



# KANCHI KARPOORAM LIMITED

ISO 9001 : 2008 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 Fax : 0091- 44 - 2640 1919

E-mail : [info@kanchikarpooram.com](mailto:info@kanchikarpooram.com) Website : [www.kanchikarpooram.com](http://www.kanchikarpooram.com)



Ref: KKL/BSE/2016

09.09.2016

To,  
BSE Ltd.  
P.J. Tower, Dalal Street,  
Fort, Mumbai – 400 001

**Sub: 23<sup>rd</sup> Annual General Meeting – Annual Report 2015 - 2016**

Dear Sir

We have enclosed herewith Annual Report for the 2015 – 2016 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, duly approved and adopted in the 23<sup>rd</sup> Annual General Meeting as per the provisions of the Companies Act, 2013.

Thanking You

Yours faithfully,  
for KANCHI KARPOORAM LIMITED

*Krithika*  
Krithika D Thakkar  
Company Secretary  
Encl: as above

**Regd. Office / Works :** Parandur Road, Enathur Village, Karaipettai Post, Kanchipuram Dist.,  
Tamilnadu - 631 552. INDIA. Tel. : 2729 4904 / 2729 4930

E-mail : [info@kanchikarpooram.com](mailto:info@kanchikarpooram.com) Website : [www.kanchikarpooram.com](http://www.kanchikarpooram.com)



# **KANCHI KARPOORAM LIMITED**

**TWENTY THIRD  
ANNUAL REPORT  
2015-2016**



**E-Mail Registration**

To

**M/s. Cameo Corporate Services Ltd.**

“Subramanian Building”

No.1, Club House Road Chennai - 600 002.

E-Mail Id: investor@cameoindia.com

Dear Sir / Madam,

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

I am a Shareholder of the Company; I want to receive all communications from the Company including AGM and General Meeting notices and explanatory statement(s) thereto. Balance Sheets, Director's Report, Auditor's Report etc., through e-mail. Please register my e-mail ID set – up below in your record for sending communication thorough e-mail:

Folio No.\*

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

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

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

\_\_\_\_\_

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

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

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

Landline \_\_\_\_\_

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

**Important Notes:**

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



KANCHI KARPOORAM LIMITED

BOARD OF DIRECTORS

Shri.Suresh Shah

Shri.Dipesh S Jain

Shri.Arun V Shah

Shri.S.Srinivasan

Shri Na Raghu

Shri K.Venkateswaran

Smt.Pushpa S Jain

COMPANY SECRETARY

Miss.Krithika D Thakkar

CHIEF FINANCIAL OFFICER

Shri.K.C.Radhakrishnan

AUDITORS

M/s. R.Subramanian and Company

Chartered Accountants

No.6, Krishnaswamy Avenue,

Luz, Mylapore, Chennai - 600 004.

SECRETARIAL AUDITOR

Shri. V. S. Sowrirajan

C-2, Vijayarengaa Apartment,

64, West Adayavalanchan Street,

Srirangam, Trichy - 620 006.

BANKERS

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 - 631 552. Tamil Nadu

REGISTRAR AND SHARE TRANSFER AGENT

M/s.Cameo Corporate Services Ltd.

"Subramanian Building"

No.1, Club House Road, Chennai - 600 002.

E-Mail Id: investor@cameoindia.com



## CONTENTS

	Page No.
Notice	1
Directors' Report	7
Corporate Governance	24
Management Discussion & Analysis	32
Auditors' Report	33
Balance Sheet	39
Profit and Loss Account	40
Notes	41
Cash Flow Statement	53

**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the **23rd Annual General Meeting** of the Members of Kanchi Karpooram Limited will be held on Wednesday, the 07th day of September 2016, at 11.00 A.M. at M.M.Hotels, 65/66, Nellukara Street, Kanchipuram -631502 to transact the following business:

**Ordinary Business**

1. To consider and adopt the audited financial statement of the Company for the financial year ended 31st March 2016, the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March 2016
3. 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
4. To ratify the appointment of Auditors and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee, M/s R.Subramanian and Company, Chartered Accountants, (Registration No.FRN 004137S) be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as may be decided by the Managing Director of the Company Mr.Suresh Shah, with the mutual consent of the auditors."

**SPECIAL BUSINESS**

5. **To approve continuation of employment and Revision in Terms of remuneration of Mr.Suresh Shah, Managing Director of the Company**

To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **ordinary Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr.Suresh Shah (DIN: 01659809) Managing Director of the Company be and is hereby accorded for the continuation of employment as Managing Director of the Company for a Period of Five Years w.e.f 01.10.2016 (i.e. 01.10.2016 to 30.09.2021), is not liable to retire by rotation, upon the terms and conditions set out in the Explanatory Statement annexed to this notice Convening the meeting, including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year with liberty to the Directors to alter and vary the terms and conditions of the said continuation of employment in such manner so as to not to exceed the limits specified in Schedule V to the Act."

**"RESOLVED FUTHER THAT** the board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

6. **To approve continuation of employment and Revision in Terms of remuneration of Mr.Dipesh S Jain, Whole Time Director of the Company**

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

**"RESOLVED THAT** in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr.Dipesh S Jain (DIN: 01659930) Whole Time Director of the Company be and is hereby accorded for the continuation of employment as Whole Time Director of the Company for a Period of Five Years w.e.f 01.10.2016 (i.e. 01.10.2016 to 30.09.2021), is not liable to retire by rotation, upon the terms and conditions set out in the Explanatory Statement annexed to this notice Convening the meeting, including the



remuneration to be paid in the event of loss or inadequacy of profit in any financial year with liberty to the Directors to alter and vary the terms and conditions of the said continuation of employment in such manner so as to not to exceed the limits specified in Schedule V to the Act."

**"RESOLVED FUTHER THAT** the board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

Notes:

- 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and a proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than 48 hours before the Commencement of the Meeting.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.**

**A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

- The business set out in the Notice will be transacted through electronic system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this notice under Note No.20.
- Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
- In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 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. Brief resume of the Director proposed to be re-appointed, nature of her expertise in specific functional areas, names of the Companies in which she hold directorship and membership/chairmanship 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 are provided in the annexure to the Notice.
- A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
- Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
- Relevant documents referred to in the accompanying Notice and the statements are open for inspection by the members at the Chennai office of the Company on all working days, during business hours up to the date of the meeting.
- The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 03rd September 2016 to Wednesday 03rd September 07th September 2016 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
- If Dividend as recommended by the Board of Directors is approved at the AGM, the payment of dividend will be made on/before 06th October 2016 to those members whose names shall appear on the Company's register of members on the closure of business hour on 26th August 2016 as under:
  - In respect of share held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that day.
  - 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.



11. 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.
12. 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/RTA.
13. Pursuant to the provision of Companies Act the dividend which remained unclaimed for a period of Seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the "Investor Education Protection Fund" (IEPF) account established by the Central Government along with the shares in respect of which unpaid or unclaimed dividend has been transferred to IEPF account. Pursuant to the provisions of Investor Education Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company ([www.kanchikarpooram.com](http://www.kanchikarpooram.com)), as also on the website of Ministry of Corporate Affairs.
14. 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.
15. 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.
16. 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.
17. 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, if not furnished earlier.
18. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc form the Company electronically.
19. Members may also note that the Notice and Annual Report of the 23rd Annual General Meeting will be available on the Company's website [www.kanchikarpooram.com](http://www.kanchikarpooram.com). Members who require communication in e-communication/physical form or have any other query may write to us at: [investorcare@kanchikarpooram.com](mailto:investorcare@kanchikarpooram.com)/[kanchikarpooramus@gmail.com](mailto:kanchikarpooramus@gmail.com).
20. Information and other instructions relating to e-voting are as under:
  - A. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). The Instructions for e-voting are as under:
    - I. Log on to the E-Voting website [www.evotingindia.com](http://www.evotingindia.com)





- II. Click on “Shareholders” tab to cast your votes
- III. Now fill up the following details in the appropriate boxes

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

- IV. After entering the details appropriately, Click on Submit Tab
- V. Click on EVSN of Kanchi Karpooram Limited to cast your votes
- VI. On the Voting Page, you will see Resolution Description and against the same the option Yes/No for voting. Select the 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.
- VII. Click on the “Resolution File Link” if you wish to view the entire resolution
- VII. After voting click on Submit.
- IX. A Confirmation Box will be displayed, Click OK to confirm, to change your vote click on CANCEL and accordingly modify your vote
- X. Once you CONFIRM your vote on the resolution you will not be allowed to modify your vote.
- B. The voting period begins on 04th September 2016 (10:00 AM) and ends on 06th September 2016 (05:00 P.M.). 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 02nd September 2016.
- C. In case of any query pertaining to E-Voting , please refer the FAQs section and E-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) .
- I. The voting rights of members shall be in proportion to their shares of the paid up equity capital of the Company as on the cut-off date of 02nd September 2016.
- II. M/s Rabi Narayan & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- III. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
- IV. In case of those members, who do not access to e-voting facility, they can use the the assent/dissent form sent herewith or can be downloaded from our website [www.kanchikarpooram.com](http://www.kanchikarpooram.com) and convey their assent/dissent to each one of the items of business to be transacted at the ensuing Annual General Meeting and send the form to the registered office of the Company on or before 30th August 2016 to reach M/s Rabi Narayan & Associates Scrutinizer appointed by the Company.
- V. Members can choose only one of the two options namely e-voting or voting through physical assent/dissent form. In case votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and those votes casted through physical assent/dissent form would be considered, subject to the assent/dissent form being found to be valid.



