

  
**KANCHI KARPOORAM LIMITED**

(Manufacturer of Camphor & Allied Products)

ISO 9001 : 2015 Certified Company - CIN:L30006 TN1992 PLC022109

CHENNAI OFFICE : No.1, Barnaby Avenue, Barnaby Road, Kilpauk, Chennai - 600 010. INDIA.

Tel. : 2640 1914 / 15 / 16 / 17

E-mail : info@kkggroup.in Website : www.kkggroup.in



Ref: KKL/SE/2021-22

12.08.2021

To,  
BSE Ltd  
25<sup>th</sup> Floor, P.J.Tower,  
Dalal Street, Mumbai – 400 001

Dear Sir/Madam

**Sub: Annual Report 2020-21 for the 28<sup>th</sup> Annual General Meeting**

The 28<sup>th</sup> Annual General Meeting ("AGM") of the Company will be held on Friday, September 03<sup>rd</sup>, 2021 at 11.00 a.m. through Video Conferencing / Other Audio Video Means in accordance with the relevant circulars issued by the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI"). In this regard, please find enclosed herewith the Notice of 28<sup>th</sup> Annual General Meeting along with the Annual Report for financial year 2020-21.

Kindly take the above on record.

Thanking you,

Yours faithfully,

**For Kanchi Karpooram Limited**

**J. R. Vishnu Varthan**  
Company Secretary



# **KANCHI KARPOORAM LIMITED**

**TWENTY EIGHTH  
ANNUAL REPORT  
2020-2021**



## **KANCHI KARPOORAM LIMITED**

### **BOARD OF DIRECTORS**

Mr. Suresh V Shah, Managing Director  
Mr. Dipesh S Jain, Joint Managing Director  
Mr. Arun V Shah, Whole-time Director  
Mr. S. Srinivasan, Chairman, Non Executive & Independent Director  
Mr. R. Kannan, Non Executive & Independent Director  
Mr. K. Venkateswaran, Non Executive & Independent Director  
Mrs. Pushpa S Jain, Non Executive Director

### **CHIEF FINANCIAL OFFICER**

Mr. Surendra Kumar Shah

### **COMPANY SECRETARY**

Mr. J.R. Vishnu Varthan

### **AUDITORS**

#### **M/s. P. Chandrasekar, LLP**

Chartered Accountants  
No. 18A, 1st Floor,  
Plot No. 5, Balaiah Avenue,  
Luz, Mylapore, Chennai – 600 004.

### **SECRETARIAL AUDITOR**

#### **Mr. Lovelish Lodha**

Practicing Company Secretary  
No.31, “Matashree Nivas”, AP Road,  
1<sup>st</sup> Lane, Choolai, Chennai - 112

### **BANKERS**

1. Citi Bank, N.A.,  
No. 163 Anna Salai,  
Second Floor, Chennai - 600002.
2. State Bank of India,  
Kilpauk Garden Branch,  
27/14, Landons Road, Kilpauk  
Chennai - 600010
3. Bank of India,  
Chennai Overseas Branch, “Star House” III Floor,  
30 (Old No. 17), Errabalu Street,  
Chennai – 600 001.

### **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 28th Annual General Meeting of the members of Kanchi Karpooram Limited will be held on Friday, 3rd September, 2021 at 11.00 a.m. through Video Conference (VC)/ Other Audio Visual Means (OAVM), to transact the following business:

### Ordinary Business:

#### 1. Adoption of Standalone Financial Statements

To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon.

#### 2. Declaration of dividend

To declare a final dividend of Rs. 4.00 per equity share for the year ended 31st March, 2021.

#### 3. Re-appointment of Mrs. Pushpa S Jain as a Director, liable to retire by rotation

To appoint a director in the place of Mrs. Pushpa S Jain (DIN: 06939054) who retires by rotation and being eligible, offer herself for re-appointment.

### Special Business:

#### 4. Re-Appointment of Mr. Suresh V Shah (DIN:01659809) as Managing Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution

**“RESOLVED THAT** not with standing his completion of seventy years of age during the proposed tenure, pursuant to the section 196 of the Companies Act, 2013 and other applicable provisions of the Act and Articles of Association of the Company, Mr. Suresh V Shah (DIN: 01659809), Managing Director, be and is hereby Re appointed as Managing Director of the Company under section 196 of the Companies Act, 2013 with effect from 01st October, 2021 for a period of five years and is not liable to retire by rotation, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice of this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the appointment and/ or remuneration based on the recommendation of the Nomination & Remuneration Committee, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company and Company Secretary of the Company be and are hereby authorised to do all such acts, deeds and matters and things as, in its absolute discretion, it may consider necessary, expedient and desirable to give effect to this resolution.”

#### 5. Revision in terms and conditions including remuneration payable to Mr. Dipesh S Jain, Joint Managing Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and the provisions of Sections 196, 197, 198, 201 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard, approval of the Members be and is hereby accorded to the revision in the terms and conditions including remuneration of Mr. Dipesh S Jain (DIN: 01659930), Joint Managing Director of the Company as set out in the explanatory statement annexed to the Notice of this Meeting, effective from 01st October 2021.”



**“RESOLVED FURTHER THAT** any of the Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in the said regard.”

**6. Revision in terms and conditions including remuneration payable to Mr. Arun V Shah, Whole Time Director of the Company**

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and the provisions of Sections 196, 197, 198, 201 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard, approval of the Members be and is hereby accorded to the revision in the terms and conditions including remuneration of Mr. Arun V Shah (DIN: 01744884), Wholetime Director of the Company as set out in the explanatory statement annexed to the Notice of this Meeting, effective from 01st October 2021.”

**“RESOLVED FURTHER THAT** any of the Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in the said regard.”

**7. Ratification of Remuneration paid to Cost Auditors**

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to M/s. N. Sivashankaran & Co., Cost Accountants(FIRM REG NO.100662) who was appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the FY 2021-22, amounting to Rs. 50,000/- per annum plus applicable Goods and Service Tax and out-of-pocket expenses incurred in Connection with the aforesaid audit, be and is hereby ratified.

For & On Behalf of the Board

For **KANCHI KARPOORAM LIMITED**

Place: Chennai  
Date: 22.07.2021

**Dipesh S Jain**  
(DIN: 01659930)  
Managing Director

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

**NOTES**

1. Being this AGM scheduled to be held through VC/ OAVM in pursuant to MCA Circular No. 14/2020 dated April 08, 2020, hence the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members of body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
2. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special Business set out in the Notice is annexed hereto.
3. 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 directors proposed to be appointed / 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from the 28th August, 2021, Saturday to 03rd September, 2021, Friday (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
5. If Dividend as recommended by the Board of Directors is approved at the AGM, the payment of dividend will be made on/before 02nd October, 2021 to those members whose names shall appear on the Company's register of members on the closure of business hour on 27th August, 2021 as under:
  - a) In respect of share held in dematerialized 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.
6. 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.
7. 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.
8. 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.
9. 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.kklgroup.in](http://www.kklgroup.in)), as also on the website of Ministry of Corporate Affairs.



10. 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.
11. 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.
12. 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.
13. 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 from the Company electronically.
14. Members may also note that the Notice of the 28th AGM and the Annual Report for FY 2020-21 will be available on the Company's website [www.kkigroup.in](http://www.kkigroup.in) for their download and also on the website of Central Depository Services (India) Limited viz. [www.evotingindia.com](http://www.evotingindia.com).
15. 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](mailto:investor@cameoindia.com) / [cameo@cameoindia.com](mailto:cameo@cameoindia.com)
16. The cut-off date for the purpose of remote e-voting and voting at the AGM shall be 27th August, 2021.

**CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.





6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.kklgroup.in](http://www.kklgroup.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020, MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

**THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Tuesday 31st August 2021 from 9.00 AM and ends on Thursday 02nd September 2021 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 27th August 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System My easi.



	<ol style="list-style-type: none"> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e voting is in progress as per the information provided by company. On clicking the e voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi /Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDEAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:**

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Help desk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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 e-voting of any company, then your existing password is to be used.

If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	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>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA</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.</li></ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of Kanchi Karpooram Limited.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - 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 linked in the login 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.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial@kklgroup.in](mailto:secretarial@kklgroup.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.



4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7(Seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@kklgroup.in](mailto:secretarial@kklgroup.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7(Seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@kklgroup.in](mailto:secretarial@kklgroup.in). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

For & On Behalf of the Board  
For **KANCHI KARPOORAM LIMITED**

Place: Chennai  
Date: 22.07.2021

**Dipesh S Jain**  
(DIN: 01659930)  
Managing Director

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

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013:****Item no.4:**

Mr. Suresh V Shah has more than 45 years of experience in Camphor industry. Kanchi Karpooram Limited is the brain child of Mr. Suresh V Shah and he is a part of the Board since Company's inception (1992). He has been managing the overall operations of the Company and specially import and export transactions. His contribution towards development of company business is highly commendable. Mr. Suresh V Shah was re-appointed as a Managing Director in the 23rd Annual General Meeting of the Company held on 07th September 2016 for a period of 5 years effective from 01st October 2016. The Board at their meeting held on 22nd July 2021, on the recommendation of the Nomination & Remuneration Committee and Audit Committee, has recommended for the approval of the Members, the re-appointment of Mr. Suresh V Shah as the Managing Director of the Company, for a period of five years effective from 01st October 2021 as set out in the Resolution relating to his appointment.

**Salary:**

Maximum of Rs. 12.00 lakhs per month. The annual increments which will be effective 1st April each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee and will be performance-based and take into account the Company's performance as well, within the said maximum amount.

**Benefits, Perquisites & Allowances:**

- Fully furnished accommodation
- Leave encashment of un-availed leave at the end of his term as per Company policy.
- Personal accident insurance equal to premium.
- Reimbursement of Medical expenses incurred for Self, Spouse and max of 2 Dependent children to the maximum of Rs. 60,000 per month.
- Subscription of membership fees for two clubs in India.
- Provision of Car and company driver for official use as per rules of the Company in force from time to time.
- Contribution to Provident Fund, Superannuation Fund. Gratuity equivalent to 15 days salary (Basic+DA) per annum payable at the end of his term.
- Actual leave travel expenses once in a year to any place in India and once in two years to foreign countries for Self, Spouse and max of 2 Dependent children subject to ceiling of one month's salary last drawn (Basic+DA).
- Any other perquisites, benefits, amenities as may be decided from time to time and approved by the Nomination and Remuneration Committee.

**Commission:**

Commission will be calculated and payable every year on the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. Subject to the overall limit of 10% of net profits for the managerial remuneration (including commission) to all directors of the Company.

**Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the MD/ WTD, the Company has no profits, or its profits are inadequate, the Company will pay remuneration by way of salary including perquisites and allowance.

The Companies Act 2013 requires a Special Resolution in the case the executive Directors are appointed after attaining the age of 70 years. Mr. Suresh V Shah will attain the age of 70 years in between this said tenure. Pursuant to the



applicable provisions of the Companies Act, 2013, and the relevant rules made there under, consent of members is being sought by way of a Special Resolution for his re appointment.

Additional information in respect of Mr. Suresh V Shah, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, is appearing under the section 'Information on Directors recommended for Appointment/Reappointment' and 'Report on Corporate Governance'. Notices under Section 160 of the Act proposing the appointment of Mr. Suresh V Shah have been received. Requisite consents, pursuant to Section 152 of the Act, have been filed by Mr. Suresh V Shah.

None of the Directors and Key Managerial Personnel of the Company except Mr. Suresh V Shah (to whom the resolution relates), Mr. Dipesh S Jain, Mr. Arun V Shah and Mrs. Pushpa S Jain are concerned or interested in the resolution mentioned at Item No.4 of the Notice

**Item no 5:**

Mr. Dipesh S Jain was appointed as a Joint Managing Director for the period of five years in the 27th Annual General Meeting of the Company with effect from 25th September 2020. Further, considering the contribution of Mr. Dipesh S Jain and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 22nd July 2021 has approved the revision in the terms and conditions including remuneration of Mr. Dipesh S Jain for a period of 4 years effective from 01st October 2021. The remuneration paid after the revision will be within the limits specified under Companies Act 2013.

**Salary:**

Maximum of Rs. 10.00 lakhs per month. The annual increments which will be effective 1st April each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee and will be performance-based and take into account the Company's performance as well, within the said maximum amount.

**Benefits, Perquisites & Allowances:**

- Fully furnished accommodation
- Leave encashment of un-availed leave at the end of his term as per Company policy.
- Personal accident insurance equal to premium.
- Reimbursement of Medical expenses incurred for Self, Spouse and max of 2 Dependent children to the maximum of Rs. 60,000 per month.
- Subscription of membership fees for two clubs in India.
- Provision of Car and company driver for official use as per rules of the Company in force from time to time.
- Contribution to Provident Fund, Superannuation Fund. Gratuity equivalent to 15 days salary (Basic+DA) per annum payable at the end of his term.
- Actual leave travel expenses once in a year to any place in India and once in two years to foreign countries for Self, Spouse and max of 2 Dependent children subject to ceiling of one month's salary last drawn (Basic+DA).
- Any other perquisites, benefits, amenities as may be decided from time to time and approved by the Nomination and Remuneration Committee.

**Commission:**

Commission will be calculated and payable every year on the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. Subject to the overall limit of 10% of net profits for the managerial remuneration (including commission) to all directors of the Company.

**Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the MD/ WTD, the Company has no profits, or its profits are inadequate, the Company will pay remuneration by way of salary including perquisites and allowance.

Pursuant to the applicable provisions of the Companies Act, 2013, and the relevant rules made there under, consent of members is being sought by way of an Ordinary Resolution.

Additional information in respect of Mr. Dipesh S Jain, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, is appearing under the 'Report on Corporate Governance'.

None of the Directors and Key Managerial Personnel of the Company except Mr. Dipesh S Jain (to whom the resolution relates), Mr. Suresh Shah, Mr. Arun V Shah and Mrs. Pushpa S Jain are concerned or interested in the resolution mentioned at Item No.5 of the Notice

**Item no 6:**

Mr. Arun V Shah was appointed as a Whole Time Director for the period of five years in the 27th Annual General Meeting of the Company with effect from 25th September 2020. Further, considering the contribution of Mr. Arun V Shah and as per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 22nd July 2021 has approved the revision in the terms and conditions including remuneration of Mr. Arun V Shah for a period of 4 years effective from 01st October 2021. The remuneration paid after the revision will be within the limits specified under Companies Act 2013.

