

3. Name: \_\_\_\_\_ Address \_\_\_\_\_

E-Mail Id \_\_\_\_\_ Signature \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Thursday, the 28th day of September, 2017 at 11.00A.M. at M.M.Hotels. 65/66, Nellukara Street, Kanchipuram, Tamilnadu – 631 502 and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Proposed Resolution
<b>Ordinary Business</b>	
1	Adoption of Financial Statements of the Company for the year ended 31st March, 2017
2	Declaration of Dividend
3	Re-Appointment of Mrs.Pushpa S Jain as Director who retires by rotation
4	Appointment of M/s P.Chandrasekar and Co., Chartered Accountants as the Statutory Auditor of the Company
<b>Special Business</b>	
5	Approve Related Party Transaction with M/s. Suresh Industries

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of the shareholder(s)

Affix Revenue Stamp not less than Rs.1/-
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**Note**

This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.

**KANCHI KARPOORAM LIMITED**

CIN: L30006TN1992PLC022109

Registered Office: Parandur Road, Enathur Village, Karaipettai Post, Kanchipuram – 631552

**ATTENDANCE SLIP  
24<sup>th</sup> ANNUAL GENERAL MEETING**

Regd. Folio No./DPID & Client ID	
No.of Shares	
Name of the Member(s)	
Name of the Proxy	

I/we hereby record my/our presence at the 24th Annual General Meeting of the Company being on Thursday, the 28th September, 2017 at 11.00A.M at M.M.Hotels. 65/66, Nellukara Street, Kanchipuram, Tamilnadu – 631 502

\_\_\_\_\_  
Member/Proxy Signature

**Note:**

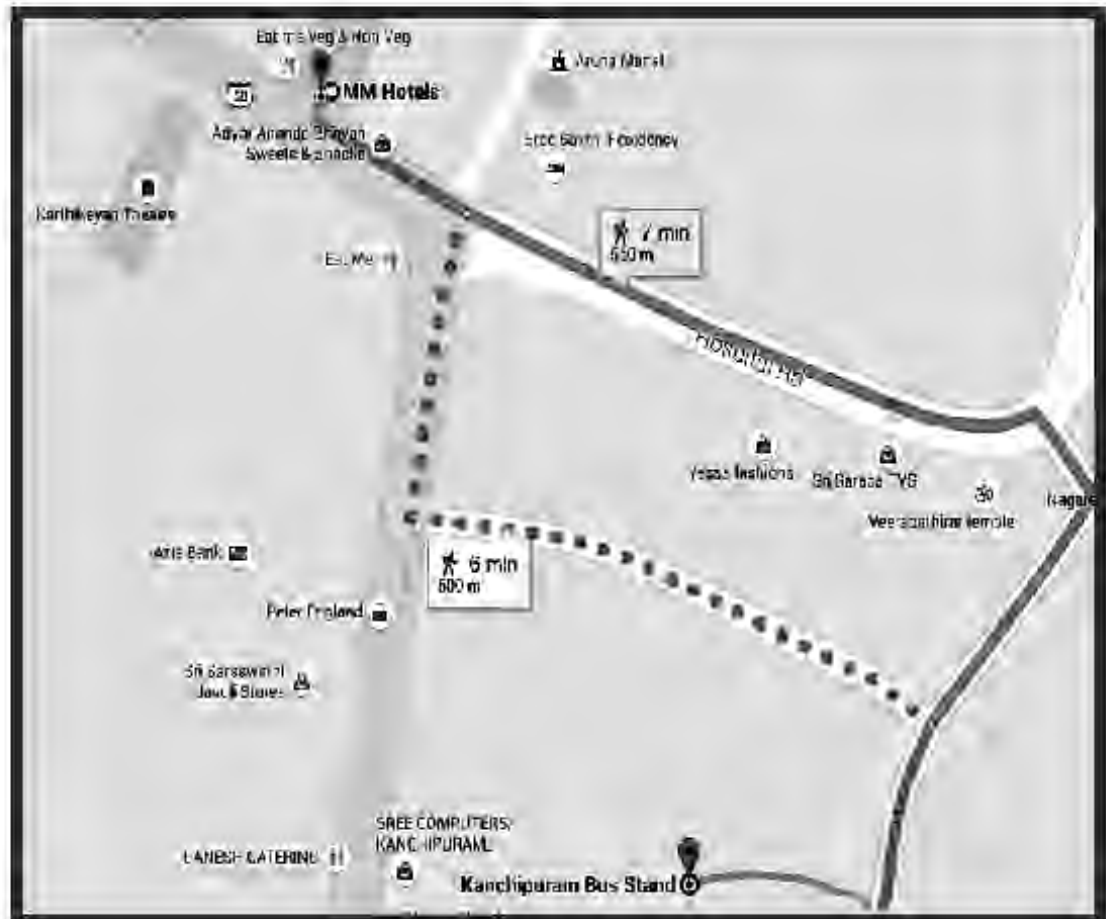
1. Member/proxy wishing to attend the meeting must bring the attendance slip at the meeting and hand over at the verification counter at the Meeting Hall duly filled and signed.
2. Member/proxy attending the meeting shall bring their copy of the Annual Report for reference at the meeting.

**ELECTRONIC VOTING PARTICULARS**

EVS (Electronic Voting Sequence Number)	User ID	Password
160803022	Folio No./DP Client ID	Use your existing password or enter your PAN/Bank A/C No. / Date of Birth

**Note:** Please refer the details and instructions in the notice of the 24th Annual General Meeting. The Voting period starts from 09.00A.M. on 25th September, 2017 and end on at 05.00PM on 27st September, 2017. The Voting module shall be disabled by CDSL for voting thereafter.







**NOTES**



**NOTES**

REGISTERED POST / COURIER

If undelivered, Please return to :

**KANCHI KARPOORAM LIMITED**

CIN : L30006TN1992PLC022109

**Chennai Office :**

No.1, Barnaby Avenue, Barnaby Road,  
Kilpauk, Chennai - 600 010. Tamilnadu.

**Regd. Office :**

Parandur Road, Enathur Village,  
Karaipettai Post, Kanchipuram - 631 552.

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Email : [info@kanchikarpooram.com](mailto:info@kanchikarpooram.com) / Website : [www.kanchikarpooram.com](http://www.kanchikarpooram.com)