- VI. The results of e-voting, physical assent/dissent and poll, if any shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kanchikarpooram.com](http://www.kanchikarpooram.com)

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS  
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act")**

**Item No.5: To approve continuation of employment and Revision in Terms of remuneration of Mr.Suresh Shah, Managing Director of the Company**

Mr.Suresh Shah is the Managing Director of the Company. His tenure expires on 30.09.2016. Based on the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on **22.07.2016** approved the terms and conditions of Mr.Suresh Shah's continuation of employment and remuneration, subject to the approval of the Shareholders.

Terms and Conditions relating to continuation of employment and Revision in Terms of remuneration are as follows:

**A) REMUNERATION:**

- I. The basic salary and allowances shall be in the range of Rs.2,00,000/- to Rs.5,00,000/- per month with annual increments effective from 01st April each year as may be decided by the Board, based on the merit and taking into account the Company's performance for the year.
- II. Benefits, perquisites and allowances as determined by the board from time to time.

**B) MINIMUM REMUNERATION:**

Notwithstanding the foregoing, wherein any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or inadequate profits, the Company will pay him the remuneration by way of salary, benefits and perquisites and allowances as approved by the Board to the extent permitted under the Act.

None of the Directors and Key Managerial Personnel of the Company except Mr. Suresh 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.5 of the Notice.

The Board recommends the resolution set forth in Item No.5 for the approval of the members.

**Item No.6: To approve continuation of employment and Revision in Terms of remuneration of Mr. Dipesh S Jain, Whole Time Director of the Company**

Mr. Dipesh S Jain is the Whole Time Director of the Company. His tenure expires on 30.09.2016. Based on the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 22.07.2016 approved the terms and conditions of Mr. Dipesh S Jain's continuation of employment and remuneration, subject to the approval of the Shareholders.

Terms and Conditions relating to continuation of employment and Revision in Terms of remuneration are as follows:

**A) REMUNERATION:**

- I. The basic salary and allowances shall be in the range of Rs.2,00,000/- to Rs.5,00,000/- per month with annual increments effective from 01st April each year as may be decided by the Board, based on the merit and taking into account the Company's performance for the year.
- II. Benefits, perquisites and allowances as determined by the board from time to time.

**B) MINIMUM REMUNERATION:**

Notwithstanding the foregoing, wherein any Financial Year during the currency of the tenure of the Whole Time Director, the Company has no profits or inadequate profits, the Company will pay him the remuneration by way of salary, benefits and perquisites and allowances as approved by the Board to the extent permitted under the Act.

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.6 of the Notice.

The Board recommends the resolution set forth in Item No.6 for the approval of the members.

By Order of the Board  
For KANCHI KARPOORAM LIMITED

Sd/-

SURESH SHAH

Managing Director

Place : Chennai  
Date : 27.07.2016

### **Information on Director recommended for Appointment / Reappointment**

**PUSHPA S JAIN (DIN: 06939054)**

Mrs.Pushpa S Jain (57) assumed charge as the Non-Executive (Women) Director of the Company with effect from 10.09.2014.

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

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



## DIRECTOR'S REPORT

Dear Members,

Your Company's Directors are pleased to present the 23rd Annual Report of the Company, along with Audited Accounts, for the Financial Year ended 31st March 2016

### FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March 2016 is summarised below. Segment wise reporting as per Accounting Standards AS-17 is not applicable to your Company, since your Company is engaged in the activity of single segment only.

Particulars	Year ended 31.03.2016 (Rs. in Lakhs)	Year ended 31.03.2015 (Rs. in Lakhs)
Revenue from operations	5662.86	5284.49
Other income	13.76	14.53
Total Expenses	5544.74	5262.42
Finance Cost	147.75	174.62
Depreciation and amortization expenses	37.62	35.26
Profit / Loss Before tax	118.11	36.58
Current tax	32.00	5.00
Deferred Tax reversal	3.69	5.99
Profit / Loss After tax	78.96	25.59
<b>Earnings per share</b>		
Basic & Diluted	1.91	0.62
<b>Your Directors recommend the following appropriations:-</b>		
Proposed Dividend	62.13	20.71
Dividend Distribution Tax	12.64	4.33
Transfer to general Reserve	0	0

**EXTRACT OF ANNUAL RETURN**

An Extract of Annual Return (as provided in Section 92(3) of the Companies Act, 2013) in Form MGT-9 as on 31st March 2016 is attached as Annexure – 1 to this report

**NUMBER OF MEETINGS OF THE BOARD**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, your 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 2016 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.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, the members approved the re-appointment of Mrs. Pushpa S Jain as a Non-Executive Director who is liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed by Companies Act 2013 and SEBI (LODR) Regulations, 2015

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Pushpa S Jain, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

**NOMINATION AND REMUNERATION COMMITTEE**

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, the Board of Directors has formed a Nomination and Remuneration Committee which recommends the remuneration of Executive Directors subject to the approval of Directors and Shareholders. The Committee details and remuneration details are provided in the Corporate Governance Report, which is attached to this report.

**AUDITORS AND AUDITORS' REPORT****STATUTORY AUDITOR**

The Members at the Annual General Meeting of the Company held on 10th September 2014, M/s R. Subramanian and Company, Chartered Accountants, (Firm Registration No. 0041375), were re-appointed for a period of 3 years which is subject to annual ratification by the members of the Company (i.e from 21st Annual General Meeting to 24th Annual General Meeting). The notes on Financial Statement referred to in the Auditor's Report are Self-explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark.

**COST AUDITOR**

The Company's products come under Table B (Non Regulated Sector) Companies (Cost Records and Audit) Rules 2014. As per Rule 4 Companies (Cost Records and Audit) Rules 2014, Every Company specified in Table B of the Cost Audit would be applicable if the overall turnover of the Company from all its products and services during the immediately preceding financial year is Rs.100 Crores or more and the aggregate turnover of the individual



product(s) or Service(s) for which cost records are required to be maintained under Rule 3 is Rs.35 Crores or more. Since the threshold limit of Rs.100 Crores is not reached Cost Auditor was not appointed. However as per rule the Company is maintaining Cost records.

**SECRETARIAL AUDITOR**

The Board has appointed Mr.V.S.Sowrirajan, Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2015 – 2016. The Secretarial Audit Report for the Financial Year 2015 – 2016 is attached as **Annexure – 2** to this report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in notes to the financial statements.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

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. Details of the transaction are provided in Form AOC-2 which is attached as **Annexure – 3** to this report

**STATE OF COMPANY'S AFFAIRS**

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.

**DIVIDEND**

Your Directors recommend a Dividend of **15%**(Rs.1.5 per equity share of Rs. 10/- each) for the financial year ended 31st March 2016. Payment of Dividend is subject to the approval of Shareholders at the ensuing Annual General Meeting.

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

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (31st March 2016) and the date of the report (**22.08.2016**)

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

The particulars prescribed under Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014, relating to Conservation of Energy, Technology, Absorption, Foreign Exchange Earning and Outgo are attached as **Annexure – 4** to this report.

**RISK MANAGEMENT**

The Board of Directors has constituted a Risk Management Committee. Due to adequate Internal Control System, there were no elements of risks that threaten the existence of your Company. Hence no meeting was conducted during the year under review.

**CORPORATE SOCIAL RESPONSIBILITY**

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

**BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and SEBI (LODR) Regulations 2015, Independent Director at their meeting without the participation of the Non-Independent directors and management, considered and evaluated the Board's performance and other non-independent directors.

**SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANY**

The Company do not have any Subsidiary, Joint Ventures or Associate Company. Hence the requirement of presenting the consolidated financial statements in Annual Report is not applicable.

**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**

The details of the Internal Control system and their adequacy are provided in the Management Discussion and Analysis Report which forms part of this report.

**AUDIT COMMITTEE**

The details pertaining to composition of audit committee are included in the Corporate Governance Report which is attached to this report.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Your company hereby affirms that no complaints were received during the year.