**Salary:**

Maximum of Rs.6.00 lakhs per month. The annual increments which will be effective 1st April each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee and will be performance-based and take into account the Company's performance as well, within the said maximum amount.

**Benefits, Perquisites & Allowances:**

- Fully furnished accommodation
- Leave encashment of un-availed leave at the end of his term as per Company policy.
- Personal accident insurance equal to premium.
- Reimbursement of Medical expenses incurred for Self, Spouse and max of 2 Dependent children to the maximum of Rs. 60,000 per month.
- Subscription of membership fees for two clubs in India.
- Provision of Car and company driver for official use as per rules of the Company in force from time to time.
- Contribution to Provident Fund, Superannuation Fund. Gratuity equivalent to 15 days salary (Basic+DA) per annum payable at the end of his term.
- Actual leave travel expenses once in a year to any place in India and once in two years to foreign countries for Self, Spouse and max of 2 Dependent children subject to ceiling of one month's salary last drawn (Basic+DA).
- Any other perquisites, benefits, amenities as may be decided from time to time and approved by the Nomination and Remuneration Committee.



**Commission:**

Commission will be calculated and payable every year on the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. Subject to the overall limit of 10% of net profits for the managerial remuneration (including commission) to all directors of the Company.

**Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the MD/ WTD, the Company has no profits, or its profits are inadequate, the Company will pay remuneration by way of salary including perquisites and allowance.

Pursuant to the applicable provisions of the Companies Act, 2013, and the relevant rules made there under, consent of members is being sought by way of an Ordinary Resolution.

Additional information in respect of Mr. Arun V Shah, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, is appearing under the 'Report on Corporate Governance'.

None of the Directors and Key Managerial Personnel of the Company except Mr. Arun V Shah (to whom the resolution relates), Mr. Suresh Shah, Mr. Dipesh S Jain and Mrs. Pushpa S Jain are concerned or interested in the resolution mentioned at Item No.6 of the Notice

**Item No.7:**

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records for the applicable products of the Company. As per the said Rules, remuneration payable to the Cost Auditors is required to be ratified by the members of the Company in the general meeting. The Board of Directors at its meeting held on 28th June 2021, had considered and approved the appointment of M/s. N. Sivashankaran & Co., Cost Accountants, (Firm Reg No. 100662) as the Cost Auditors of the Company for the FY 2021-22 on a remuneration of Rs. 50,000/- (Rs. Fifty Thousand Only) per annum plus applicable Goods & Service tax and out of pocket expenses that may be incurred.

Copies of relevant resolution of the Board of Directors are available for inspection of the members on any working day of the Company between 9.00 a.m. and 5.00 p.m. at the Registered office of the Company. The Board of directors accordingly recommend the resolutions set out in Item No. 7 of the accompanying Notice for the approval of members.

**INFORMATION ON DIRECTOR RECOMMENDED FOR APPOINTMENT / REAPPOINTMENT****1. Mrs. PUSHPA S JAIN (DIN: 06939054)**

Mrs. Pushpa S Jain (63) 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
DIN	06939054
Nationality	Indian
Relationship with Other Director	Wife of Mr.Suresh Shah
Date of Appointment on Board	10.09.2014
Qualification	Matric
Expertise in Area	Engaging in Social Services
No. of Shares held	3,54,953
List of Directorships held in other Companies	Nil
Chairmanship(s) / Membership(s) of Board Committees in Other Companies	Nil

**2. Mr. Suresh V Shah (DIN: 01659809)**

Mr. Suresh V Shah has more than 45 years of experience in Camphor industry. Kanchi Karpooram Limited is the brain child of Mr. Suresh V Shah and he is a part of the Board since Company's inception (1992). He has been managing the overall operations of the Company and specially import and export transactions. His contribution towards development of company business is highly commendable.

A brief detail of Mr. Suresh V Shah is as follows:

Name	Mr. Suresh V Shah
Date of Birth	19.01.1953
DIN	01659809
Nationality	Indian
Relationship with Other Director	-
Date of Appointment on Board	From Incorporation
Qualification	Matric
Expertise in Area	Management, Marketing, Forex, Administration and Production
No. of Shares held	4,37,667
List of Directorships held in other Companies	Nil
Chairmanship(s) / Membership(s) of Board Committees in Other Companies	Nil



## DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the Twenty Eighth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2021.

### FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March 2021 is summarized 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 31.03.2021 (Rs. in Lakhs)	Year ended 31.03.2020 (Rs. in Lakhs)
Revenue from operations	18,411.05	20,288.82
Other income	251.33	79.99
<b>Total Income from operations</b>	<b>18,662.38</b>	<b>20,368.81</b>
Cost of Material Consumed	8,841.92	14,213.56
Depreciation and amortization expenses	136.00	126.15
Finance Cost	31.09	87.72
Other Expenses	999.74	1,051.25
Profit / Loss Before tax	8,214.43	3,517.20
Tax Expense	1945.34	922.58
Total Comprehensive Income, Net of Tax	6269.09	2594.63
<b>Earnings per share</b>		
Basic	144.03	61.39
Diluted	143.77	59.45

### FINANCIAL PERFORMANCE

The Gross Revenue from operations for FY 2020-2021 was at Rs. 18,662.38 Lakhs/- (Previous Year Rs. 20,368.81 Lakhs/-), registering a marginal decrease of 8.38%.

The Company earned a Profit after tax of Rs. 6,269.09 Lakhs as against Rs. 2,594.63 Lakhs for the previous year, thereby registering a growth of 141.61%.

Consequent to the restrictions imposed by Central and State Governments due to CORONA break out, the plant remained closed from 23.03.2020 to 15.05.2020 which resulted in no production and sales.

### EXTRACT OF ANNUAL RETURN

In accordance with Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021, is available on the website of the Company at [http://www.kkigroup.in/investor\\_info.php](http://www.kkigroup.in/investor_info.php)

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

Your Directors recommend a final dividend of Rs. 4 (40%) per fully paid up equity share of the face value of Rs. 10 per share. 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 2021 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**

During the year 1,05,370 the equity share warrants was converted in to equity shares. Also Company has bought back 20,529 shares during the year and hence the paid up Equity Share Capital as at March 31, 2021 stood at Rs. 4,34,38,910/-. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

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

The Company has received necessary declarations from the Independent Directors under section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and as per Regulation of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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 reappointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Mr. Narasimhan Raghu, stepped down from the Board as Independent Director of the Company with effect from the close of business hours on 12.08.2020 for the purpose of his professional career development. Mr. R Kannan (DIN: 08837382), was appointed as the Independent Director of the Company in the Board Meeting held on 24.08.2020 and also regularized in the 27th Annual General Meeting of the Company held on 25.09.2020.



During the Year Mr. Dipesh S Jain who was a Whole Time Director of the Company was appointed as the Joint Managing Director in the 27th Annual General Meeting of the Company held on 25.09.2020 for the period of 5 years with effect from 25.09.2020.

Mr. Arun V Shah who was appointed as an Additional Director in the Board meeting held on 22.08.2019 was regularized as a Whole Time Director of the Company in the 27th Annual General meeting of the Company for the period of 5 years effective from 25.09.2020.

#### **NUMBER OF MEETINGS OF THE BOARD**

During the year 2020-21, Eight (08) Board Meetings were held, the details of which are given in the Corporate Governance Report.

#### **KEY MANAGERIAL PERSONNEL**

The following are the Key Managerial Personnel of the Company as on 31.03.2021:

- a) Mr. Suresh Shah (DIN: 01659809) Managing Director
- b) Mr. Dipesh S Jain (DIN: 01659930), Joint Managing Director
- c) Mr. Arun V Shah (DIN: 01744884), Whole Time Director
- d) Mr. K. C. Radhakrishnan, Chief Financial Officer\*
- e) Mr. J. R. Vishnu Varthan, Company Secretary

\*Retired on 30.04.2021

#### **COMMITTEES OF THE BOARD**

The Board of Directors has the following Committees:

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

As per the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit and Auditors) Rules, 2014, the Auditors, M/s. P. Chandrasekar, LLP, Chartered Accountants (Firm Registration Number: 000580S/S200066) were appointed as Statutory Auditors of the Company at the 24th Annual General Meeting held on 28.09.2017 for a period of Five (5) consecutive Financial Years till the conclusion of Twenty Ninth Annual General Meeting.

There are no qualifications or adverse remarks in the Statutory Audit Report which require any explanation from the Board of Directors.

##### **(b) COST AUDITOR**

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Company is required to maintain cost accounting records in respect of certain specified products of the and accordingly such accounts and records are made and maintained in the prescribed manner. Further, the cost accounting records maintained by the Company are required to be audited.



For the financial year 2020-21, M/s. N. Sivashankaran & Co was appointed as Cost Auditors. On the recommendation of the Audit Committee, the Board has re-appointed M/s. N. Sivashankaran & Co., Cost Accountants as Cost Auditor for auditing the cost records of the Company for the financial year 2021-22.

The Act mandates that the remuneration payable to the Cost Auditor is ratified by the shareholders. Accordingly, a resolution seeking the shareholders' ratification of the remuneration payable to the Cost Auditors for the FY 2021-22 is included in the Notice convening the 28th Annual General Meeting. During the year, the Company filed the Cost Audit Report for the financial year 2019-20 with the Ministry of Corporate Affairs within the prescribed time limit.

**(c) SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Mr. Lovelish Lodha M, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure-7 to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**(d) INTERNAL AUDITOR**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s. R. Subramanian and Co., LLP, Chartered Accountants to undertake the Internal Audit of the Company.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year under review, the Company did not provide any loans, guarantees or made any investments u/s 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

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-2 to this Report.

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

The Company has a policy viz., "Code of Conduct for prevention of Insider Trading" and the same has been posted on its website <http://www.kkigroup.in/>.

**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 (31.03.2021) and the date of the report.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company does meet the provisions laid down in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 hence the Company has constituted a Corporate Social Responsibility Committee. The CSR Report for the Financial Year 2019-20 is annexed to this report as Annexure 4. The composition of CSR Committee and the details of the ongoing CSR projects/ programs/activities are included in the CSR report/section. The CSR policy is uploaded on the Company's website at the web link: <http://www.kkigroup.in/admin/pdfupload/csr%20policy.pdf>

**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.

**COST RECORDS**

Your Company is maintaining cost records and reports in pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub – section (1) of Section 148 of the Companies Act, 2013.

**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.

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

The criteria for performance evaluation have been detailed in the Corporate Governance Report.

**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 and the policy is available in the Company's website <http://www.kkigroup.in/>. 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 as Annexure-1.

**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.

**CRYPTO CURRENCY AND VIRTUAL CURRENCY**

During the year under review, your Company has not traded or invested in any type of Crypto or Virtual currency.

**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-3 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.

**DETAILS IN RESPECT OF FRAUDS**

The Company's Auditor's report does not have any statement on suspected fraud in the company operations to explain as per Sec. 134(3)(ca) of the Companies Act 2013.

**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

For & On Behalf of the Board

For **KANCHI KARPOORAM LIMITED**

Place: Chennai  
Date: 22.07.2021

**Dipesh S Jain**  
(DIN: 01659930)  
Managing Director

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





*Annexure 1*

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We, the Board of Directors, present its analysis covering performance of the Company for the year 2020 - 2021 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.

### Industry structure and developments

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.

### Opportunities and Threats

Your Company is experiencing a potential growth in sales in the past due to the factors that location of the plant and quality of the product. This is expected to continue in the forthcoming years.

Since the main raw material required is imported, the price factor and the exchange variation may have adverse effect. However, the Company prices its products with due consideration of both the factors .

### Product -wise Performance

The main product, namely Camphor is having a progressive sales year after year so as other by-products.

### Outlook

Your Company has a substantial growth potential in terms of marketing of its products which has been so far progressive in the past and the Company looks forward for the same in the years to come.

### Risks and Concerns

#### General risks:

The Foreign Exchange fluctuations may have adverse effects due 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 works capital with a 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 Systems and their adequacy

Your Company has well defined and adequate internal controls and procedures, commensurate with its size and nature of its operations. This is further strengthened by the Internal Audit done concurrently.

Besides, the Company has an Audit Committee, comprising Non-Executive Directors, to monitor its financial systems, controls, management and operations.

### Discussion on financial performance with respect to operational performance

Your Company has observed a slight decrease in the volume in sales. Your Company exercises stringent cost control factors and quality control measures so as to sustain consistent in performance. The Company has achieved a turnover of Rs.18662.38 lakhs as compared to Rs. 20368.81 lakhs and has profit after tax Rs. 6269.09 lakhs as compared to Rs.2594.63 lakhs profit in the previous year.

### Managerial Developments in Human Resources and Industrial Relation

During the year under review there was a high rate of employees attrition due to the CORONA Virus break out. The same was professionally handled by the management.

Number of people employed: 75

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore, including:

PARTICULARS	2020-2021	2019-2020
<b>A: Profitability ratios</b>		
Operating Profit Margin	45.52%	18.00%
Net Profit Margin	34.05%	13.00%
Return on Equity	40.17%	28.00%
<b>B. Ratio for Assessing Financial Health</b>		
Capital Turnover Ratio	1.18	2.19
Fixed Assets Turnover Ratio	4.30	7.50
Inventory Turnover Ratio	1.97	5.79
Debtors Turnover Ratio	16.34	15.59
<b>C. Operating Profit Margin Ratio</b>	54.48%	82.00%
<b>D. Earnings and dividend ratio</b>		
Dividend percentage	40%	20%
Earnings per Share	144.03	61.39
P/E Ratio	5.83	2.86
Book Value Per share	359.26	217.64

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% and more as compared to the immediately previous financial year) in key financial ratios.

**Ratios where there has been significant change from Financial Year 2019-2020 to Financial Year 2020-2021****Increase in ROE:**

Since there is a reduction in Profit and also there is an increase in paid-up Share capital, ROE is reduced.