**PARTICULARS OF EMPLOYEES**

The information required in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 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 are attached as Annexure – 5 to this report

**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. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached 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 and on Behalf of the Board of Directors**

Place : Chennai  
Date : 27.07.2016

**Suresh Shah**  
Managing Director



## ANNEXURE 1 TO THE DIRECTOR'S REPORT

## Form No.MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016.

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

## I. REGISTRATION AND OTHER DETAILS

CIN:	L30006TN1992PLC022109
Foreign Company Registration Number/GLN	Not Applicable
Registration Date [DDMMYYYY]	31-01-1992
Category/Sub Category of the Company	Public Company/Limited by Shares
Address of the Registered Office and Contact Details	Parandur Road, Enathur Village, Karapettai Post, Kanchipuram - 631 552
	Tel: 044-27294904/27294930
Whether shares listed on recognized Stock Exchange(s)	Yes
Name, Address and Contact Details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited "Subramanian Building" No.1, Club House Road, Chennai - 600 002
	Tel: 044-28460390/91/92

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

NIL
-----




**IV. SHAREHOLDING PATTERN**
**(I) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	15,27,850	2,23,050	17,50,900	42.27%	15,86,250	1,39,650	17,25,900	41.67%	-1.43%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	<b>15,27,850</b>	<b>2,23,050</b>	<b>17,50,900</b>	<b>42.27%</b>	<b>15,86,250</b>	<b>1,39,650</b>	<b>17,25,900</b>	<b>41.67%</b>	<b>-1.43%</b>
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>15,27,850</b>	<b>2,23,050</b>	<b>17,50,900</b>	<b>42.27%</b>	<b>15,86,250</b>	<b>1,39,650</b>	<b>17,25,900</b>	<b>41.67%</b>	<b>-1.43%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	35,200	35,200	0.85%	-	35,200	35,200	0.85%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>35,200</b>	<b>35,200</b>	<b>0.85%</b>	<b>-</b>	<b>35,200</b>	<b>35,200</b>	<b>0.85%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	30338	122700	1,53,038	3.69%	43865	122700	1,66,565	4.02%	0.33%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	265722	1149050	14,14,772	34.16%	360939	1096750	14,57,689	35.19%	1.04%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	324257	150900	4,75,157	11.47%	303474	175900	4,79,374	11.57%	0.10%
<b>c) Others (specify)</b>									
Non Resident Indians	41100	259700	3,00,800	7.26%	46200	201200	2,47,400	5.97%	-1.29%
HUF	10769	-	10,769	0.26%	27372	-	27,372	0.66%	0.40%
Clearing Members	1564	-	1,564	0.04%	2700	-	2,700	0.07%	0.03%
<b>Sub-total (B)(2):-</b>	<b>6,73,750</b>	<b>16,82,350</b>	<b>23,56,100</b>	<b>56.88%</b>			<b>23,81,100</b>	<b>57.48%</b>	<b>0.60%</b>
<b>Total Public (B)</b>	<b>6,73,750</b>	<b>17,17,550</b>	<b>23,91,300</b>	<b>57.73%</b>			<b>24,16,300</b>	<b>58.33%</b>	<b>0.60%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	0.00%			-	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>22,01,600</b>	<b>19,40,600</b>	<b>41,42,200</b>	<b>100.00%</b>			<b>41,42,200</b>	<b>100.00%</b>	<b>-0.82%</b>


**(ii) Shareholding of Promoter**

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2015)			Shareholding at the end of the year (as on 31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	SURESH SHAH	100	0.00%	0.00%	100	0.00%	0.00%	0.00%
2	SHANTA V JAIN	107600	2.60%	0.00%	107600	2.60%	0.00%	0.00%
3	VEERCHAND DSHAH HUF	31950	0.77%	0.00%	31950	0.77%	0.00%	0.00%
4	GOAL V M	28400	0.69%	0.00%	28400	0.69%	0.00%	0.00%
5	V M GOAL	108100	2.61%	0.00%	108100	2.61%	0.00%	0.00%
6	PUSHPA S JAIN	274500	6.63%	0.00%	274500	6.63%	0.00%	0.00%
7	V SURESH	337200	8.14%	0.00%	337200	8.14%	0.00%	0.00%
8	KAVITA JAIN	14500	0.35%	0.00%	14500	0.35%	0.00%	0.00%
9	VARSHAA GOAL	318400	7.69%	0.00%	318400	7.69%	0.00%	0.00%
10	ARUN V SHAH	38500	0.93%	0.00%	38500	0.93%	0.00%	0.00%
11	JITENDRA V SHAH	38000	0.92%	0.00%	38000	0.92%	0.00%	0.00%
12	LATA A SHAH	89500	2.16%	0.00%	89500	2.16%	0.00%	0.00%
13	MADHU J SHAH	66000	1.59%	0.00%	66000	1.59%	0.00%	0.00%
14	DIPESH SURESH JAIN	212850	5.14%	0.00%	212850	5.14%	0.00%	0.00%
15	VASANTLAL B SHAH	12500	0.30%	0.00%	0	0.00%	0.00%	-0.30%
16	JAYASHREE V SHAH	12500	0.30%	0.00%	0	0.00%	0.00%	-0.30%
17	SONIYA A	30000	0.72%	0.00%	30000	0.72%	0.00%	0.00%
18	RADHAKRISHNAN K C	30300	0.73%	0.00%	30300	0.73%	0.00%	0.00%

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

Sl.No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year			17,50,900	42.27%		0.00%
2	Changes during the year	31.12.2015	Please refer Note	(25,000)	-0.60%	17,25,900	41.67%
3	At the end of the year			17,25,900	41.67%	17,25,900	41.67%

Note: During the year Mr.VASANTLAL B SHAH and Mrs.JAYASHREE V SHAH has requested to remove their names from Promoters' List. Please note there is no transfer of shares held by them.


**(iv) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning (01.04.2015) / end(31.03.2016) of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>SHEELA B DASWANI</b>						
	At the beginning of the year			1,08,400	2.62%		0.00%
	Changes during the year	31/07/2015	Transfer	(7,052)	-0.17%	1,01,348	2.45%
		04/09/2015	Transfer	(1,000)	-0.02%	1,00,348	2.42%
		20/11/2015	Transfer	(7,050)	-0.17%	93,298	2.25%
		27/11/2015	Transfer	(23,000)	-0.56%	70,298	1.70%
		04/12/2015	Transfer	(16,611)	-0.40%	53,687	1.30%
		11/12/2015	Transfer	(4,000)	-0.10%	49,687	1.20%
		26/02/2016	Transfer	6,421	0.16%	56,108	1.35%
	At the end of the year			56,108	1.35%	56,108	1.35%
<b>2</b>	<b>BETALA GLOBAL SECURITIES LIMITED</b>						
	At the beginning of the year			90,000	2.17%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			90,000	2.17%		0.00%
<b>3</b>	<b>RADHIKA SEKSARIA</b>						
	At the beginning of the year			53,300	1.29%		0.00%
	Changes during the year			-	0.00%	53,300	0.00%
	At the end of the year			53,300	1.29%	53,300	0.00%
<b>4</b>	<b>JITHENDRA KUMAR ROOPCHAND</b>						
	At the beginning of the year			50,600	1.22%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			50,600	1.22%		0.00%
<b>5</b>	<b>JAIKISHAN MIRCHANDANI</b>						
	At the beginning of the year			40,000	0.97%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			40,000	0.97%		0.00%
<b>6</b>	<b>HITESH KUMAR S SHAH</b>						
	At the beginning of the year			39,200	0.95%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			39,200	0.95%		0.00%
<b>7</b>	<b>BANK OF INDIA A/C. BOI MUTUAL FUND</b>						
	At the beginning of the year			33,300	0.80%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			33,300	0.80%		0.00%
<b>8</b>	<b>MILAN R.PAREKH</b>						
	At the beginning of the year			31,800	0.77%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			31,800	0.77%		0.00%
<b>9</b>	<b>BLUE CIRCLE SERVICES LTD</b>						
	At the beginning of the year			31,000	0.75%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			31,000	0.75%		0.00%
<b>10</b>	<b>BISWA NATH PATRA*</b>						
	At the beginning of the year			30,000	0.72%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			30,000	0.72%		0.00%



Sl.No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning (01.04.2015) / end(31.03.2016) of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>11</b>	<b>SURENDRA KUMAR SHAH**</b>						
	At the beginning of the year			21,166	0.51%		0.00%
	Changes during the year	09/10/2015	Transfer	10,732	0.26%	31,898	0.77%
		16/10/2015	Transfer	800	0.02%	32,698	0.79%
		23/10/2015	Transfer	6,500	0.16%	39,198	0.95%
		30/10/2015	Transfer	7,933	0.19%	47,131	1.14%
		06/11/2015	Transfer	3,250	0.08%	50,381	1.22%
		13/11/2015	Transfer	613	0.01%	50,994	1.23%
		31/12/2015	Transfer	1,500	0.04%	52,494	1.27%
		08/01/2016		15	0.00%	52,509	1.27%
		22/01/2016		25	0.00%	52,534	1.27%
		19/02/2016		1,025	0.02%	53,559	1.29%
	At the end of the year			53,559	1.29%	53,559	1.29%

\*Ceased to be in the list of Top 10 Shareholders as on 31.03.2016. The same is reflected above since the Shareholder was one of the Top 10 Shareholder as on 01.04.2015

\*\* Not in the list of Top 10 Shareholders as on 01.04.2015. The same has been reflected above since the the Shareholder was one of the Top 10 Shareholder as on 31.03.2016

## (v) Shareholding of Directors and Key Managerial

### Personnel:

Sl.No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning (01.04.2015) / end (31.03.2016) of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
DIRECTORS							
1	SURESH SHAH (MANAGING DIRECTOR)						
	At the beginning of the year			3,37,300	8.14%	-	0.00%
	Changes during the year	09/10/2015	Transfer	-	0.00%	-	0.00%
	At the end of the year	16/10/2015	Transfer	3,37,300	8.14%	-	0.00%
2	DIPESH S JAIN (WHOLE TIME DIRECTOR)						
	At the beginning of the year	30/10/2015	Transfer	2,12,850	5.14%	-	0.00%
	Changes during the year	06/11/2015	Transfer	-	0.00%	-	0.00%
	At the end of the year	13/11/2015	Transfer	2,12,850	5.14%	-	0.00%
3	ARUN V SHAH (WHOLE TIME DIRECTOR)						
	At the beginning of the year	08/01/2016		38,500	0.93%	-	0.00%
	Changes during the year	22/01/2016		-	0.00%	-	0.00%
	At the end of the year	19/02/2016		38,500	0.93%	-	0.00%
4	S.SRINIVASAN (NON-EXECUTIVE (INDEPENDENT) DIRECTOR)						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
5	NA RAGHU (NON-EXECUTIVE (INDEPENDENT) DIRECTOR)						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
6	K. VENKATESWARAN (NON-EXECUTIVE (INDEPENDENT) DIRECTOR)						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
7	PUSHPA S JAIN (NON-EXECUTIVE DIRECTOR)						
	At the beginning of the year			2,74,500	6.63%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			2,74,500	6.63%	-	0.00%



Sl.No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning (01.04.2015) / end (31.03.2016) of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
KEY MANAGERIAL PERSONNEL (KMP'S)							
1	K.C.RADHAKRISHNAN (CHIEF FINANCIAL OFFICER)						
	At the beginning of the year			30,300	0.73%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			30,300	0.73%	-	0.00%
2	GAYATHRI S. (COMPANY SECRETARY)						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

<b>V. INDEBTEDNESS</b>				
Indebtedness of the Company including interest outstanding/accrued but not due for payment.				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	16,78,03,104.00	90,75,000.00	-	17,68,78,104.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	16,78,03,104.00	90,75,000.00	-	17,68,78,104.00
<b>Change in Indebtedness during the financial year</b>				
* Addition	17,20,000.00	70,00,000.00	-	87,20,000.00
* Reduction	4,55,56,898.84	20,00,000.00	-	4,75,56,898.84
Net Change	(4,38,36,898.84)	50,00,000.00	-	(3,88,36,898.84)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	12,39,66,205.16	1,40,75,000.00	-	13,80,41,205.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12,39,66,205.16	1,40,75,000.00	-	13,80,41,205.16

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>					
<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>					
SL.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		SURESH SHAH	DIPESH S JAIN	ARUN V SHAH	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1500000	1356000	840000	3696000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	288324	288323	0	576647
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
	Stock Option	0	0	0	0
	Sweat Equity	0	0	0	0
	Commission				
	as % of profit	0	0	0	0
	others	0	0	0	0
	Others, please specify	0	0	0	0
	Telephone/Mobile	52931	41893	0	94824
	Employers contribution to PF	21600	21600	21600	
	TOTAL (A)	1862855	1707816	861600	4432271



B. Remuneration to other Directors					
SL.No.	Particulars of Remuneration	Name of Directors			Total Amount (RS)
1	<b>Independent Directors</b>	S.Srinivasan	Na Raghu	K.Venkateswaran	
	Fee for attending board committee meetings	75,000	75,000	75,000	2,25,000
	Commission				-
	Others, please specify				-
	<b>Total (1)</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>2,25,000</b>
2	<b>Other Non-Executive Directors</b>	Pushpa S Jain			-
	Fee for attending board committee meetings	15,000			15,000
	Commission				-
	Others, please specify				-
	<b>Total (2)</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>15,000</b>
	<b>Total (B)=(1+2)</b>	<b>90,000</b>	<b>75,000</b>	<b>75,000</b>	<b>2,40,000</b>
	<b>Total Managerial Remuneration</b>				<b>2,40,000</b>

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD					
SL.No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (RS)
	Name Designation	Suresh Shah CEO	K.C.Radhakrishnan CFO	Gayathri S. CS	
1	<b>Gross salary</b>	1500000	1320000	-	2820000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,88,324	3,24,000.00	-	6,12,324
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-	
2	Stock				
	Option				
3	Sweat				
	Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify				
	Telephone/Mobile	52,931	-		
	Employers contribution to PF	21,600	21,600		
	<b>Total</b>	<b>17,88,324</b>	<b>16,44,000</b>		<b>6,12,324</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**NIL**

*ANNEXURE 2 TO THE DIRECTOR'S REPORT***Form No.MR – 3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To:

The Members of

**Kanchi Karpooram Limited**

(CIN: L30006TN1992PLC022109)

Parandur Road, Enathur Village,

Karaipettai Post,

Kanchipuram, 631552,

Tamilnadu, India

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s.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 my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2016 ('Audit Period') 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 31 March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (No actions/events requiring compliance pursuant to this Regulations).
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable with effect from 1st December, 2015 and Listing Agreement)
  - (d) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; (No actions/events requiring compliance pursuant to this Regulations).
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ((No actions/events requiring compliance pursuant to this Regulations).
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client.



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, No actions/events requiring compliance pursuant to this Regulation).
- (i) Other laws applicable to the company
  - a. Factories Act, 1948.
  - b. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003.

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

- (I) Secretarial Standards (SS-1 and SS-2) as issued by The Institute of Company Secretaries of India (applicable with effect from 15th July, 2015)
- (II) The Listing Agreements entered into by the Company with BSE Limited and (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable with effect from 1st December, 2015).

I further report that 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 ;**

Based on the information provided to me during the conduct of audit and based on the reports submitted by the Board/Committees from time to time, in my opinion adequate systems, processes and control measures are in place exist in the Company to monitor and ensure compliance with the applicable general laws like labour laws, competition laws and environmental laws.

Compliance by the company of applicable financial laws like direct and indirect laws, has not been reviewed in this Audit since the same is subject to review statutory financial audit and other designated professionals.

Adequate systems and processes in the company, commensurate with the size of the company and nature of operations to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

The Board of Directors of the Company is duly constituted with proper balance of executive Directors, Non-executive Directors, Independent Directors and a 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. It is observed that the requirements of Corporate Governance with regard to the composition of Board of Directors and Constitution of Committees etc., are not applicable to the Company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect from 1st December, 2015.

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 at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**I further report that** during the audit period there were no other specific actions/events, in pursuance of above referred laws, rules, regulations, guidelines etc having a major bearing on the company's affairs.