**Decrease in Capital Turnover Ratio & Profitability Ratios**

Consequent to the restrictions imposed by Central and State Governments due to CORONA break out, the plant remained closed from 23.03.2020 to 15.05.2020 which resulted in no production and sales. Even further due to the release of lockdown in phases the production was affected however, the sustainable turnover could be achieved because phenomenal increase in sale price of camphor. Also, the paid-up share capital and Reserves and Surplus have increased.

**Fixed Assets Turnover Ratio**

The investment in Fixed Assets has gone up by 4.89%, whereas the turnover has reduced by 8%, there is a reduction in the ratio. The fixed asset of your company has increased by 15.79 crores due to expansion programme and decongestion activity (building, warehouses etc).

**Inventory Turnover Ratio**

The company has exercised precautionary measures in procurement of imported raw material, thus there is a reduction in holding level of inventories. However, the company ensured minimum stock levels for its uninterrupted production.

**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.

For & On Behalf of the Board  
For **KANCHI KARPOORAM LIMITED**

Place: Chennai  
Date: 22.07.2021

**Dipesh S Jain**  
(DIN: 01659930)  
Managing Director

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

**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.**

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

Sl. No.	Particulars	Details
1	Name (s) of the related party nature of relationship	Suresh Industries
2	Nature of relationship	Director have significant influence
3	Nature of contracts/arrangements/transaction	Sale of Camphor, Gum Rosin, Turpentine and its derivatives
4	Duration of the contracts/arrangements/transaction	01.04.2020 - 31.03.2021
5	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of Goods 1123.65 Lakhs
6	Justification for entering into such contracts or arrangements or transactions' - Rs. Lakhs	Transactions in ordinary course of business and on Arm's Length Basis
7	Date of approval by the Board	29.04.2020
8	Amount paid as advances, if any	NIL



## Annexure 3

## i. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
<b>1. Power and Fuel Consumption</b>		
Electricity		
<b>a. Purchase :</b>		
Unit	14,83,924	17,51,900
Total Amount (Rs.)	1,26,54,773	1,35,64,469
Rate/Unit (Rs.)	8.53	7.74
<b>b. Own Generation</b>		
(i) Through Diesel Generator :		
Unit	69,343	48,316
Unit per lit of diesel oil	2.15	2.88
Cost / Unit	36.56	24.43
(ii) Through Steam Turbine / Generator:		
Generator		
Unit	NA	NA
Cost / Unit		
<b>2. Cost / Unit</b>		
Coal (Specify quality and where used)	NA	NA
<b>3. Unit / Cost</b>		
Furnace Oil :		
Quantity (M.T.)	11,400	16,346
Total Amount	3,94,063	5,88,953
Average rate (Rate per MT)	34,567	36,030
<b>4. Others / Internal Generation</b>		
Quantity		
Total cost	NA	NA
Rate / Unit		

**Foreign Exchange Earnings & Outgo**

Your company has also earned foreign exchange of Rs. 812.43 Lakhs through exports. The total Foreign Exchange utilized by the company during the year for the purchase of Raw Materials and others was Rs. 8585.61 Lakhs.

For & On Behalf of the Board  
For **KANCHI KARPOORAM LIMITED**

Place: Chennai  
Date: 22.07.2021

**Dipesh S Jain**  
(DIN: 01659930)  
Managing Director

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



**REPORT ON CSR ACTIVITIES FOR THE YEAR 2020-20211.**

1. CSR policy, encompasses the company’s philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities / projects and programmes for welfare and sustainability, development of community at large and is titled “Corporate Social Responsibility Policy”. The same is available in the Company’s website in the following link <http://www.kkigroup.in/admin/pdfupload/csr%20policy.pdf>

2. Composition of CSR Committee

Member	Designation
Mr. Suresh V Shah	Chairman
Mr. Dipesh S Jain	Member
Mr. Narasimhan Raghu*	Member
Mr. R Kannan**	Member

\*Ceased to be the member with effect from 12.08.2020

\*\*Included as the member from 24.08.2020

3. Web link where the Composition of the CSR committee, CSR Policy, and CSR projects approved by the board are disclosed on the website of the company - <http://www.kkigroup.in/admin/pdfupload/csr%20policy.pdf>
4. Details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). Not applicable.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable
6. Average net profit of the company as per section 135(5): 3315.01 Lakhs
7.
  - a. Two percent of average net profit of the company as per section 135(5): 66.30 Lakhs
  - b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- c. Amount required to be set off for the financial year: NIL
- d. Total CSR obligation for the financial year (7a+7b-7c): 66.30 Lakhs
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (Rs. in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (Rs. in Lakhs)	Date of Transfer	Name of the Fund	Amount (Rs. in Lakhs)	Date of Transfer
3.00	63.30	28.04.2021	-	-	-



**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

S. No	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount Allocated for the project	Amount spent in the current FY (Rs. in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
-	-	-	-	-	-	-	-	-	-	-	-	-

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

S. No	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (Rs. in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Medical Aid to Hospital	Health	Yes	Tamil Nadu	Kanchipuram	3.00	Yes	-	-

- (e) Amount spent in Administrative Overheads: Nil
- (f) Amount spent on Impact Assessment, if applicable: Nil
- (g) Total amount spent for the Financial Year (8b+8c+8d+8e): 3.00 Lakhs
- (h) Excess amount for set off, if any: Nil

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

S. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
-	-	-	-	-	-	-	-

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

S. No	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in `)	Status of the project - Completed / Ongoing
-	-	-	-	-	-	-	-	-

Not Applicable, as the concept of 'ongoing projects' has been introduced in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, relevant for the financial year 2020-21 onwards only



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : Nil
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For & On Behalf of the Board

For **KANCHI KARPOORAM LIMITED**

Place: Chennai  
Date: 22.07.2021

**Dipesh S Jain**  
(DIN: 01659930)  
Managing Director

**Suresh V 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	Mr. Suresh V Shah	Managing Director	35.30
2	Mr. Dipesh S Jain	Joint Managing Director	27.96
3	Mr. Arun V Shah	Whole-time Director	21.80
4	Mrs. Pushpa S Jain	Non Executive Director	0.12
5	Mr. Srinivasan	Independent Director	0.42
6	Mr. Narasimhan Raghu*	Independent Director	0.07
7	Mr. Venakateshwaran	Independent Director	0.42
8	Mr. R. Kannan**	Independent Director	0.20

\* Resigned on 12.08.2020 \*\*Appointed on 24.8-02020

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

Sl. No.	Name	Designation	%
1	Mr. Suresh V Shah	Managing Director	20.95
2	Mr. Dipesh S Jain	Whole-time Director	34.37
3	Mr. Arun V Shah	Whole-time Director	35.91
4	Mrs. Pushpa S Jain	Non Executive Director	(33.33)
5	Mr. Srinivasan	Independent Director	-
6	Mr. Venakateshwaran	Independent Director	-
7	Mr. R. Kannan*	Independent Director	100
8	Mr. K. C. Radhakrishnan	Chief Financial Officer	14.31
9	J. R. Vishnu Varthan	Company Secretary	58.37

\* Appointed w.e.f. 24.08.2020

3. The percentage increase in the median remuneration of employees in the financial year: 2.96%
4. The number of permanent employees on the rolls of company: 53
5. **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 2.96% and the average increase in the managerial remuneration is 30.41%
6. If remuneration is as per the remuneration policy of the company: Yes
7. A statement showing names of the employees, age, designation, drawing remuneration, nature of employment, qualification, experience, date of commencement of employment, last employment, and other particulars in terms of the said Rules is available for inspection at the Registered Office of the Company during working hours and any member who is interested in obtaining these particulars may write to the Company Secretary of the Company via email: [secretarial@kklgroup.in](mailto:secretarial@kklgroup.in).

*Note: For the purpose of this annexure, employees who have worked for the entire 12 months are only considered.*



## CORPORATE GOVERNANCE REPORT

### 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

#### • Composition and size of the Board

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, 2021, 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 a Non - Executive Independent 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 chaired by Mr. S. Srinivasan, Non - Executive Independent Director. Policy formulation, evaluation of performance and control functions vest with the Board.

#### • Board Meeting and Attendance

Board meeting are conveyed by giving appropriate notice to address the Company's specific needs.

During the year 8 (Eight) 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.	29.04.2020	7	7
2.	29-30.07.2020	7	7
3.	24.08.2020	6	6
4.	15.09.2020	7	7
5.	13.11.2020	7	7
6.	19.11.2020	7	7
7.	11.02.2021	7	7
8.	30.03.2021	7	7



Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM), and the number of Directorship, Membership and Chairmanship in Committees of other companies are given below:

Name of the Director	Designation & Category	No. of Board Meetings in the year		Attendance of Last AGM	No. of Outside Directorships*	No. of outside Board Committee Memberships*	
		Held	Attended			Member	Chairman
Mr. Suresh V Shah	Managing Director, Executive	8	8	Yes	NIL	0	0
Mr. Dipesh S Jain	Joint Managing Director, Executive	8	8	Yes	NIL	0	0
Mr. Arun V Shah	Whole-Time Director, Executive	8	8	Yes	NIL	0	0
Mr. S. Srinivasan	Independent Director	8	8	Yes	NIL	0	0
Mr. Narasimhan Raghu#	Independent Director	8	2	No	NIL	0	0
Mr. K. Venkateswaran	Independent Director	8	8	Yes	1	0	0
Mrs. Pushpa S Jain	Non-Executive Director,	8	8	Yes	NIL	0	0
Mr. R. Kannan**	Independent director	8	5	Yes	NIL	0	0

\* The Directorships and membership in Committee held by the Directors as mentioned above do not include Kanchi Karpooram Limited, and Alternate Directorships and Directorships of Foreign Companies and Private Limited Companies.

\*\* Mr. R. Kannan was appointed w.e.f. 24.08.2020 # Mr. Narasimhan Raghu resigned w.e.f. 12.08.2020

Mr. Suresh V Shah, Mr. Dipesh S Jain, Mr. Arun V Shah and Mrs. Pushpa S Jain are related to each other and none of the other Directors of the Company are, inter-se, related to each other.

#### Details of Directorship in other Listed entities as on 31st March, 2021

Name of the Director	Name of the Listed Entity	Category
Mr. Suresh V Shah	-	-
Mr. Dipesh S Jain	-	-
Mr. Arun V Shah	-	-
Mr. S. Srinivasan	-	-
Mr. R. Kannan	-	-
Mr. K. Venkateswaran	Pace Automation Limited	Independent Director
Mrs. Pushpa S Jain	-	-

The brief profiles of Directors forming part of this Annual Report gives an insight into the education, expertise, skills and experience of Directors, thus bringing in diversity to the Board's perspectives. In terms of the requirement of the Listing Regulations, the Board has identified the core skills/ expertise/ competencies of the Directors in the context of the Company's business for effective functioning and as available with the Board. These are as follows:



Name	Governance Practices	Corporate Strategy	Financial Management	Business Strategy	General Management
Mr. Suresh V Shah	✓	✓	✓	✓	✓
Mr. Dipesh S Jain	✓	✓	✓	✓	✓
Mr. Arun V Shah	✓	✓	✓	✓	✓
Mr. S. Srinivasan	✓	✓	✓	✓	✓
Mr. K. Venkateswaran	✓	✓	✓	✓	✓
Mrs. Pushpa S Jain	✓	✓			✓
R. Kannan	✓	✓		✓	✓

- **Independent Directors Meeting**

A Meeting of the Independent Directors was held on 11.02.2021 which was attended by all the Independent Directors. The Independent Directors have evaluated the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company. The Board was briefed on the deliberations made at the Independent Directors Meeting. The details of the Familiarization Program imparted to Independent Directors of the Company are available on website of the Company at [http://www.kkgroup.in/investor\\_info.php](http://www.kkgroup.in/investor_info.php).

### 3. AUDIT COMMITTEE

The Audit Committee has been constituted as required under Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations.

- **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.

- **Composition, Meetings and Attendance**

The Audit Committee of the Company comprises of three Independent Directors. The Audit Committee met four (4) times during the financial year 2020 – 2021 i.e. on 29.07.2020, 15.09.2020, 12.11.2020, 11.02.2021. Attendance and other details of the Audit Committee are as follows:

Sl. No.	Name of the Director	Position	No. Meetings	
			Held	Attended
1.	Mr. K. Venkateswaran	Chairman	4	4
2.	Mr. S. Srinivasan	Member	4	4
3.	Mr. Narasimhan Raghu*	Member	4	1
4.	R. Kannan**	Member	4	3

\*Mr.Narasimhan Raghu had resigned on 12.08.2020

\*\*Mr. R.Kannan has been appointed as member with effect from 24.08.2020.



The Committee was reconstituted on 24.08.2020 due to the resignation of Mr. Narasimhan Raghu and appointment of Mr. R Kannan.

The Company Secretary is the Secretary of the Committee. Chief Financial Officer, Statutory Auditors are the invitees to the Audit Committee Meetings.

## 5. STAKE HOLDERS RELATIONSHIP COMMITTEE

### • Terms of Reference

The Committee looks into the matters of Shareholders/ Investors grievances overseas 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.

### SEBI SCORES Complaints Status as on March 31, 2021.

Complaints pending at the beginning of the Year 01.04.2020	Complaints received during the year	Complaints pending at the end of the Year 31.03.2021
Nil	Nil	Nil

### • Composition, Meetings and Attendance

The Stake Holders' Relationship Committee of the Company comprises of three Independent Directors. The Committee met ten times during the financial year 2020 – 2021 i.e. on 09.06.2020, 15.09.2020, 09.10.2020, 13.11.2020, 12.12.2020, 23.01.2021, 17.02.2021, 26.02.2021, 11.03.2021, 27.03.2021. 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.	Mr. S. Srinivasan	Chairman	10	10
2.	Mr. Narasimhan Raghu*	Member	10	1
3.	Mr. K. Venkateswaran	Member	10	10
4.	R. Kannan**	Member	10	9

\*Mr.Narasimhan Raghu had resigned on 12.08.2020

\*\*Mr. R.Kannan has been appointed as member with effect from 24.08.2020.

The Committee was reconstituted on 24.08.2020 due to the resignation of Mr. Narasimhan Raghu and appointment of Mr. R Kannan.

## 6. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors of the Company was constituted in compliance with provisions of Section 178 of the Companies Act, 2013 ("the Act") and in terms of Regulation 19 of SEBI (LODR) Regulations, 2015.