Place: Chennai

Date : 27.07.2016

**V.S.SOWRIRAJAN**

Company Secretary

FCS: 2368 / CP: 6482

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





“ Annexure A”

To  
The Members of  
**Kanchi Karpooram Limited**  
(CIN: L30006TN1992PLC022109)  
Parandur Road, Enathur Village,  
Karaipettai Post,  
Kanchipuram, 631552,  
Tamilnadu, India

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

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

Place : Chennai  
Date : 27.07.2016

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



ANNEXURE 3 TO THE DIRECTOR'S REPORT

**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

Sl.No.	Particulars	Details		
		Suresh Industries	Ambika Industries	Rahul Industries
1	Name (s) of the related party nature of relationship			
2	Nature of relationship	Director have significant influence	Director have significant influence	Director have significant influence
3	Nature of contracts/arrangements/ transaction	Sale of Camphor, Gum Rosin, Turpentine and its derivatives	Sale of Camphor, Gum Rosin, Turpentine and its derivatives	Sale of Camphor, Gum Rosin, Turpentine and its derivatives
4	Duration of the contracts/ arrangements/transaction	14.08.2015 – 13.08.2016	14.08.2015 – 13.08.2016	14.08.2015 – 13.08.2016
5	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of Goods Rs.91,78,280/-	Sale of Goods Rs.321/-	Sale of Goods NIL
6	Justification for entering into such contracts or arrangements or transactions'	Transactions in ordinary course of business and on Arm's Length Basis	Transactions in ordinary course of business and on Arm's Length Basis	Transactions in ordinary course of business and on Arm's Length Basis
7	Date of approval by the Board	14.08.2015	14.08.2015	14.08.2015
8	Amount paid as advances, if any	NIL	NIL	NIL

**For and on Behalf of the Board of Directors**

Place : Chennai  
Date : 27.07.2016

**Suresh Shah**  
Managing Director


**ANNEXURE 4 TO THE DIRECTOR'S REPORT**
**FORM NO.: A**

Form for disclosure of particulars with respect to conservation of energy

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
<b>A. Power and Fuel Consumption</b>		
Electricity		
a. Purchase :		
Unit	1072712	802196
Total Amount (Rs)	8484006	5807999
Rate/Unit (Rs)	7.91	7.24
b. Own Generation		
(i) Through Diesel Generator :		
Unit	21295	177632
Unit per lit of diesel oil	1.03	3.24
Cost / Unit	7.91	17.74
(ii) Through Steam Turbine / Generator	NA	NA
Unit		
Cost / Unit		
2 Unit		
Coal (Specify quality and where used)	NA	NA
3 Unit / Cost		
Furnace Oil :		
Quantity (M.T.)	47.03	8.4
Total Amount	1099065	247332
Average rate (Rate per MT)	23369	29444
4 Others / Internal Generation	NA	NA
Quantity		
Total cost		
Rate / Unit		

**Foreign Exchange Earnings & Outgo**

Your company has also earned foreign exchange of Rs. 71.74 Lakhs through exports. The total Foreign Exchange utilized by the company during the year for the purchase of Raw Materials and others was Rs. 3131.70 Lakhs.

For and on behalf of the Board of Directors

**KANCHI KARPOORAM LIMITED**

 Place : **Chennai**

Date : 27.07.2016

**Arun V Shah**  
 Whole Time Director

**Suresh Shah**  
 Managing Director


**Annexure - 5**
**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) AND THE RELEVANT RULES**

A) The ratio of the remuneration of each director to the median employee's remuneration of the company for the financial year and such other details as prescribed is as given below:

Sl.No.	Name	Designation	Ratio
1	SURESH SHAH	MANAGING DIRECTOR	7.18
2	DIPESH S JAIN	WHOLE-TIME DIRECTOR	6.58
3	ARUN V SHAH	WHOLE-TIME DIRECTOR	3.32

B) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sl.No.	Name	Designation	Ratio
1	SURESH SHAH	MANAGING DIRECTOR	8.68%
2	DIPESH S JAIN	WHOLE-TIME DIRECTOR	8.89%
3	ARUN V SHAH	WHOLE-TIME DIRECTOR	16.99%
4	K.C.RADHAKRISHNAN	CHIEF FINANCIAL OFFICER	14.12%
5	GAYATHRI S	COMPANY SECRETARY	NA

C) The percentage increase in the median remuneration of employees in the financial year: 8.27%

D) The number of permanent employees on the rolls of company: 55

E) The explanation on the relationship between average increase in remuneration and company performance:

The turnover of the company vis-à-vis the earnings of the Company has increased. Considering this factor and also the cost of living and performance of the employees the remuneration has been increased.

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

Sl.No.	Name	Designation	CTC*	% of increase in CTC	Profit After Tax (PAT)	% increase in PAT
1	SURESH SHAH	MANAGING DIRECTOR	1862855	8.68%	Rs. 78,96,120	208.52%
2	DIPESH S JAIN	WHOLE-TIME DIRECTOR	1707816	8.89%		
3	ARUN V SHAH	WHOLE-TIME DIRECTOR	861600	16.99%		
4	K.C.RADHAKRISHNAN	CHIEF FINANCIAL OFFICER	1665600	14.12%		
5	GAYATHRI S	COMPANY SECRETARY	774686	NA		

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

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

Particulars	Paid Up Capital	Closing Market price per share	EPS	PE Ratio	Market Capitalisation (Rs)
As on 31.03.2015	4,14,22,000	21	0.62	33.87	86986200
As on 31.03.2016	4,14,22,000	19.75	1.91	10.34	81808450
Increase / Decrease		-1.25	1.29	-23.53	-5177750.00
%Increase / Decrease		-5.95	208.06	-69.47	-5.95
No. of issue of Share during the year					

H) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof any exceptional circumstances for increase in the managerial remuneration: Average increase in salaries of employees other than the managerial personnel is 8.30% and the average increase in the managerial remuneration is 10.28%

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

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

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



## CORPORATE GOVERNANCE REPORT

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

### 1. COMPANY'S PHILOSOPHY

Corporate Governance is system of rules, practices and processes by which the Company is directed and controlled. It also ensures transparency and fairness in all transactions. 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 is taking into account of stakeholders' interest before making any business decision.

### 2. BOARD OF DIRECTORS

The Board Comprises of Three Executive Directors and Four Non-Executive Directors including three Independent Directors. The Board of Directors meets at regular intervals. The Board members possess requisite skills, experience and expertise that are required to take decisions, which are in the best interest of the Company. Board meetings are generally chaired by Mr.Suresh Shah. Policy formulation, evaluation of performance and control functions vest with the Board.

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

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

### 3. BOARD MEETINGS AND BOARD COMMITTEE MEETINGS

The Board of Directors has constituted four committees, namely Audit Committee, Stakeholder's Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee. The Board is authorised to constitute additional functional Committees from time to time depending on business needs.

#### BOARD MEETING

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

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



Sl.No.	Date of Meeting	Total Board Strength	No. of Directors Present
1	30.04.2015	7	7
2	30.05.2015	7	7
3	20.06.2015	7	7
4	14.08.2015	7	7
5	14.11.2015	7	7
6	12.02.2016	7	7

## BOARD COMMITTEES

### A) AUDIT COMMITTEE

The Audit Committee of the Company comprises of three Independent Directors. The Audit Committee met four times during the financial year 2015 – 2016 i.e on 30.05.2015, 14.08.2015, 14.11.2015 and 12.02.2016. Attendance and other details of the Audit Committee are as follows:

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

All the members are financially literate and having accounting and financial experience. The Audit Committee reviews the financial statements before submission to the board, recommends appointment or removal of Auditors and areas which is in line with the regulatory requirements.

### B) STAKE HOLDERS' RELATIONSHIP COMMITTEE

The Stake Holders' Relationship Committee of the Company comprises of three Independent Directors. The Committee met Nineteen times during the financial year 2015 – 2016. Attendance and other details of the Stake Holders' Relationship Committee are as follows:

Sl.No.	Name of the Director	Position	No. Meetings	
			Held	Attended
1	S.Srinivasan	Chairman	19	19
2	Na Raghu	Member	19	19
3	K.Venkateswaran	Member	19	19

The Committee overseas and reviews all matters connected with the transfer of the Company's Securities, approves issue of duplicate share certificates, monitor's investors' grievances like non-receipt of dividend, non-receipt of Annual Report, change of address etc and perform such other functions as may be necessary. No complaints were received during the year under review.

### C) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises of three Independent Directors. Attendance and other details of the Nomination and Remuneration Committee are as follows:

Sl.No.	Name of the Director	Position	No. Meetings	
			Held	Attended
1	Na Raghu	Chairman	0	0
2	S.Srinivasan	Member	0	0
3	K.Venkateswaran	Member	0	0



The Committee was constituted to determine and recommend payment of remuneration to executive directors. The committee shall also identify the persons, 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.

#### **D) RISK MANAGEMENT COMMITTEE**

The Board of the Company has formed a risk management committee to review the risk management process and monitor the risk management plan for the Company. The Audit Committee has additional oversight in the area of financial risks and controls.