### • 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.

#### • Composition, Meetings and Attendance

The Nomination and Remuneration Committee of the Company comprises of three Independent Directors. The Committee met three times during the financial year 2020 – 2021 i.e on 08.08.2020, 11.02.2021 and 30.03.2021. 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.	R. Kannan**	Chairman	3	2
2.	Mr. S. Srinivasan	Member	3	3
3.	Mr. K. Venkateswaran	Member	3	3
4.	Mr. Narasimhan Raghu*	Chairman	3	1

\*Mr.Narasimhan Raghu had resigned on 12.08.2020

\*\*Mr. R.Kannan has been appointed as Chairman with effect from 24.08.2020.

The Committee was reconstituted on 24.08.2020 due to the resignation of Mr. Narasimhan Raghu and appointment of Mr. R Kannan.

The Remuneration Policy of your Company is available in the website of the company in the link [http://www.kklgroup.in/investor\\_info.php](http://www.kklgroup.in/investor_info.php).

#### • 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. There are no any pecuniary relationships or transactions between the Company and Non – Executive Directors except Mrs. Pushpa S Jain, who is a promoter.

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	Category	Sitting Fees paid for the year (In Rs.)
1.	Mr. S. Srinivasan	Independent Director	72,500
2.	Mr. Narasimhan Raghu*	Independent Director	12,500
3.	Mr. K. Venkateswaran	Independent Director	72,500
4.	Mrs. Pushpa S Jain	Non-Executive (Women) Director	20,000
5.	R. Kannan**	Independent Director	55,000

\*Mr.Narasimhan Raghu had resigned on 12.08.2020

\*\*Mr. R.Kannan was appointed as an Independent Director with effect from 24.08.2020.



## B. Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Managing Director and Whole-time Director is governed by the recommendation of the Remuneration & Nomination Committee. The remuneration package of 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 Company has three Executive Directors. The details of remuneration paid to the Executive Directors during the year 2020 – 2021 as under:

SI. No.	Name	Designation	Salary	Perquisites	Commission	Total
1.	Mr. Suresh V Shah	Managing Director	61.40	3.31	127.66	192.37
2.	Mr. Dipesh S Jain	Joint Managing Director	48.68	3.61	69.76	122.05
3.	Mr. Arun V Shah	Whole-time Director	38.00	-	44.96	82.96

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

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. The Remuneration Policy of your Company is available in the website of the company in the link [http://www.kkigroup.in/investor\\_info.php](http://www.kkigroup.in/investor_info.php).

## C. 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 Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Name of the Director	No. of Shares
Mr. Suresh V Shah	4,37,667
Mr. Dipesh S Jain	3,37,850
Mr. Arun V Shah	1,78,050
Mr. S. Srinivasan	Nil
Mr. Narasimhan Raghu	Nil
Mr. K. Vekateswaran	Nil
Mr. Pushpa S Jain	3,54,953



## 7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

### • Terms of Reference

- (i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- (ii) Recommend the amount of expenditure to be incurred on the activities referred to in point (i) above;
- (iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- (iv) To formulate policies and procedures based on the requirements of SEBI.
- (v) To ensure effective communication of all the policies to all relevant stakeholders.

### • Composition, Meetings and Attendance

The Corporate social responsibility Committee of the Company comprises of three Directors. The Committee met twice during the financial year 2020 – 2021 i.e. on 28.12.2020 and 30.03.2021. Attendance and other details of the Corporate social responsibility Committee are as follows:

Sl. No.	Name of the Director	Position	No. Meetings	
			Held	Attended
1.	Mr. Suresh V Shah	Chairman	2	2
2.	Mr. Dipesh S Jain	Member	2	2
3.	Mr. R. Kannan**	Member	2	2
4.	Mr. Narasimhan Raghu*	Member	2	0

\*Mr.Narasimhan Raghu had resigned on 12.08.2020

\*\*Mr. R.Kannan has been appointed as member with effect from 24.08.2020.

## 8. GENERAL BODY MEETINGS:

Location and date/time for last three Annual General Meetings were:

Year	Date	Time	Venue	Number of Special Resolution
2017-2018	27.09.2018	11.00 AM	MM. Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052	4
2018-2019	09.09.2019	11.00 AM	MM. Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052	5
2019-2020	25.09.2020	11.00 AM	Video Conference	Nil

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 at the ensuing Annual General Meeting.



**9. 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 behavior, 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.

**10. RECONCILIATION OF SHARE CAPITAL AUDIT**

Share Capital Audit was conducted by a Practicing 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.

**11. 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 Financial Results are published in English language "Trinity Mirror" and in Vernacular language (Tamil) in "Makkal Kural" and are displayed on the Company's website ([www.kklgroup.in](http://www.kklgroup.in)).
- 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.kklgroup.in](http://www.kklgroup.in)) contains a separate dedicated section where shareholders information is available.

**12. 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.
- 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 Managing Director and the Chief Financial Officer of the Company have given a Certificate to the Board as contemplated in Regulation 17 of the Listing Regulations.
- Details of Auditor's Remuneration

Total Fees for all services paid by the listed entity on a consolidated basis to the Statutory Auditor 7 lakhs.



**i. GENERAL SHAREHOLDERS' INFORMATION**

Annual General Meeting (Date and Time), Book Closure Dates	E- Annual General Meeting has been fixed on Friday, the 03rd September 2021. Book Closure starts from 28.08.2021 and ends on 03.09.2021 (both days inclusive).
Financial Year	1st April to 31st March
Date of Payment of Dividend	Between 04th September, 2021 and 03rd October 2021
Rate of Dividend	Proposed Dividend: Rs. 4/- per share (40%), subject to approval by members at the AGM.
Listing of Equity Shares	Bombay Stock Exchange(BSE) Limited Phirozejeejeebhoy Towers Dalal Street, Mumbai-400001
Listing Fee	Annual Listing Fees Paid to Stock Exchange for the Financial Year 2021-2022
BSE Stock Code	538896
ISIN	INE081G01019
Corporate Identification Number (CIN)	L30006TN1992PLC022109
Details of Plant Locations & Address for Correspondence	a. ParandurRoad,EnathurVillage, Karaipettai Post, Kanchipuram-631552 b. No.1, Barna by Avenue, Barnaby Road Kilapuk, Chennai-600100
<b>FINANCIAL CALENDAR (Tentative)</b>	
30th June 2021	within 45 days from the end of the quarter.
30th September 2021	within 45 days from the end of the quarter.
31st December 2021	within 45 days from the end of the quarter.
31st March 2022	within 60 days from the end of the quarter.

**ii. STOCK MARKET PRICE DATA**

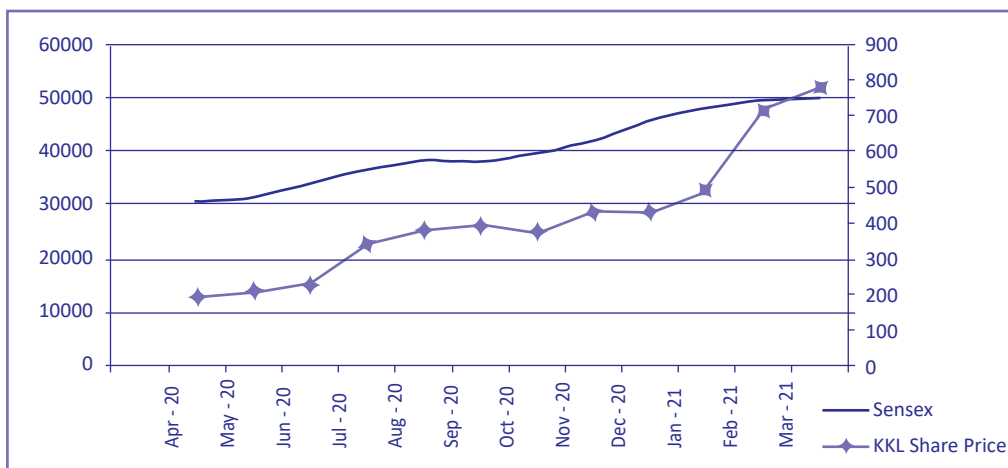
Month	BSE Ltd		Sensex	
	High (in Rs,)	Low(in Rs,)	High (in Rs,)	Low(in Rs,)
April - 2020	237.00	153.05	33,887.25	27,500.79
May - 2020	230.00	199.95	32,845.48	29,968.45
June – 2020	259.35	203.55	35,706.55	32,348.10
July – 2020	447.40	241.00	38,617.03	34,927.20
August – 2020	447.60	311.05	40,010.17	36,911.23
September – 2020	430.00	360.15	39,359.51	36,495.98
October – 2020	415.00	338.00	41,048.05	38,410.20
November – 2020	499.00	366.00	44,825.37	39,334.92



Month	BSE Ltd		Sensex	
	High (in Rs,)	Low(in Rs,)	High (in Rs,)	Low(in Rs,)
December – 2020	474.00	390.05	47,896.97	44,118.10
January – 2021	560.90	421.40	50,184.01	46,160.46
February – 2021	934.45	500.00	52,516.76	46,433.65
March - 2021	860.00	702.00	51,821.84	48,236.35

iii. **PERFORMANCE IN COMPARISON:**

The performance of the Company's shares relative to the BSE Sensitive Index is given in the chart below:



iv. **DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2021**

Sl. No.	Holding	No. of Shareholders		No. of Shares	
		Number	% of Total	Shares	% of Total
1	10 – 5000	8265	93.73	612471	14.01
2	5001 - 10000	267	3.02	214894	4.94
3	10001 - 20000	122	1.38	184185	4.24
4	20001 - 30000	50	0.56	131977	3.03
5	30001 - 40000	24	0.27	86353	1.98
6	40001 - 50000	17	0.19	81781	1.88
7	50001 - 100000	33	0.37	249839	5.75
8	100001 and Above	39	0.44	2782391	64.05
Total		8817	100	4343891	100

**v. CATEGORY WISE SHAREHOLDING PATTERN AS ON 31st MARCH 2021**

Sl. No.	Category	No. of Shares	% of Holding
1	Resident	1720146	39.60
2	NRI	208943	4.81
3	Corporate Body	32373	0.75
4	Clearing Member	27754	0.64
5	Mutual Funds	2400	0.06
6	HUF	91229	2.1
7	Foreign Portfolio investors	4476	0.1
8	IEPF	219350	5.05
9	Promoters	2037220	46.89
Total		4343891	100

**vi. 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.

Particulars	No. of Shares	Percentage
CDSL	26,94,976	62.04
NSDL	12,57,310	28.95
Physical	3,91,605	9.01
<b>Total</b>	<b>43,43,891</b>	<b>100.00</b>

**vii. 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. Their contact details are provided below.

**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

**viii. SHARE TRANSFER SYSTEM**

The Shares received for transfer are registered within 15 days of receipt of the document (if it is in order). 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 are requested to go for green initiative and thus, 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

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

Sl. No.	Financial Year	Dividend Per Share Rs.
1	2010 - 2011	1.0/-
2	2011 - 2012	-
3	2012 - 2013	1.5/-
4	2013 - 2014	1.5/-
5	2014 - 2015	0.5/-
6	2015 - 2016	1.5/-
7	2017 - 2018	2.0/-
8	2018 - 2019	2.0/-
9	2019 - 2020 Interim	2.0/-
	2019 - 2020 Final	1.0/-
10	2020-2021*	4.0/-

\*proposed dividend

**x. 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.kklgroup.in](http://www.kklgroup.in)). 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.

**xi. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

In terms of the provisions of section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more as provided under sub section (6) of Section 124 were transferred to the Special demat account of IEPF Authority.

Further, upon transfer of shares all the benefits (like bonus etc) if any, accruing on such shares shall also be credited to Demat account of IEPF. The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure under the IEPF Rules. The Member/ Claimant is required to make an online application to the IEPF Authority in the Form IEPF-5 (available on iepf.gov.in) along with the requisite fees as decided by the IEPF Authority from time to time.

Accordingly, the Company has transfer the Unclaimed Dividend pertaining to the FY 2012-2013 and their respective shares to the IEPF Dept in the month of November 2020.

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

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. No shareholder's complaint has been received in the financial year 2020-2021.

**xiii. 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 2020- 2021.

**xiv. 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.

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

Mr. J. R. Vishnu Varthan  
Company Secretary

Correspondence Address: No.1, Barnaby Avenue, Barnaby Road, Kilpauk, Chennai – 600 010,  
Phone No. 044-26401914/15/16/17, email: secretarial@kklgroup.in

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

For & On Behalf of the Board

For **KANCHI KARPOORAM LIMITED**

Place: Chennai  
Date: 22.07.2021

**Dipesh S Jain**  
(DIN: 01659930)  
Managing Director

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



Annexure-7

Form No. MR-3

**SECRETARIAL AUDIT REPORT**  
**FINANCIAL YEAR ENDED 31st MARCH, 2021**

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

To

The Members  
Kanchi Karpooram Limited  
CIN L30006TN1992PLC022109  
Parandur RD, Karaipettai Post,  
Kanchipuram TK-631552

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). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of Company's books, papers, minute books, forms, statutory registers 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 31st March, 2021, 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- 5) 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, 2018;
  - d. 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;
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - f. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018



6) 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 issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited;

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, Independent Directors and Woman Director. 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, 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. All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

I have examined the systems and processes of the Company in place to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

**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 other applicable laws on the operation of the Company and the rules made there under.

**I further report that**

**During the audit period,**

- 1) 1,05,370 warrants had been converted into 1,05,370 equity shares on 29th April 2020 out of 2,22,220 warrants which was allotted on preferential basis at the Board Meeting held 05th November 2018 and thereafter there are no warrants available for conversion;
- 2) 20,529 shares have been brought back amounting to Rupees 83,14,245 (Eighty three lakhs fourteen thousand two hundred and forty five) only. Apart from the above, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc

Signature

Date : 19.07.2021  
Place: Chennai

Name: **Lovelish Lodha N**  
Membership No: A35677  
CP No: 13951  
UDIN:- A035677C000654911

This Report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.





## Annexure A

To

The Members  
Kanchi Karpooram Limited

My report of even date is to be read along with this supplementary testimony.

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, the company had 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. Wherever 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.
6. 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.