#### **4. REMUNERATION OF DIRECTORS**

##### **EXECUTIVE DIRECTOR:**

The Company has three Executive Directors. The details of remuneration paid to the Executive Directors during the year 2015 – 2016 as under:

Sl.No.	Name	Designation	Salary	Perquisites	Total
1	Suresh Shah	Managing Director	1500000	362855	1862855
2	Dipesh S Jain	Whole-Time Director	1356000	351816	1707816
3	Arun V Shah	Whole-Time Director	840000	21600	861600

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

##### **NON-EXECUTIVE DIRECTOR:**

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

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

Sl.No.	Name	Designation	Sitting Fees paid for the year (In Rs.)
1	S.Srinivasan	Independent Director	75,000
2	Na Raghu	Independent Director	75,000
3	K.Venkateswaran	Independent Director	75,000
4	Pushpa S Jain	Non-Executive (Women) Director	15,000

#### **5. DETAILS OF SHAREHOLDING OF DIRECTORS AS ON 31st MARCH 2016:**

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

**6. GENERAL BODY MEETINGS:**

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

Year	Date	Time	Venue
2012 - 2013	12.09.2013	11.00AM	MM.Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052
2013 - 2014	10.09.2014	11.00AM	MM.Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052
2014 - 2015	11.09.2015	11.00AM	MM.Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052

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

**7. WHISTLE BLOWER POLICY**

Your Company has established whistle blower policy as per Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Board of Directors of the Company have formulated and adopted Whistle Blower Policy which aims to provide a channel to the Stake holders (Including directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The mechanism provides adequate safeguards against victimisation of Directors and employees to avail the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

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

**8. MEETING OF INDEPENDENT DIRECTORS**

During the year, meeting of Independent Directors (without the presence of Non-Independent Directors) was held on 31.03.2016 to review the performance of the Board as a whole on the parameters of effectiveness and to access the quality, quantity and timeliness of flow of information between the Company Management and the Board.

**9. RECONCILIATION OF SHARE CAPITAL AUDIT**

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

**10. MEANS OF COMMUNICATION**

**Quarterly Results:** The Company's quarterly results are published in "Trinity Mirror" and "Makkal Kural" and are displayed in Company's website([www.kanchikarpooram.com](http://www.kanchikarpooram.com))

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

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

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

**11. DISCLOSURES****Related Party Transactions:**

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





### Compliances by the Company:

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

### Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is posted on the Website of the Company.

### CEO and CFO Certification

The CEO and CFO of the Company have certified the Financial Statements as required under Regulation 17(8) of the Listing Regulations for the Year ended 31st March 2016.

## 12. GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting (Date and Time)	07th September 2016: 11.00AM
Venue	MM.Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052
Book Closure Date	03rd September 2016 to 07th September 2015 (both days inclusive)
Date of Payment of Dividend	Between 07th September 2016 to 06th October 2016
Rate of Dividend	15% (Rs.1.5/-per share)
Listing of Equity Shares	Bombay Stock Exchange(BSE)
BSE Stock Code	538896
ISIN	INE081G01019
Corporate Identification Number (CIN)	L30006TN1992PLC022109
Financial Year	01st April to 31st March
<b>FINANCIAL CALENDAR (Tentative)</b>	
30th June 2016	2nd / 3rd Week of August 2016
30th September 2016	2nd / 3rd Week of November 2016
31st December 2016	2nd / 3rd Week of February 2017
31st March 2017	End of May 2017

## 13. PAYMENT OF LISTING FEE

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

## 14. STOCK MARKET PRICE DATA

Month	BSE		
	High (₹)	Low (₹)	Volume (No. of Shares)
April - 2015	23.05	20.45	7,885
May - 2015	21.90	16.00	4,151
June - 2015	23.95	17.30	18,858
July - 2015	25.50	18.50	22,019
August - 2015	26.20	18.00	18,978
September - 2015	22.45	17.20	15,460
October - 2015	21.80	18.25	37,191
November - 2015	23.70	23.05	74,048
December - 2015	25.00	18.80	60,261
January - 2016	19.85	17.20	36,800
February - 2016	18.55	15.85	34,727
March - 2016	20.15	16.80	40,702


**15. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2016**

Sl.No.	Holding	No. of Share holders		No. of Shares	
		Number	% of Total	Shares	% of Total
1	1 - 1000	1637	47.70	1573180	3.80
2	1001 - 5000	1240	36.13	3282460	7.92
3	5001 - 10000	233	6.79	2098340	5.07
4	10001 - 20000	118	3.44	1944160	4.69
5	20001 - 30000	58	1.69	1520290	3.67
6	30001 - 40000	25	0.73	934400	2.26
7	40001 - 50000	38	1.11	1855400	4.48
8	50001 - 100000	41	1.19	3315030	8.00
9	100001 and Above	42	1.22	24898740	60.11
	<b>Total</b>	<b>3432</b>	<b>100</b>	<b>41422000</b>	<b>100</b>

**16. CATEGORY WISE SHAREHOLDING PATTERN AS ON 31st MARCH 2015**

Sl.No.	Category	No. of Shares	% of Holding
1	Resident	1964435	47.42
2	NRI	247400	5.97
3	Corporate Body	166565	4.02
4	Clearing Member	2700	0.07
5	Mutual Funds	35200	0.85
6	Promoters	1725900	41.67
	<b>Total</b>	<b>4142200</b>	<b>100</b>

**17. DEMATERIALIZATION OF SHARES**

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

Sl.No.	Particulars	No. of Shares	Percentage
1	CDSL	17,83,088	43.04
2	NSDL	5,87,712	14.20
3	Physical	17,71,400	42.76
	<b>Total</b>	<b>41,42,200</b>	<b>100</b>

**18. REGISTRARS AND SHARE TRANSFER AGENTS**

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

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

**19. SHARE TRANSFER SYSTEM**

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

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

Sl.No.	Financial Year	Dividend Per Share
1	2005 - 2006	-
2	2006 - 2007	-
3	2007 - 2008	-
4	2008 - 2009	-
5	2009 - 2010	-
6	2010 - 2011	1.0/-
7	2011 - 2012	-
8	2012 - 2013	1.5/-
9	2013 - 2014	1.5/-
10	2014 - 2015	0.5/-

**21. UNCLAIMED DIVIDEND AMOUNTS**

Pursuant to the provisions of Section 123 of the Companies Act, 2013 the dividend which remained unclaimed for a period of Seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the "Investor Education Protection Fund" (IEPF) account established by the Central Government along with the shares in respect of which unpaid or unclaimed dividend has been transferred to IEPF account. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company ([www.kanchikarpooram.com](http://www.kanchikarpooram.com)). **Members who have not so far encashed their dividend warrant(s) are requested to seek revalidation of dividend warrants in writing to the Company immediately.**

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

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

**23. COMPLIANCE WITH CODE OF CONDUCT**

The Company has in place a code of conduct applicable to the board members as well as Senior Management and that the same has been hosted on the Company's website. The members of the Board and Management Personnel affirmed that they have complied with the Code of Conduct for the financial year 2015 – 2016.

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

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1995, the company has instituted a Code of Conduct for prohibition of insider trading in the Company's shares.

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

Miss. Krithika D. Thakkar

Company Secretary / Compliance Officer

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

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

**For and on Behalf of the Board of Directors**

Place : Chennai  
Date : 27.07.2016

**Suresh Shah**  
Managing Director

**COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015**

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

Place: Chennai  
Date : 27.07.2016

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

**Suresh Shah**  
Managing Director

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

We have examined the compliance of conditions of Corporate Governance by Kanchi Karpooram Limited for the year ended on 31st March 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange for the period 01st April 2015 to 30th November 2015 and as per provisions of SEBI (LODR) Regulations 2015 for the period 01st December 2015 to 31st March 2016.

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

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

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

For M/s R.SUBRAMANIAN AND COMPANY  
(Chartered Accountants)  
(Registration No.FRNO04137S)

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



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

We the Board of Directors presents its analysis covering performance of the Company for the year 2015 - 2016 and the business outlook for the future. The business outlook performance is based on the current business environment and do not include any economic variation.

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

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

### **General risks:**

The Foreign Exchange fluctuations may have adverse effect due to the reasons as 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. However in conscious approach to the degree of risk in terms of procurement of Raw Material by keeping in view of the Finance Available.

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

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

### **Risk management:**

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

### **Internal Control System:**

Keeping in mind the size of the Company the business control procedure ensures maximum efficiency and compliance. The procedure also produces well documented policies, authorization and approval etc. The Company has achieved a turnover of Rs.5662.86 lakhs as compared to 5284.49 lakhs and has profit after tax Rs.78.96 lakhs as compared to Rs.25.59 lakhs profit in the previous year.

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

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

### **Cautionary Statement**

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

Place : **Chennai**  
Date : 27.07.2016

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

**Suresh Shah**  
Managing Director

**INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**TO  
THE MEMBERS OF  
KANCHI KARPOORAM LIMITED**

**Report on Financial Statements**

We have audited the accompanying Standalone Financial Statements of KANCHI KARPOORAM LIMITED ("The Company") which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information.