Signature

Name: **Lovelish Lodha N**  
Membership No: A35677  
CP No: 13951

Date: 19.07.2021  
Place: Chennai



Annexure-8

## CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of  
Kanchi Karpooram Limited

1. We have examined the compliance of conditions of Corporate Governance by Kanchi Karpooram Limited (“the Company”) for the year ended on 31st March, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) & other applicable regulations and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘the SEBI Listing Regulations’).

### Management Responsibility

2. The compliance of the conditions of Corporate Governance is the responsibility of the management.

### Auditors’ Responsibility

3. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.
4. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance and Guidance Manual on Quality of Audit and Attestation Services issued by the Institute of Company Secretaries of India. It 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.

### Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Management of the Company, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, as applicable for the year ended 31st March, 2021, referred to in paragraph 1 above
6. Certificate 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.

Signature

Name: **Lovelish Lodha N**  
Membership No: A35677  
CP No: 13951

Date: 19.07.2021  
Place: Chennai



Annexure-9

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of  
Kanchi Karpooram Limited  
Parandur Road, Karaipettai Post, Kanchipuram – 631552

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kanchi Karpooram Limited having CIN L30006TN1992PLC022109 and having registered office at Parandur Rd, Karaipettai Post, Kanchipuram – 631552 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	SURESH SHAH	01659809	31/01/1992
2	DIPESH S JAIN	01659930	11/11/2005
3	ARUN V SHAH	01744884	05/10/1994
4	S SRINIVASAN	05185901	31/01/2012
5	R. KANNAN	08837382	24/08/2020
6	K VENKATESWARAN	00001899	18/02/2014
7	PUSHPA S JAIN	06939054	10/09/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature

Name: **Lovelish Lodha N**  
Membership No: A35677  
CP No: 13951

Date: 19.07.2021  
Place: Chennai

Annexure-10

**DECLARATION ON CODE OF CONDUCT**

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The Code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March 2021 as envisaged in Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On behalf of the Board of Directors

Place: Chennai  
Dated: 22.07.2021

**Suresh V Shah**  
Managing Director



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**M/s KANCHI KARPOORAM LIMITED**  
**Report on the audit of the Indian Accounting Standards (Ind AS)**  
**Financial Statement**

**Opinion**

1. We have audited the accompanying Ind AS financial statements of Kanchi Karpooram Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), the changes in Equity, and its cash flows for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Principal audit procedures
<p><b>Cash and cash equivalents</b></p> <p>As on 31st March 2021, the Company carries cash and Cash equivalents of ₹ 5,589 lakhs. The amount of cash and cash equivalents have been considered a key audit matter given the relative size of the balance in the financial statements.</p>	<ul style="list-style-type: none"><li>• We have tested the design and operating effectiveness of controls with regard to maintenance of cash balances, operation of bank accounts and preparation of bank reconciliation statements.</li><li>• We have verified the confirmations of balances from the banks directly received by us and we have performed alternate audit procedures where direct confirmation was not available due to COVID-19 pandemic</li></ul>

**Capital Expenditure**

During the year 2020-21, the Company has capitalized the expenditure incurred on improvement of its production facilities to an extent of ₹ 1,595 lakhs. We have considered this a key audit matter as the addition is significant to the total carrying value of property, plant and equipment.

- We have tested the internal controls pertaining to purchases, issues, receipts of capital items; recording of direct/indirect expenditure pertaining to the improvement in production facilities and internal technical certification on 'ready for use'.
- We performed substantive analytical procedures and test of details on capital expenditure incurred towards the improvement in production facilities

**Information other than the financial statements and auditors' report thereon**

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report together with the annexure thereto and Report on Corporate Governance but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of management and those charged with governance for the Ind AS financial statements**

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the Ind AS financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of IndAS financial statements**

8. Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.



9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal and regulatory requirements**

13. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
14. 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 (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian 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 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- (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 impact of litigations pending against the Company has been disclosed in note no. 36.
  - ii. The Company did not have any long-term contracts including derivative contracts on which there were material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
15. 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 paragraphs 3 and 4 of the Order, to the extent applicable.

For **P CHANDRASEKAR LLP**  
Chartered Accountants  
FRN 000580S/S200066

**S Raghavendhar**  
Partner

Chennai  
28th June 2021

Membership No. 244016  
UDIN: 21244016AAAADC3715



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 14(f) of the Independent Auditor’s Report of even date to the members of Kanchi Karpooram Limited on the Ind AS financial statements as of and for the year ended March 31, 2021.

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

1. We have audited the internal financial controls with reference to financial statements of Kanchi Karpooram Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

2. 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 Act.

### Auditor’s Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. 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 with reference to financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

5. A company’s internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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 with reference to financial statements**

6. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

7. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 **P CHANDRASEKAR LLP**  
Chartered Accountants  
FRN 000580S/S200066

**S Raghavendhar**  
Partner

Chennai  
28th June 2021

Membership No. 244016  
UDIN: 21244016AAAADC3715

**ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT**

**Referred to in paragraph 15 of the Independent Auditor’s Report of even date to the members of Kanchi Karpooram Limited on the Ind AS financial statements as of and for the year ended March 31, 2021**

- i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
- b. The Company has a regular program of physically verifying all the fixed assets at its plants/offices in a phased manner over a period of 2 years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No Material discrepancies were observed as compared to book records on such verification.
- c. According to the information and explanations given to us and based on the examination of the documents provided to us, we report that the title deeds of all the immovable properties of land and buildings as disclosed in the Ind AS financial statements are held in the name of the Company as at the Balance Sheet date.
- ii. The Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans made by it. The Company has not made any investment or provided any guarantee or security to any company covered under Section 185 or 186 of the Companies Act, 2013
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - a) the Company is regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess, Goods and Service Tax as applicable to the appropriate authorities. There were no undisputed amounts payable which were in arrears as at 31st March 2021 for a period of more than six months from the date they become payable.
  - b) According to the information and explanations given to us and the records of the Company, the dues of Income Tax, Goods and Service Tax, Sales Tax, Excise Duty, Customs Duty and Value Added Tax as applicable which have not been deposited as on 31st March 2021 on account of any disputes are as disclosed below:

Name of the Statute/ (Nature of Dues)	Period of dues	₹ in lakhs	Forum where the dispute is pending
Goods and Service Tax	2017-18	*33.04	High Court
	2018-19	*1.55	Assistant Commissioner

\*Amounts given above excludes interest



- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of term loans, initial public offer or further public offer (including debt instruments). Consequently, reporting under clause (ix) is not applicable.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. According to the information and explanations given to us and based on our examination of records of the Company, the Company had made preferential allotment of 2,22,220 warrants convertible into equity shares of face value ₹ 10 each at a premium of ₹ 350 each during the year 2018-19, of which 105,370 warrants have been converted during the year into equity shares. The requirements of Section 42 of the Companies Act, 2013 have been complied with by the Company to the extent applicable. The amount so raised has been utilized during the year, towards the purpose for which funds were raised.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **P CHANDRASEKAR LLP**  
Chartered Accountants  
FRN 000580S/S200066

**S Raghavendhar**  
Partner

Chennai  
28th June 2021

Membership No. 244016  
UDIN: 21244016AAAADC3715



**BALANCE SHEET  
AS AT 31 MARCH 2021**

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,284.87	2,704.94
Capital work in progress	3a	43.31	883.48
Intangible assets Other than goodwill	3	-	-
<b>Financial assets</b>			
(i) Loans and Advances	4	51.42	128.92
Deferred tax asset (net)	5	-	-
Other Non-Current assets	6	26.80	87.90
		<b>4,406.40</b>	<b>3,805.24</b>
<b>Current assets</b>			
Inventories	7	5,233.83	2,337.99
<b>Financial assets</b>			
(i) Trade Receivables	8	1,126.01	1,127.02
(ii) Cash and Cash equivalents	9	5,589.08	2,340.26
(iii) Bank balances other than (ii) above	10	677.85	42.97
(iv) Other financial assets	11	104.44	8.02
Other assets	12	537.96	157.54
		<b>13,269.17</b>	<b>6,013.80</b>
<b>Total assets</b>		<b>17,675.57</b>	<b>9,819.04</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity Share Capital	13	434.39	425.91
Other Equity	14	15,171.54	8,843.36
<b>Total equity</b>		<b>15,605.93</b>	<b>9,269.27</b>
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	15	-	6.67
(ii) Other financial liabilities	16	92.93	95.12
Deferred Tax Liabilities (Net)	5	38.77	31.35
		<b>131.70</b>	<b>133.14</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Trade Payables - total outstanding dues of:			
(A) Micro enterprises and small enterprises	17	-	-
(B) Creditors other than micro enterprises and small enterprises	17	608.84	107.22
(ii) Other Financial Liabilities	18	244.07	177.17
Other current liabilities	19	27.23	27.67
Short Term Provisions	20	928.37	95.65
Current Tax liabilities	21	129.43	8.93
		<b>1,937.94</b>	<b>416.63</b>
<b>Total liabilities</b>		<b>2,069.64</b>	<b>549.77</b>
<b>Total equity and liabilities</b>		<b>17,675.57</b>	<b>9,819.04</b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For **P. Chandrasekar LLP**  
Chartered Accountants  
Firm Registration No.: 000580S/S200066  
**S. RAGHAVENDHAR**  
Partner  
Membership No.: 244016  
Place: Chennai  
Date: June 28, 2021

For and on behalf of the Board of Directors of  
Kanchi Karpooram Limited

**SURESH SHAH**  
Managing Director  
DIN: 01659809

**SURENDRA KUMAR SHAH**  
Chief Financial Officer

**DIPESH S JAIN**  
Whole-Time Director  
DIN: 01659930

**J.R. VISHNUVARTHAN**  
Company Secretary



**STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31 MARCH 2021**

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

Particulars	Notes	Year Ended 31-03-2021	Year Ended 31-03-2020
<b>I. REVENUE FROM OPERATIONS</b>	22	18,411.05	20,288.82
II. Other income	23	251.33	79.99
<b>III. Total income (I+II)</b>		<b>18,662.38</b>	<b>20,368.81</b>
<b>IV. EXPENSES</b>			
Cost of Raw materials	24	8,841.92	14,213.56
Changes in inventories of work-in-progress and finished goods	24	(1,384.69)	288.37
Employee benefits expense	25	1,823.89	1,084.56
Finance Cost	26	31.09	87.72
Depreciation and amortization expense	27	136.00	126.15
Other expenses	28	999.74	1,051.25
<b>Total expense-IV</b>		<b>10,447.95</b>	<b>16,851.61</b>
V. Profit before Exceptional items and taxes (III-IV)		8,214.43	3,517.20
VI. Exceptional Items		-	-
<b>VII. Profit before tax (V-VI)</b>		<b>8,214.43</b>	<b>3,517.20</b>
VIII. Tax Expense			
Current Tax	29	1,986.00	938.38
Deferred tax expense / (credit)		7.42	(15.80)
Tax relating to previous years		(48.08)	-
<b>Income tax expense-VIII</b>		<b>1,945.34</b>	<b>922.58</b>
<b>IX. Profit after tax (VII-VIII)</b>		<b>6,269.09</b>	<b>2,594.63</b>
<b>X. Other comprehensive income</b>		-	-
A. (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax-X		-	-
<b>XI. Total comprehensive income for the year, net of tax (IX+X)</b>		<b>6,269.09</b>	<b>2,594.63</b>
<b>Earnings per share</b>		-	-
Basic Earnings per share - Rs.		144.03	61.39
Diluted earnings per share - Rs.		143.77	59.45

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For **P. Chandrasekar LLP**  
Chartered Accountants  
Firm Registration No.: 000580S/S200066  
**S. RAGHAVENDHAR**  
Partner  
Membership No.: 244016  
Place: Chennai  
Date: June 28, 2021

For and on behalf of the Board of Directors of  
Kanchi Karpooram Limited  
**SURESH SHAH**  
Managing Director  
DIN: 01659809

**DIPESH S JAIN**  
Whole-Time Director  
DIN: 01659930

**SURENDRA KUMAR SHAH**  
Chief Financial Officer

**J.R. VISHNUVARTHAN**  
Company Secretary



**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2021**

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

Particulars	31st March 2021	31st March 2020
<b>Operating activities</b>		
Profit before tax	8,214.43	3,517.21
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of Property, plant and equipment	136.00	126.14
(Profit)/loss on sale of Property, plant and equipment	(0.75)	7.13
Amortisation of prepaid rent	1.07	1.02
Finance cost interest	45.53	102.15
Interest Income	(232.58)	(31.68)
<b>Operating Cash flow before working capital changes</b>	<b>8,163.70</b>	<b>3,721.97</b>
<b>Working capital adjustments:</b>		
(Increase)/ decrease in trade receivables	1.01	348.95
(Increase)/ decrease in inventories	(2,895.84)	332.46
(Increase)/ decrease in other Current assets	(380.42)	(133.37)
(Increase)/ decrease in loans and advances/Other non-current assets	37.53	42.21
(Increase)/ decrease in Other Financial Assets	(47.88)	-
Increase/ (decrease) in trade payables	501.62	98.72
Increase/ (decrease) in other Financial liabilities	72.26	12.33
Increase/ (decrease) in other current liabilities and provisions	832.28	(185.66)
<b>Operating cash flow after working capital changes</b>	<b>6,284.27</b>	<b>4,237.62</b>
Interest on Working Capital and Bank charges	(12.29)	(26.22)
Taxes paid, net of refund	(1,817.42)	(1,207.65)
<b>Net cash flows from operating activities (A)</b>	<b>4,454.56</b>	<b>3,003.74</b>
<b>Investing activities</b>		
Purchase of Property, plant and equipment, intangible assets, including capital work-in-progress and capital advances	(876.80)	(754.02)
Proceeds from sale of Property, plant and equipment	1.80	1.90
Interest income	135.04	26.91
Loans (given) / repaid	100.00	(100.00)
<b>Net cash flows from/(used in) investing activities (B)</b>	<b>(639.96)</b>	<b>(825.20)</b>
<b>Financing activities</b>		
Proceeds from issue of share warrants	213.25	263.93
Dividends paid	(43.64)	(203.66)
Increase / (Decrease) on Long term loans from bank	(6.67)	(12.24)
Increase / (Decrease) in Other Bank Balances	(585.89)	174.75
Finance Cost	(18.80)	(61.50)
<b>Buyback of shares</b>	<b>(83.14)</b>	<b>-</b>
<b>Tax on buy back of shares</b>	<b>(18.90)</b>	<b>-</b>
<b>Increase / (Decrease) in long term lease payable (including finance cost)</b>	<b>(22.00)</b>	<b>-</b>
<b>Net cash flows used in financing activities (C)</b>	<b>(565.79)</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	3,248.82	2,339.82
Cash and cash equivalents at the beginning of the year	2,340.26	0.45
<b>Cash and cash equivalents at year end (D) = (A)+ (B)+ (C)</b>	<b>5,589.08</b>	<b>2,340.26</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For **P. Chandrasekar LLP**  
Chartered Accountants  
Firm Registration No.: 000580S/S200066  
**S. RAGHAVENDHAR**  
Partner  
Membership No.: 244016  
Place: Chennai  
Date: June 28, 2021

For and on behalf of the Board of Directors of  
Kanchi Karpooram Limited  
**SURESH SHAH**  
Managing Director  
DIN: 01659809

**DIPESH S JAIN**  
Whole-Time Director  
DIN: 01659930

**SURENDRA KUMAR SHAH**  
Chief Financial Officer

**J.R. VISHNUVARTHAN**  
Company Secretary



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

**a. Equity Share Capital**

Rs. In lakhs

Equity shares of Rs 10 each issued, subscribed and fully paid	Numbers	Rs.
At 1 April 2019	41,87,650	418.77
Conversion of share warrants to Equity Shares	71,400	7.14
At 31 March 2020	42,59,050	425.91
Conversion of share warrants to Equity Shares	1,05,370	10.54
Buy Back of Shares	-20,529	-2.05
At 31 March 2021	43,43,891	434.39

**b. Other Equity**

For the year ended 31 March 2021

Rs. In lakhs

Particulars	Reserves and Surplus				Other Equity	Total
	Securities Premium	General Reserve	Capital Redemption Reserve	Retained Earnings	Money Received against Share Warrants	
Balance as at 1st April 2019	159.08	210.00	-	5,667.35	159.18	6,195.60
Profit after Tax	-	-	-	2,594.63	-	2,594.63
Other Comprehensive Income	-	-	-	-	-	-
Money received during the year against share warrants	-	-	-	-	263.93	263.93
Share warrants converted to equity shares	249.90	-	-	-	(257.04)	(7.14)
Dividend (including tax on dividend of Rs.34.72 lakhs)	-	-	-	(203.66)	-	(203.66)
Balance as at 31st March 2020	408.98	210.00	-	8,058.31	166.07	8,843.36
Profit after Tax	-	-	-	6,269.09	-	6,269.09
Other Comprehensive Income	-	-	-	-	-	-
Money received during the year against share warrants	-	-	-	-	213.27	213.27
Share warrants converted to equity shares	368.80	-	-	-	(379.33)	(10.54)
Dividend	-	-	-	(43.65)	-	(43.65)
Transfer to Capital Redemption Reserve upon Buy back of shares	-	-	2.05	(2.05)	-	-
Buy back of shares	-	-	-	(81.09)	-	(81.09)
Tax on Buy back of shares	-	-	-	(18.89)	-	(18.89)
Balance as at 31st March 2021	777.77	210.00	2.05	14181.72	0.00	15,171.54

**Nature and purpose of the reserve:**

**General reserve:** General reserve is created out of profits transferred from retained earnings. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. It is a free reserve eligible for distribution to shareholders subject to the provisions of the Companies Act, 2013.

**Warrant Deposit:** Deposits received and retained against unconverted Warrants. This will be converted to equity Share Capital and Securities Premium post conversion of Warrants.

**Securities premium:** Securities Premium represents the amount collected from shareholders in excess of face value towards issue of share capital. Securities Premium can be utilized in accordance with the Companies Act 2013.

**Capital Redemption Reserve:** Capital Redemption Reserve is created as required by section 69 of Companies Act 2013 on account of buy-back of shares. The Capital redemption reserve may be applied by the company, in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For **P. Chandrasekar LLP**  
Chartered Accountants  
Firm Registration No.: 000580S/S200066  
**S. RAGHAVENDHAR**  
Partner  
Membership No.: 244016  
Place: Chennai  
Date: June 28, 2021

For and on behalf of the Board of Directors of  
Kanchi Karpooram Limited  
**SURESH SHAH**  
Managing Director  
DIN: 01659809

**SURENDRA KUMAR SHAH**  
Chief Financial Officer

**DIPESH S JAIN**  
Whole-Time Director  
DIN: 01659930

**J.R. VISHNUVARTHAN**  
Company Secretary



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 1: Company Overview

KanchiKarpooram Limited (“the Company”) was incorporated on 31st January 1992. It is a public limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at Parandur Road, Enathur village, Karapettai Post, Kanchipuram – 631552, Tamilnadu, India. The Company manufactures Camphor and allied products. The Company has its manufacturing Plant at Kanchipuram in Tamilnadu.

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. Accordingly, the financial statements for the year ended 31st March 2021 are prepared as per IND AS financial statements. The financial statements for the year ended 31st March 2021 were authorized and approved for issue by the Board of Directors on 28th JUNE, 2021.

### Note 2: Summary of Significant Accounting Policies

#### 2.1 Basis of Preparation & Recent Accounting Developments

The financial statements comply in all material aspects with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (“the Act”) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value.

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division III which relate to Non-banking financial companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Disclosures in respect of certain ratios including capital adequacy ratio and liquidity coverage ratio.

#### Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.





## 2.2 Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

## 2.3 Significant Estimates and Judgments

The areas involving critical estimates or judgments are:

- Estimation of fair value of financial assets and liabilities (Refer Note 34 to the Accounts)
- Estimation of useful life of Property, Plant and Equipment (Refer Note 2.6 below)
- Valuation of defined benefit obligations – (Refer Note 2.10 to the accounts)

## 2.4 Revenue Recognition

A revenue contract with the customer is accounted for only when the contract has been approved, the payment terms for the goods or services is identifiable, each party's rights regarding the goods or services is identifiable, the contract has commercial substance and it is probable that the entity will collect the amount of consideration.

### Performance Obligation:

The revenue is recognized on fulfilment of performance obligation.

### Sale of Products:

The Company earns revenue primarily from sale of Camphor and allied products. Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component. The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations.

## 2.5 Property, Plant and Equipment

Freehold Land was carried at Historical cost and all other items of Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation / amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use. However, cost excludes Excise Duty, Value Added Tax and Service Tax / GST, to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount and recognized in Statement of Profit and Loss.

## 2.6 Depreciation and Amortization

Depreciation on tangible fixed assets is provided over the estimated useful life of the asset or part of the asset, on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013. Residual value is considered upto five per cent of the cost of assets.

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period.



Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited/ debited to the Statement of Profit and loss.

The useful lives of various classes of property, plant and equity are as provided below:

Class of Asset	Useful Life
Electrical Installation	10
Buildings	30
Plant and Equipment	8
Furniture and Fixtures	10
Vehicles	8-20
Lab Equipment	10
Air Conditioners	5
Office Equipment	5
Computer	3

Residual values and useful lives are reviewed and adjusted, if appropriate, for each reporting period.

On assets added / disposed during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

## 2.7 Intangible Assets

Intangible assets acquired are recorded at their acquisition cost and are amortized on straight line basis over its useful life of 3 years.

## 2.8 Inventories

- Raw materials, stores and spares are valued at cost under First-In-First-Out (FIFO) method or net realizable value whichever is lower.
- Finished goods are valued at cost (including applicable overheads) or net realizable value, whichever is lower
- Work-in-progress is valued at lower of cost and net-realizable value. Cost is calculated as material cost plus appropriate portion of overheads.

## 2.9 Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows and are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

## 2.10 Employee Benefits

### (i) Short term obligations:

Liabilities for wages, salaries and bonuses, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current liabilities in the balance sheet.

**(ii) Post-employment obligations:****a) Provident Fund and pension:**

Provident Fund and pension benefits are defined contribution plans under which the Company pays fixed contribution into funds established under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The Company has no legal or constructive obligations to pay further contributions after the payment of the fixed contribution. Contributions due to the provident fund are recognized as an expense on monthly basis.

**b) Gratuity:**

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. The company obligation towards gratuity is valued at the date of each balance sheet with the help of an actuary using projected unit credit method and considered accordingly in the books of accounts.

**(iii) Other long-term employee benefit obligations:****a) Leave encashment:**

The company allows accumulation of leave and encashment thereof based on its policy for eligible employees. The company's obligation towards leaves that could be carried over by employees beyond 12 months from the date of the balance sheet is valued on with the help of an actuary using the projected unit credit method and considered accordingly in the books of accounts.

**2.11 Taxes on Income**

Income tax expense represents the sum of the current tax and deferred tax.

**a) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that are enacted and applicable for the reporting period. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

**b) Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Accordingly, the deferred tax assets and liabilities that were recognized during the previous reporting periods are remeasured using the tax rates enacted or substantively enacted as at the reporting date.

### c) Current and deferred tax for the year

Current and deferred tax are recognized in the Statement of Profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

## 2.12 Leases

From 1 April 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities predominantly include the net present value of the fixed lease payments and other components of lease payments where applicable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

## 2.13 Functional and presentation currency and Foreign Currency Transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated



Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

#### **2.14 Earnings per Share**

The Company presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

#### **2.15 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Company is principally engaged in a single business segment, viz., manufacture and sale of Camphor and allied products.

#### **2.16 Provisions, Contingent Liabilities and Contingent Assets**

##### **a) Provision**

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

##### **b) Contingent Liabilities**

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

##### **c) Contingent Asset**

Contingent assets are not recognized but are disclosed only where an inflow of economic benefits is probable.

#### **2.17 Current and Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

**A liability is treated as current when:**

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**2.18 Financial instruments****(a) Recognition:**

Financial assets and financial liabilities are recognized when a company entity becomes a party to the contractual provisions of the instruments.

**(b) Classification of financial instruments**

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

**(c) Measurement****(i) Initial Recognition:**

At Initial recognition, the Company measures a financial asset at its fair value plus transaction cost (in the case of a financial asset not a fair value through profit or loss) that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

**(ii) Subsequent measurement:**

- **Debt Instruments**

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments.

- **Amortized Cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.



- Fair Value through profit and loss statement

Assets that do not meet the criteria for amortized cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at Fair Value Through Profit or Loss (FVTPL). A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

• **Equity Instruments**

The Company subsequently measures all investments in equity (except of the subsidiaries/associate) at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately.

Where the Company elects to measure fair value through profit and loss, changes in the fair value of such financial assets are recognized in the statement of profit and loss.

**(d) Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Expense is recognized on an effective interest basis for debt instruments other than those financial liabilities classified as at FVTPL. Interest expense is recognized in profit or loss and is included in the 'finance cost' line item.

**(e) Impairment of financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

**(f) De-recognition of financial assets and financial liabilities**

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in



the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

### 2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts/cash credits. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### 2.20 Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

#### a) Fair value measurement and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Material instances where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management uses the services of external valuers. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 34.

#### b) Useful life of Property, Plant & Equipments and Intangible Assets

The Company reviews the estimated useful lives of Property, plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

#### c) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the





Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

**d) Deferred Tax Assets**

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profits will be available against which deferred tax assets can be utilized. The Company reviews at each balance sheet the carrying amount of deferred tax asset if any.

**e) Impact of COVID-19**

In Order to contain the COVID-19 pandemic, the central and state governments declared public lockdowns during the FY 2020-21. Consequently, the production facilities of the Company remained closed for the period 1st April 2020 to 7th May 2020 causing an adverse impact on the revenue and profit for the FY 2020-21. The Company has considered the possible effects that may result from the pandemic on the carrying amounts of property, plant and equipment, receivables, inventories and other assets.



3 Property, plant and equipment, Capital Work-in Progress & Intangible Assets  
2020-21

Particulars	Property, plant and equipment											Intangible assets	
	Freehold Land	Electrical Installations	Buildings		Plant and Equipment	Furniture and Fixtures	Vehicles	Lab Equipments	Air Conditioners	Office equipment	Computer		Total
			Freehold	ROU Assets									
<b>Cost or valuation</b>													
At 1 April 2020	1,905.07	3.00	123.76	119.92	775.37	9.75	64.62	9.06	7.38	7.30	18.89	3,044.12	0.17
Add: Additions		91.95	769.84	-	815.03	2.47	24.77		0.27	8.53	4.11	1,716.97	-
Disposals/ Write off							-7.33					-7.33	-
Less: Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>1,905.07</b>	<b>94.95</b>	<b>893.60</b>	<b>119.92</b>	<b>1,590.40</b>	<b>12.22</b>	<b>82.06</b>	<b>9.06</b>	<b>7.65</b>	<b>15.83</b>	<b>23.00</b>	<b>4,753.76</b>	<b>0.17</b>
<b>Accumulated Depreciation/ Amortization/ Impairment</b>													
At 1 April 2020	-	1.49	31.66	15.66	248.77	3.21	16.39	2.08	3.45	4.46	12.00	339.18	0.17
Depreciation charge for the year	-	2.35	14.88	15.66	84.07	1.80	9.38	0.84	1.43	1.25	4.34	136.00	-
Disposals	-	-	-	-	-	-	-6.29	-	-	-	-	-6.29	-
Impairment charge for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>-</b>	<b>3.84</b>	<b>46.53</b>	<b>31.32</b>	<b>332.84</b>	<b>5.01</b>	<b>19.48</b>	<b>2.93</b>	<b>4.87</b>	<b>5.71</b>	<b>16.34</b>	<b>468.89</b>	<b>0.17</b>
Net book value													
At 31 March 2021	1,905.07	91.11	847.07	88.60	1,257.55	7.21	62.58	6.13	2.78	10.12	6.66	4,284.87	-
At 1 April 2020	1,905.07	1.51	92.11	104.26	526.59	6.54	48.22	6.97	3.93	2.84	6.89	2,704.94	-