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

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

**Auditor's Responsibility**

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1 As required by Section 143 (3) of the Act, we report that:



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

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

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

Place : Chennai  
Date : 30.05.2016



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

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

We have audited the internal financial controls over financial reporting of KANCHI KARPOORAM Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

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

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

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

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



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

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s R.SUBRAMANIAN AND COMPANY

(Chartered Accountants)

(Registration No.FRN004137S)

**K.Jayasankar**

Partner

M.No.014156

Place : Chennai

Date : 30.05.2016



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

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

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



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

For M/s R.SUBRAMANIAN AND COMPANY

(Chartered Accountants)

(Registration No.FRN004137S)

**K.Jayasankar**

Partner

M.No.014156

Place : Chennai

Date : 30.05.2016



**BALANCE SHEET AS AT 31ST MARCH 2016**

PARTICULARS	NOTE NO	" AS AT 31-03-2016 "		" AS AT 31-03-2015 "	
		Rs.		Rs.	
<b>A. EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' funds</b>					
a) Share capital	1	4,14,22,000		4,14,22,000	
b) Reserves and surplus	2	3,24,38,928		3,20,21,012	
			7,38,60,928		7,34,43,012
<b>2 Non-current liabilities</b>					
a) Long-term borrowings	3	14,06,098		6,74,652	
b) Deferred tax liabilities (Net)		-	14,06,098		6,74,652
<b>3 Current liabilities</b>					
a) Short-term borrowings	5	13,58,52,537		17,54,30,858	
b) Trade payables	6	1,04,54,893		1,25,30,777	
c) Other current liabilities	7	1,07,04,894		1,03,97,491	
d) Short-term provisions	8	1,17,90,142		56,51,956	
			<b>16,88,02,466</b>		<b>20,40,11,082</b>
<b>TOTAL</b>			<b>24,40,69,492</b>		<b>27,81,28,746</b>
<b>B. ASSETS</b>					
<b>1 Non-current assets</b>					
a) Fixed assets					
i) Tangible assets	9	3,01,52,048		3,06,08,277	
ii) Capital Work in Progress	9	82,62,150		-	
iii) Intangible assets	9	-			
b) Deferred tax Asset (Net)	4	2,16,437		5,86,132	
c) Long-term loans and advances	10	93,85,528		20,19,730	
			<b>4,80,16,163</b>		<b>3,32,14,139</b>
<b>2 Current assets</b>					
a) Inventories	11	9,57,23,229		16,52,69,275	
b) Trade receivables	12	4,49,88,798		2,41,53,218	
c) Cash and bank balances	13	1,74,26,873		1,73,54,028	
d) Short-term loans and advances	14	3,63,42,615		3,68,86,713	
e) Other current assets	15	15,71,814		12,51,373	
			19,60,53,329		24,49,14,607
<b>TOTAL</b>			<b>24,40,69,492</b>		<b>27,81,28,746</b>
Significant Accounting Policies & notes to accounts	23 & 24				

For and on behalf of the Board,

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

Suresh Shah  
Managing Director

Arun V Shah  
Director

K.C.Radhakrishnan  
Chief Financial Officer

K.Jayasankar  
Partner  
M.No: 014156

Place: Chennai  
Date: 30.05.2016

Gayathri S  
Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016**

PARTICULARS	NOTE No.	FY 2015-16 Rs.	FY 2014-15 Rs.
I Revenue from operations (Gross)	16	63,54,34,517	59,35,95,580
Less: Excise Duty		(7,05,24,585)	(6,51,47,079)
Revenue from operations (Net)		56,49,09,932	52,84,48,501
II Other Income	17	13,76,929	14,52,915
III Total Revenue ( I + II )		56,62,86,861	52,99,01,415
IV Expenses:			
a) Cost of materials consumed	18	41,21,05,597	44,24,47,599
b) Change in inventories of finished goods and work-in-progress	19	3,56,61,922	(2,71,32,569)
c) Employee benefits expense	20	2,77,95,698	2,43,12,919
d) Finance Cost	21	1,47,75,552	1,74,62,467
e) Depreciation and amortization expense	9	37,62,987	35,26,251
f) Other expenses	22	6,03,73,166	6,56,26,266
Total Expenses		55,44,74,923	52,62,42,933
V Profit / (Loss) before taxation ( III - IV )		1,18,11,938	36,58,482
VI Tax expenses:			
a) Current tax		32,00,000	5,00,000
b) Current tax expenses relating to earlier years		3,46,123	-
b) Deferred tax		3,69,695	5,99,087
Total Tax expense for the year		39,15,818	10,99,087
VII Profit / (Loss) for the year after taxation ( V - VI )		78,96,120	25,59,395
VIII Earnings per equity share:			
Weighted average no. of equity shares outstanding during the year		41,42,200	41,42,200
a) Basic (Rs. Per Share)		1.91	0.62
b) Diluted (Rs. Per Share)		1.91	0.62
Significant Accounting Policies & notes to accounts	23 & 24		

For and on behalf of the Board,

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

Suresh Shah  
Managing Director

Arun V Shah  
Director

K.C.Radhakrishnan  
Chief Financial Officer

K.Jayasankar  
Partner  
M.No: 014156

Place: Chennai  
Date: 30.05.2016

Gayathri S  
Company Secretary


**NOTES TO FINANCIAL STATEMENTS**

PARTICULARS	Number of Shares	As at 31-03-2016 Rs.	Number of Shares	" As at 31-03-2015 " Rs.
Note 1: Share capital				
a) Share capital				
Authorised share capital				
Equity shares of Rs. 10/- each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, subscribed and paid up capital				
Equity shares of Rs. 10/- each	41,42,200	4,14,22,000	41,42,200	4,14,22,000
b) Reconciliation of number of shares outstanding	Number of Shares	" As at 31-03-2016 " Rs.	Number of Shares	" As At 31-03-2015 " Rs.
Shares Outstanding as at 1st April 2015 / 1st April 2014	41,42,200	4,14,22,000	41,42,200	4,14,22,000
Shares Outstanding as at 31st March 2016 / 31st March 2015	41,42,200	4,14,22,000	41,42,200	4,14,22,000
c) "List of share holdings more than 5% of total shares issued by the company"	Number of Shares held	% of holdings	Number of Shares held	% of holdings
Suresh Shah	3,37,300	8.14%	3,37,300	8.14%
Pushpa S Jain	2,74,500	6.63%	2,74,500	6.63%
Dipesh S Jain	2,12,850	5.14%	2,12,850	5.14%
Varshaa Goal	3,18,400	7.69%	3,18,400	7.69%

PARTICULARS	" As at 31-03-2016 " Rs.	" AS AT 31-03-2015 " Rs.
Note 2: Reserves and surplus		
a) Capital reserve		
State Government Subsidy	40,74,000	40,74,000
b) General reserve		
i) Opening Balance	2,10,00,000	2,10,00,000
ii) Transfer from Statement of Profit and Loss	-	-
iv) Closing Balance	2,10,00,000	2,10,00,000
c) Surplus in statement of profit and loss		
i) Opening Balance	69,47,012	70,77,792
ii) Add/(Less): Net Profit / (Loss) for the Year	78,96,120	25,59,395
iii) Less: Proposed Dividend Rs 1.5/(0.5) per Share	(62,13,300)	(20,71,100)
iv) Less: Dividend Distribution Tax	(12,64,904)	(4,33,353)
v) Less: Transferred to General Reserve	-	-
vi) Depreciation adjustment ( Refer Note 24(11))	-	(1,85,722)
	73,64,928	69,47,012
TOTAL (a+b+c)	3,24,38,928	3,20,21,012
Note 3: Long-Term Borrowings		
Term Loans from		
Banks ( Secured by vehicles purchased)	14,06,098	6,74,652
Total	14,06,098	6,74,652
Secured	14,06,098	6,74,652
Unsecured	-	-
Total	14,06,098	6,74,652
Current maturities of Long Term Debt grouped under "Other Current Liabilities"	7,82,570	7,72,594

a) HP Loan from HDFC bank Rs.4.50 lacs of which Rs 1.58 lacs under long term borrowings and Rs.2.92 lacs under current maturity. Balance installments - 18. Rate of Interest 11.01%  
 b) HP Loan from HDFC bank Rs. 2.24 lacs of which Rs. 0.34 lacs under long term borrowings and Rs.1.91 lacs under current maturity. Balance installments - 14. Rate of Interest 10.75%  
 c) HP Loan from HDFC bank Rs.15.14 lacs of which Rs. 12.14 lacs under long term borrowings and Rs. 3 lacs under current maturity. Balance installments - 51. Rate of Interest 10.15%