2020-21

Particulars	Property, plant and equipment											Intangible assets	
	Freehold Land	Electrical Installations	Buildings		Plant and Equipment	Furniture and Fixtures	Vehicles	Lab Equipments	Air Conditioners	Office equipment	Computer		Total
			Freehold	ROU Assets									
<b>Cost or valuation</b>													
At 1 April 2019	1,905.07	3.00	117.84	119.92	678.20	7.12	56.89	8.00	6.24	5.33	16.65	2,924.28	0.17
Add: Additions	-	-	5.93	-	97.16	2.63	27.23	1.06	1.14	1.97	2.24	139.34	-
Disposals/ Write off	-	-	-	-	-	-	-19.50	-	-	-	-	-19.50	-
Less: Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>1,905.07</b>	<b>3.00</b>	<b>123.76</b>	<b>119.92</b>	<b>775.37</b>	<b>9.75</b>	<b>64.62</b>	<b>9.06</b>	<b>7.38</b>	<b>7.30</b>	<b>18.89</b>	<b>3,044.12</b>	<b>0.17</b>
<b>Accumulated Depreciation/ Amortization/ Impairment</b>													
At 1 April 2019	-	1.11	23.28	-	170.63	2.49	14.09	1.20	2.44	2.99	7.23	225.46	0.10
Depreciation charge for the year	-	0.38	8.37	15.66	78.15	0.73	12.77	0.88	1.00	1.47	4.78	124.19	0.07
Disposals	-	-	-	-	-	-	-10.47	-	-	-	-	-10.47	-
<b>Impairment charge for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 31 March 2020	-	1.49	31.66	15.66	248.77	3.21	16.39	2.08	3.45	4.46	12.00	339.18	0.17
Net book value													
At 31 March 2020	1,905.07	1.51	92.11	104.26	526.59	6.54	48.22	6.97	3.93	2.84	6.89	2,704.94	-
At 1 April 2019	1,905.07	1.89	94.56	-	507.58	4.64	42.80	6.80	3.79	2.34	9.42	2,578.89	0.06



**Note 3a - Capital Work in progress**

Particulars	Total
<b>Balance as on 1st April 2020</b>	<b>883.48</b>
Additions	876.80
Capitalization during the Year	1,716.97
<b>Balance as on 31st March 2021</b>	<b>43.31</b>

**4 Non-current financial assets- Loans**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
a. Secured, Considered Good	-	-
b. Unsecured, Considered Good		
Security Deposits	51.42	28.92
Inter corporate loans	-	100.00
c. Loans with significant increase in credit risk	-	-
d. Loan Receivables – Credit Impaired	-	-
	<b>51.42</b>	<b>128.92</b>

**5 Deferred Tax Asset/ (Liability)**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
<b>Deferred tax asset</b>		
Expenses disallowed under Income Tax Act, 1961	29.89	95.64
<b>Deferred tax Liability</b>		
Depreciation differential	(68.66)	(126.99)
Other		-
<b>Net deferred tax asset/(liability)</b>	<b>38.77</b>	<b>(31.35)</b>

Rs. in Lakhs

Movement in Deferred Tax	Depreciation	Others	Total
<b>As at 31st March 2019-(Liability)/Asset (Charged)/ Credited</b>	(41.00)	(6.15)	(47.15)
To Profit and Loss	(86.00)	101.80	15.80
<b>To Other Comprehensive Income</b>			
<b>As at 31st March 2020-(Liability)/Asset</b>	<b>(127.00)</b>	<b>95.65</b>	<b>(31.35)</b>
To Profit and Loss	58.34	(65.76)	(7.42)
To Other Comprehensive Income			
<b>As at 31st March 2021-(Liability)/Asset</b>	<b>(68.66)</b>	<b>29.89</b>	<b>(38.77)</b>

**6 Other Non-Current assets**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
Capital advance	18.16	78.19
<b>Advances other than capital advances</b>		
(i) Unamortized expense on rental deposit and others	8.64	9.71
	<b>26.80</b>	<b>87.90</b>



**7 Inventories (lower of cost and net realisable value)**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
Raw materials		
(i) Stock of raw materials	2,088.71	983.56
(ii) Goods in transit	724.79	290.47
Work in progress	1,153.75	699.51
Finished goods	1,243.39	312.93
Stores and Spares	23.19	51.52
<b>Total inventories</b>	<b>5,233.83</b>	<b>2,337.99</b>

Refer Note no-2.8 for Accounting Policy relating to valuation of inventories

**8 Trade receivables**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
a. Secured, Considered Good	-	-
b. Unsecured, Considered Good		
Receivables from related parties (refer note 34)	41.34	13.07
Receivable from Others	1,084.66	1,113.95
c. Trade receivables with significant increase in credit risk	-	-
d. Trade receivables– Credit Impaired	-	-
	<b>1,126.01</b>	<b>1,127.02</b>

**9 Cash and cash equivalents**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
Cash on hand	0.83	0.83
Balances with banks		
(i) In current accounts	188.25	375.32
(ii) In fixed deposits	5,400.00	1,964.11
	<b>5,589.08</b>	<b>2,340.26</b>

**10 Bank balances**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
Fixed deposits maturing after 3 months after reporting date	585.00	-
In unpaid dividend accounts	43.86	42.97
BOI-Unspent CSR Escrow A/c	48.99	-
	<b>677.85</b>	<b>42.97</b>



**11 Other financial assets (current)**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
<b>Unsecured, Considered Good</b>		
Advance to employees	2.14	3.25
Interest accrued and not due	102.30	4.77
	<b>104.44</b>	<b>8.02</b>

**12 Other assets (current)**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
Balance with Government authorities	443.42	115.47
Prepaid expenses	15.44	18.77
Advances to suppliers	79.10	23.30
	<b>537.96</b>	<b>157.54</b>

**13 Share Capital**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
<b>Authorised:</b>		
70,00,000 (Previous years: 7,00,00,000) equity shares of Rs.10/- each	700.00	700.00
	700.00	700.00
<b>Issued, subscribed and paid-up:</b>		
43,43,891 (Previous years: 42,59,050) equity shares of Rs.10 each fully paid-up.	434.39	425.91

**a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year**

Particulars	No. of Shares
<b>As at April 01, 2019</b>	<b>41,87,650</b>
Conversion of share warrants to Equity Shares	71,400
<b>As at March 31, 2020</b>	<b>42,59,050</b>
Conversion of share warrants to Equity Shares	1,05,370
<b>No. of Shares bought back</b>	<b>-20,529</b>
<b>As at March 31, 2021</b>	<b>43,43,891</b>

**b) Terms / rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

As at March 31, 2021, the total number of shares issued, Subscribed and Paid up is 43,43,891/- ( March 31, 2020: 42,59,050/). During the year 1,05,370 share warrant were converted and equity shares were allotted at face value Rs.10/- per share.

During the year ended March 31, 2021, the amount of dividend (if any) proposed by board of directors is subject to approval of shareholders at annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

No shares were allotted as fully paid bonus shares during the 5 years immediately preceding 31.03.2021. During the 5 years immediately preceding 31st March 2021 20,529 equity shares were bought back and no shares were allotted for non-cash consideration during the 5 years immediately preceding 31.03.2021.

**c) Details of shareholders holding more than 5% shares in the Company are as under:-**

Name of equity share holders	2020-21		2019-20	
	No. of shares	% of holding	Number of shares held	% of holding
V SURESH	4,37,667	10.08%	4,09,892	9.62%
VARSHAA GOAL	3,18,400	7.33%	3,18,400	7.48%
PUSHPA S JAIN	3,54,953	8.33%	3,54,953	8.33%
DIPESH SURESH JAIN	3,37,850	7.78%	2,58,750	6.08%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**14 Other equity**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
<b>Reserves and Surplus</b>		
General reserve	210.00	210.00
Securities premium	777.77	408.98
<b>Retained Earnings</b>		
Balance as at the beginning of the year	8,058.31	5,667.35
Add: Increase/ (Decrease)	6,123.41	2,390.96



Particulars	31st March 2021	31st March 2020
<b>Balance as at the end of the year</b>	<b>14,181.72</b>	<b>8,058.31</b>
Capital Redemption Reserve	2.05	
Other Equity		
Warrant deposit (Refer to statement of changes in equity for movements during the year)	-	166.07
<b>Total Other equity</b>	<b>15,171.54</b>	<b>8,843.35</b>

**Nature and purpose of the reserve:****General Reserve:**

General reserve is created out of profits transferred from retained earnings. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. It is a free reserve eligible for distribution to shareholders subject to the provisions of The Companies Act, 2013.

**Warrant Deposit:**

Deposits received and retained against unconverted Warrants. This will be converted to Equity Share Capital and Securities Premium post conversion of Warrants

**Securities Premium:**

Securities premium represents the amount collected from shareholders in excess of face value towards issue of share capital. Securities Premium can be utilized in accordance with The Companies Act 2013.

**Capital Redemption Reserve:**

Redemption Reserve Reserve is created as required by section 69 of Companies Act 2013 on account of buy-back of shares. The Capital redemption reserve may be applied by the company, in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.

**15 Non-Current Financial Liabilities- Loans**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
<b>Term Loan from Banks</b>		
i) Secured by vehicles purchased	-	6.67
	-	<b>6.67</b>

**16 Non-Current Financial Liabilities-Other Financial Liabilities**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
Long term lease obligations	92.93	95.12
	<b>92.93</b>	<b>95.12</b>





**17 Trade Payables**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
Dues to Micro Enterprises and Small Enterprises*	-	-
Dues to other than Micro, Small & Medium Enterprises	608.84	107.22
	<b>608.84</b>	<b>107.22</b>

Disclosure requirement as required under Micro, Small and Medium Enterprises Development Act, 2006 is as follows:

PARTICULARS	2020-21	2019-20
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	NIL	NIL
(ii) Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
(iii) Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
(iv) Interest accrued and remaining unpaid at the end of each accounting year:	NIL	NIL
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	NIL	NIL

**18 Other Current Financial Liabilities**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
Security Deposits Received	30.48	7.51
Current maturities of long term debt	-	2.80
Current portion of Lease liabilities	13.98	19.35
Interest accrued but not due on borrowings	-	0.07
Advance from Customers	-	-
Unclaimed Dividend	43.86	42.97
Outstanding expenses	155.75	104.47
	<b>244.07</b>	<b>177.17</b>

**19 Other Current liabilities**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
Advance from customers	10.35	8.33
Statutory dues payable	16.88	19.34
	<b>27.23</b>	<b>27.67</b>

**20 Short Term Provisions**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
<b>Provision for employee benefits</b>		
Leave Encashment	63.16	33.57
Gratuity	250.35	14.88
Bonus	55.22	47.20
Director's commission	559.64	-
	<b>928.37</b>	<b>95.65</b>

**21 Current Tax Liabilities**

Rs. in Lakhs

Particulars	31st March 2021	31st March 2020
Provision for Income tax	1,079.43	962.53
Less: Advance tax and TDS	950.00	953.60
	<b>129.43</b>	<b>8.93</b>

**22 Revenue from operations**

Rs. in Lakhs

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
<b>Sale of products</b>		
i) Camphor	13,307.81	16,048.43
ii) Dipentine	1,147.38	1,539.02
iii) Others	3,953.38	2,693.97
<b>Other operating revenues</b>		
Scrap sales	2.48	7.40
	<b>18,411.05</b>	<b>20,288.82</b>

**23 Other income**

Rs. in Lakhs

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
Interest Income	232.58	32.52
Net gain on account of foreign exchange fluctuation	16.75	25.46
Profit on sale of Property, plant and equipment (net)	0.75	
Other Non-Operating Income	1.25	22.01
	<b>251.33</b>	<b>79.99</b>



**24 Cost of raw materials and components consumed**

Rs. in Lakhs

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
<b>a. Raw materials</b>		
Opening stock	983.56	1,302.59
Purchases Made:		
Imported :		
-Oleo Pine Resin	-	-
-Alpha Pinene	1,622.34	860.52
-Gum Rosin	398.80	77.82
-Gum Turpentine	7,081.27	11,990.61
-Other Raw Materials	0.95	0.91
Indigenous :		
Other Materials	843.72	964.66
Closing stock	2,088.72	983.56
	<b>8,841.92</b>	<b>14,213.56</b>
<b>b. Finished goods and work in progress (Increase) / Decrease in Inventories</b>		
Opening Stock		
a.Manufactured Goods	312.93	351.85
b.Work in progress	699.51	948.96
<b>Subtotal -(A)</b>	<b>1,012.44</b>	<b>1,300.81</b>
Closing Stock		
a.Manufactured Goods	1,243.39	312.93
b.Work in progress	1,153.75	699.51
<b>Subtotal -(B)</b>	<b>2,397.14</b>	<b>1,012.44</b>
<b>Change in Work in Progress and Finished goods (A+B)</b>	<b>(1,384.69)</b>	<b>288.37</b>

**25 Employee benefits expense**

Rs. in Lakhs

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
Salaries, wages and bonus	1,763.90	1,008.65
Contribution to provident and other funds	32.09	37.56
Staff welfare expenses	27.90	38.35
	<b>1,823.89</b>	<b>1,084.56</b>

**26 Finance Costs**

Rs. in Lakhs

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
Interest expense	18.80	76.08
Exchange differences considered as borrowing costs	-	21.89
Other borrowing costs- Commission on Buyers' credit and other charges	12.29	11.64
	<b>31.09</b>	<b>87.72</b>



**27 Depreciation and Amortisation Expenses**

Rs. in Lakhs

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
Depreciation of Property, plant and equipment	120.34	110.42
Depreciation on ROU Assets	15.66	15.66
Amortisation of intangible assets	-	0.07
	<b>136.00</b>	<b>126.15</b>

**28 Other expense**

Rs. in Lakhs

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
Consumption of stores and spares	59.28	53.94
Power and fuel	423.52	445.50
Donation and contribution	2.84	22.38
Rent	3.51	9.24
Repairs and maintenance	-	-
- Building	5.71	4.55
- Plant and machinery	36.36	48.98
- Others	12.35	13.95
Insurance	15.02	15.88
Travelling expenses	4.19	35.15
Communication expenses	3.12	5.84
Rates and taxes	48.09	38.41
Carraige outward	113.22	132.16
Sales promotion and selling expenses	82.70	82.83
Legal and professional charges	32.45	29.43
Payment to auditors*	8.40	7.10
Printing and stationery	2.81	3.77
Loss on sales of Property, plant and equipment	-	7.13
Corporate Social Responsibility expenditure	66.30	45.99
Miscellaneous expenses	79.87	49.02
	<b>999.74</b>	<b>1,051.25</b>

\* Payment to Auditors

Rs. in Lakhs

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
Statutory Audit Fees	5.00	4.00
Tax Audit fees	1.00	1.00
Limited Review	1.00	1.00
Certification	1.40	1.10
	<b>8.40</b>	<b>7.10</b>


**29 Current Tax**

Rs. in Lakhs

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
<b>Income Tax Expenses</b>		
(a) Income Tax Expense		
Current Tax	1,986.00	938.38
Current Tax on Profits for the year - MAT		
<b>Sub-Total (A)</b>	<b>1,986.00</b>	<b>938.38</b>
Deferred Tax		
Decrease /(Increase) in deferred tax assets - MAT Credit		
Decrease /(Increase) in deferred tax assets - Other	65.76	(101.79)
(Decrease) /Increase in deferred tax liabilities	(58.34)	86.00
<b>Sub-Total (B)</b>	<b>7.42</b>	<b>(15.80)</b>
<b>(A)+(B)</b>	<b>1,993.42</b>	<b>922.58</b>
Less -Tax Expense Related to Previous year	48.08	
Less -Tax Expense in OCI		-
Income Tax Expense	1,945.34	922.58
Profit before Income Tax Expense	8,214.43	3,517.21
Tax at Indian Tax Rate of (25.17%)	2,067.57	885.21
Deduction under Scientific and Research Expenditure Sec 35(2AB)		
Income Tax impact of difference between Book Depreciation and Depreciation under Tax Laws	(19.09)	7.31
Expenses not allowed under the Income Tax Act, 1961	-	47.42
Incomes not chargeable to Tax	(62.48)	(1.57)
Carried Forward as Business Loss		-
Loss brought forward set-off - Regular Provisions		-
Minimum Alternate Tax u/s.u/s. 115JB		-
Loss brought forward set-off - MAT		-
<b>Current Tax</b>	<b>1,986.00</b>	<b>938.38</b>
Deferred Tax on Business Loss (Created)/Charged		
Deferred Tax Other Items	7.42	(15.80)
Minimum Alternate Tax Credit u/s. 115JAA		
<b>Income Tax Expense</b>	<b>1,993.42</b>	<b>922.58</b>
<b>Effective Rate of Tax</b>	<b>24.27%</b>	<b>26.23%</b>

**30 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

In case of potential dilutive shares converted during the year, the same is included in the calculation up to the date of their conversion into ordinary equity shares.



The following reflects the income and share data used in the basic and diluted EPS computations:

#### Basic Earnings per Share

Rs. in Lakhs

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
Profit for the year (Rs. In lakhs)	6,269.09	2,594.63
Weighted average number of Equity shares for EPS	43,52,625	42,26,773
Basic Earnings per Share Rs.	144.03	61.39

#### Diluted Earnings per Share

Rs. in Lakhs

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
Profit for the year (Rs. In lakhs)	6,269.09	2,594.63
Weighted average number of Equity shares for EPS	43,60,419	43,64,527
Diluted earnings per share Rs.	143.77	59.45

### 31 Capital management

The Company's objective of capital management is to maximise the return to its shareholders through optimal mix of debt and equity.

The Company determines the amount of capital required on the basis of annual and long-term operating plans. The funding requirements are current met through equity. The Company monitors the capital structure on an ongoing basis.

The following table summarises the capital of the Company:

Rs. in Lakhs

Sl. No.	Particulars	As at 31 Mar 2021	As at 31 Mar 2020
1	Equity	15,605.93	9,269.26
2	Debt	-	9.48
3	Cash and cash equivalents	5,589.08	2,340.26
4	Net debt (2-3)	-	-
5	Total capital (Equity + Net debt)	15,605.93	9,269.26
	<b>Net debt to Capital ratio</b>	-	-

### 32 Financial risk management

The company is exposed to risks in the form of Market Risk, Liquidity Risk and Credit Risk. The risk management activities of the company are monitored by the board of directors. The nature and extent of risks have been disclosed in this note.

#### a. Market Risk:

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.



## i) Currency Risk:

If a Company has receivable and payables denominated in currency other than INR it exposes the company to currency risk. As on 31st March 2021, the Company is not exposure to any material currency risks

## ii) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant exposure to interest rate risk as it had repaid all its borrowings during the year.

## iii) Equity Price Risk:

The Company does not have any exposure to equity price risk as it is not holding any investment in securities in the nature of equity instruments.

## b. Liquidity Risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The company has obtained fund and non-fund based working capital limits from various bankers which is used to manage the liquidity position and meet obligations on time.

**Maturity Analysis of Non-Derivative Financial Liabilities:**

Rs. in Lakhs

Particulars	Upto 1 Year	1 to 5 years	More than 5 Years	Total
<b>31-Mar-21</b>				
Trade Payables	608.84	-		608.84
Lease obligation	13.98	92.93		106.91
Other financial liabilities	230.09	-		230.09
<b>31-Mar-20</b>				-
Term Loan	2.80	6.67		9.48
Trade Payables	107.22	-		107.22
Lease obligation	19.35	65.45	29.67	114.46
Other financial liabilities	155.02	-		155.02

**Credit Risk:**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The management evaluates the credit risk of individual financial assets at each reporting date. An expected credit loss is recognized if the credit risk has increased significantly since the initial recognition of the financial instrument. In general, the company assumes that there has been a significant increase in credit risk since initial recognition if the amounts are 30 days past due from the initial or extended due date. However, in specific cases the credit risk is not assessed to be significant even if the asset is due beyond a period of 30 days depending on the credit history of the customer with the company and business relation with the customer. A default on a financial asset is when the counter party fails to make contractual payments within 1 year from the date they fall due from the initial or extended due date. The definition of default is adopted given the industry in which the entity operates.

**Credit categorization and Exposure:**

Grade	Description	Extent of loss recognized
A	High Quality Asset, the risk of default is negligible or nil	12 month expected Credit Loss
B	Standard Asset, the risk of default is low and the counterparty has sufficient financial strength to meet the obligations	12 month expected Credit Loss
C	Low Quality Asset, the risk of default is considerable and there has been a significant increase in the credit risk since initial recognition	Life Time Expected Credit Losses
D	Possibility of recovery is negligible and the asset is written off	Asset is written off

Grade	As at 31st March 2021					As at 31st March 2020				
	Loans and Advances	Trade Receivables	Cash and Cash Equivalents	Other Bank Balances	Other Financial Assets	Loans and Advances	Trade Receivables	Cash and Cash Equivalents	Other Bank Balances	Other Financial Assets
A	51.42	1,126.01	5,589.08	677.85	104.45	128.92	1,127.02	2,340.26	42.97	8.02

**33 Fair values**

The fair value of the financial assets and financial liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. During the year 2020-21, the company did not have any financial instrument that was measured at fair value on recurring basis.

- i) Fair value measurement hierarchy is as follows:
  - a) Level 1 item of fair valuation is based on market price quotation at each reporting date
  - b) Level 2 item of fair valuation is based on significant observable input like PV of future cash flows, MTM valuation, etc
  - c) Level 3 item of fair valuation is based upon significant unobservable inputs where valuation is done by independent value
- ii) The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and are considered to be the same as their fair values, due to their short-term nature.
- (iii) The fair values of financial assets and liabilities measured at amortized cost are approximate their carrying amount.
- (iv) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



**34 Related party transactions**

(a) Name of related Parties and related party relationship

<b>Name of the related party</b>	<b>Nature of relationship</b>
Shri. Suresh V Shah	Managing Director*
Shri. Arun V Shah	Whole Time Director*
Shri. Dipesh S. Jain	Whole Time Director*
Shri. KC.Radhakrishnan	CFO- Upto 30th April, 2021*
Shri Surendra Kumar Shah	CFO*-W.E.F-01st May,2021*
Shri.J.R.Vishnu varthan	Company Secretary *
Smt. Pushpa S Jain	Director
M/s. Suresh Industries	Firm in which directors have significant influence
Kavitha Jain	Wife of Whole Time Director

\* Key Managerial Personnel (KMP)-



(b) Transactions with Related Parties (Rs. in lakh)

S. No	Name	Nature of Relation	Nature of Transaction	Total Amount		Amount Outstanding as at year end	
				2020-21	2019-20	31 Mar 2021	31 Mar 2020
1	Suresh Shah	Managing Director	Remuneration Including Contribution to Provident Fund and other perquisites #	579.80	220.66	5.60	4.60
2	Dipesh Jain	Whole Time Director	Remuneration Including Contribution to Provident Fund and other perquisites #	335.11	139.24	4.80	3.28
3	Arun V Shah	Whole Time Director	Remuneration Including Contribution to Provident Fund and other perquisites #	241.29	94.37	3.40	2.90
4	KC.Radhakrishnan	CFO	Remuneration Including Contribution to Provident Fund and other perquisites	81.357	39.70	4.00	3.00
5	KC.Radhakrishnan	CFO	Salary Advance-Given/(Repaid)	-	(0.25)	-	-
6	Pushpa S.Jain	Director	Sitting Fees	0.20	0.30	-	-
7	Kavitha Jain	Wife of Whole Time Director	Salary	7.18	5.50	0.76	-
8	Suresh Industries	Firm in which directors have significant influence	Sales	1,123.65	1,483.45	(41.34)	(13.07)
9	Suresh Shah	Managing Director	Share warrant Application money received/(refunded)	(0.24)	189.93	-	94.81
10	Dipesh Jain	Whole Time Director	Share warrant Application money received/(refunded)	213.50	74.00	-	71.26
11	Suresh Shah	Managing Director	Share warrants converted to Equity Shares	94.57	158.40	-	-
12	Dipesh Jain	Whole Time Director	Share warrants converted to Equity Shares	284.76	98.64	-	-

Figures in the bracket represent repayment of loan / debit balance  
#Remuneration Includes

Names	Suresh Shah	Dipesh Jain	Arun Shah
Short Term Employee Benefits - excl. Commission	64.51	52.09	37.8
Commission - FY-2020-21	279.82	167.89	111.93
Commission - FY-2019-20	127.66	69.76	44.96
Long Term Employee Benefits	107.80	45.37	46.60
	579.80	335.11	241.29


**35 Gratuity & Leave Encashment**

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

Sr No	Particulars	Gratuity		Leave Encashment	
		2020-21	2019-20	2020-21	2019-20
i	Discount Rate (Per Annum)	6.27%	6.65%	6.23%	6.65%
ii	Salary Escalation	7.00%	7.00%	7.00%	7.00%

**Changes in present value of obligation**

Sr No	Particulars	Gratuity		Leave Encashment	
		2020-21	2019-20	2020-21	2019-20
i	Present Value of obligations as at the beginning of the year	100.46	95.62	11.13	46.03
ii	Interest Cost	6.68	7.29	0.74	4.49
iii	Current Service Cost	11.43	11.20	3.86	6.50
iv	Past Service Cost - (non vested benefits)	-	-	-	-
v	Past Service Cost - (vested benefits)	-	-	-	-
vi	Benefits and Charges Paid	(27.95)	(0.81)	-	(8.88)
vii	Actuarial gain/(loss) on plan assets	-	-	-	-
	(a) Due to CHANGE in financial assumptions	2.36	6.06	0.38	0.94
	(b) Due to change in demographic assumptions	-	-	-	-
	(c) Due to Experience Variance	(21.62)	(18.89)	(6.66)	(37.95)
viii	Present Value of obligations as at the end of the year	71.35	100.46	9.44	11.13

**Changes in fair value of plan assets**

Sr No	Particulars	Gratuity		Leave Encashment	
		2020-21	2019-20	2020-21	2019-20
i	Fair Value of Plan Assets at the beginning of the year	86.43	68.97	26.40	22.45
ii	Expected return on plan assets	4.38	5.20	1.15	1.08
iii	Contributions less charges	-	12.25	-	2.87
iv	Benefits and Charges Paid	(27.95)	-	-	-
v	Actuarial gain/(loss) on plan assets	-	-	-	-
vi	Fair Value of Plan Assets at the end of the year	62.86	86.43	27.55	26.40

**36 Contingent Liability and Capital Commitments**

Rs. in Lakhs

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
Goods and Service Tax	34.59	-

Capital Commitments - Nil

**37 Segment Reporting**

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (“CODM”). The Directors evaluate the Company performance and allocate resources based on the analysis of various performance indicators of the Company as a single unit. Therefore there is no reportable segment for the Company. The entire revenue from operations is derived from India. All non-current assets are situated within India.”

**38 Impact of COVID -19**

In Order to contain the COVID-19 pandemic, the central and state governments declared public lockdowns during the FY 2020-21. Consequently, the production facilities of the Company remained closed for the period 1st April 2020 to 7th May 2020 causing an adverse impact on the revenue and profit for the FY 2020-21. The Company has considered the possible effects that may result from the pandemic on the carrying amounts of property, plant and equipment, receivables, inventories and other assets.

**39. Impact of New Labour Code**

The Code on Social Security, 2020 which received the President’s assent on 28th September 2020 subsumes nine laws relating to Social security, retirement and employee benefits, including the Provident Fund and Gratuity. The effective date of the Code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.

**40 Previous Years’ figures have been regrouped and rearranged, wherever necessary, to conform to current year classification and rounded off to the nearest lakh rupee**

As per our report of even date

For **P. Chandrasekar LLP**  
Chartered Accountants  
Firm Registration No.: 000580S/S200066  
**S. RAGHAVENDHAR**  
Partner  
Membership No.: 244016  
Place: Chennai  
Date: June 28, 2021

For and on behalf of the Board of Directors of

Kanchi Karpooram Limited  
**SURESH SHAH**  
Managing Director  
DIN: 01659809

**SURENDRA KUMAR SHAH**  
Chief Financial Officer

**DIPESH S JAIN**  
Whole-Time Director  
DIN: 01659930

**J.R. VISHNUVARTHAN**  
Company Secretary



If undelivered, Please return to:

**KANCHI KARPOORAM LIMITED**

CIN : L30006TN1992PLC022109

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