# KANCHI KARPOORAM LIMITED

An ISO 9001 : 2008 Certified Company

23<sup>rd</sup> Annual Report 2015-2016

PARTICULARS	" As at 31-03-2016 " Rs.	" AS AT 31-03-2015 " Rs.
<b>Note 4: Deferred tax Asset / Liability (Net)</b>		
a) Deferred tax (Asset) / Liability		
Deferred tax liability:		
Timing Difference on Depreciation of Fixed Assets		
Deferred tax asset:		
Timing Difference on Depreciation of Fixed Assets	(2,16,437)	(5,86,132)
On account of others		
Net Deferred tax (Asset) / Liability	(2,16,437)	(5,86,132)
<b>Note 5: Short Term Borrowings (Secured)</b>		
Loans Repayable on Demand		
a) Working capital Loan from Bank of India*	6,19,91,984	6,95,27,661
b) Buyer's Credit*	5,97,85,553	9,68,28,197
*The entire borrowing limits availed/to be availed by the company from Bank of India are secured primarily by First Charge in favour of the Bank, of all the company's Inventory, Book Debts, Plant & Machinery, both present and future, and collaterally secured by First Charge on the company's Factory Land and Buildings by way of Equitable Mortgage. The entire facilities are also collaterally secured by personal property of Directors and also guaranteed by all Directors of the Company.		
<b>Short Term Borrowings (Unsecured)</b>		
c) Loan from Directors	24,75,000	24,75,000
d) Inter Corporate Deposits	1,16,00,000	66,00,000
Inter corporate deposits carry an interest of 14% p.a. and Loans from Directors carry an interest of 13% p.a.		
<b>TOTAL</b>	<b>13,58,52,537</b>	<b>17,54,30,858</b>
<b>Note 6: Trade Payables</b>		
a) Trade Payables	1,04,54,893	1,25,30,777
The Company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Act, 2006. The disclosures relating to amounts unpaid as at the year end together with interest payable / paid under this act has not been given		
<b>TOTAL</b>	<b>1,04,54,893</b>	<b>1,25,30,777</b>
<b>Note 7: Other current liabilities</b>		
Other Current Liabilities		
a) Current maturities of long term borrowings	7,82,570	7,72,594
b) Interest accrued but not due on borrowings	95,291	2,33,252
c) Unclaimed dividend	23,99,389	21,75,451
d) Other payables		
i) Statutory	18,23,894	12,51,083
ii) Others	56,03,750	59,65,111
<b>TOTAL</b>	<b>1,07,04,894</b>	<b>1,03,97,491</b>
<b>Note 8: Short term provisions</b>		
Short Term Provisions		
a) Provision for employee benefits		
Gratuity	-	4,71,880
Leave Encashment	3,66,878	5,64,345
Bonus	17,01,060	16,11,278
b) Provision for taxation (net)	22,44,000	5,00,000
c) Proposed Dividend (Including dividend distribution tax)	74,78,204	25,04,453
<b>TOTAL (a+b+c)</b>	<b>1,17,90,142</b>	<b>56,51,956</b>


**Note 9: Fixed Assets**

Particulars	Gross Block			Depreciation					Net Block		
	Balance as on 01.04.2015	Additions	Deletions	Balance as on 31.03.2016	Upto 01.04.2015	Depreciation for the period	Depreciation adjusted to retained earnings	Adjustments	Balance as on 31.03.2016	Net Block 31.03.2016	Net Block 31.03.2015
TANGIBLE ASSETS											
Land	29,06,658	-	-	29,06,658	-	-	-	-	-	29,06,658	29,06,658
Buildings	2,21,01,102	-	-	2,21,01,102	1,20,96,640	7,48,336	-	-	1,28,44,977	92,56,125	1,00,04,462
Plant & Machinery	10,46,11,960	18,31,038	-	10,64,42,998	9,24,50,654	16,25,568	-	-	9,40,76,222	1,23,66,776	1,21,61,306
Electrical Installations	71,01,753	-	-	71,01,753	68,24,832	34,585	-	-	68,59,417	2,42,336	2,76,921
Lab Equipments	4,21,581	-	-	4,21,581	3,88,617	12,891	-	-	4,01,508	20,073	32,964
Vehicles	67,27,871	22,17,047	15,66,135	73,78,783	22,76,306	9,49,449	-	6,07,439	26,18,315	47,60,468	44,51,565
Air Conditioners	7,90,220	35,000	-	8,25,220	6,79,156	42,684	-	-	7,21,840	1,03,380	1,11,064
Office Equipments	8,87,687	70,681	-	9,58,368	6,04,454	1,54,964	-	-	7,59,418	1,98,950	2,83,233
Computers	21,74,709	75,048	-	22,49,757	19,32,883	1,55,707	-	-	20,88,591	1,61,166	2,41,826
Furnitures	10,48,141	36,640	-	10,84,781	9,09,863	38,801	-	-	9,48,665	1,36,116	1,38,278
	14,87,71,682	42,65,454	15,66,135	15,14,71,001	11,81,63,405	37,62,987	-	6,07,439	12,13,18,953	3,01,52,048	3,06,08,277
Capital Work in Progress											
CWIP-Plant & Machinery	-	82,62,150	-	82,62,150	-	-	-	-	-	82,62,150	-
	-	82,62,150	-	82,62,150	-	-	-	-	-	82,62,150	-
INTANGIBLE ASSETS											
Software	88,189	-	-	88,189	88,189	-	-	-	88,189	-	-
TOTAL (TANGIBLE + INTANGIBLE)	14,88,59,871	1,25,27,604	15,66,135	15,98,21,340	11,82,51,594	37,62,987	-	6,07,439	12,14,07,142	3,84,14,198	3,06,08,277
Previous Year											
Tangible Assets	14,20,41,865	74,07,081	6,77,264	14,87,71,682	11,49,95,758	35,26,252	1,85,722	5,44,327	11,81,63,405	3,06,08,277	2,70,46,107
Intangible Assets	88,189	-	-	88,189	88,189	-	-	-	88,189	-	-
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-
Total	14,21,30,054	74,07,081	6,77,264	14,88,59,871	11,50,83,947	35,26,252		5,44,327	11,82,51,594	3,06,08,277	2,70,46,107





PARTICULARS	" As at 31-03-2016 " Rs.	" AS AT 31-03-2015 " Rs.
<b>Note 10: Long term loans and advances</b>		
<b>Long Term Loans And Advances (Unsecured, considered good)</b>		
a) Security Deposits	25,08,153	20,19,730
b) Capital Advances	68,77,375	-
<b>TOTAL</b>	<b>93,85,528</b>	<b>20,19,730</b>
<b>Note 11: Inventories</b>		
<b>Inventories</b>		
a) Raw Materials (Including Goods under Clearance)	3,88,46,437	7,22,43,393
b) Work in progress	2,35,54,215	5,39,22,913
c) Finished Goods	3,03,25,956	3,56,19,180
d) Store, Fuel & Packing Materials	29,96,621	34,83,789
<b>TOTAL</b>	<b>9,57,23,229</b>	<b>16,52,69,275</b>
<b>Note 12: Trade receivables</b>		
<b>Trade Receivables</b>		
<b>(Unsecured and Considered good)</b>		
a) For a period exceeding six months	8,60,948	63,390
b) Others	4,41,27,851	2,40,89,828
<b>TOTAL</b>	<b>4,49,88,798</b>	<b>2,41,53,218</b>
<b>Note 13: Cash and bank balances</b>		
<b>Cash and Bank Balances</b>		
a) Cash and cash equivalents		
Cash on hand	1,19,060	5,26,423
Balance with scheduled banks in current a/c	2,08,424	4,52,154
b) Other bank balances		
Balance with scheduled banks in deposit a/c		
held as margin money	1,47,00,000	1,42,00,000
Earmarked Balances with bank a/c -Dividend Warrant	23,99,389	21,75,451
<b>TOTAL</b>	<b>1,74,26,873</b>	<b>1,73,54,028</b>
<b>Note 14: Short term loans and advances</b>		
<b>Short term loans and advances</b>		
<b>(Unsecured, considered good)</b>		
a) Security deposits	91,700	88,000
b) Balances with govt authorities	2,78,36,968	3,22,42,646
c) Prepaid expenses	4,53,684	7,72,953
d) Loans and advances to employees	3,93,555	4,33,805
e) Others	75,66,708	33,49,309
<b>TOTAL</b>	<b>3,63,42,615</b>	<b>3,68,86,713</b>
<b>Note 15: Other Current asset</b>		
<b>Other current assets</b>		
a) Interest accrued but not due on deposits with banks	9,91,756	8,88,810
b) Claims receivable	5,80,058	3,62,563
c) Others	-	-
<b>TOTAL</b>	<b>15,71,814</b>	<b>12,51,373</b>



PARTICULARS	For the year Ended 31-03-2016 Rs.	For the year Ended 31-03-2015 Rs.
<b>Note 16: Revenue from operations</b>		
a) Revenue from sale of products (Gross)		
Sale of products		
i) Camphor	47,38,36,690	44,35,81,660
ii) Dipentine	8,67,06,634	6,02,98,442
iii) Others	7,39,04,718	8,88,59,344
	<b>63,44,48,042</b>	<b>59,27,39,446</b>
b) Other operating revenues (Gross)		
Sale of Scrap	9,86,475	8,56,134
<b>TOTAL</b>	<b>63,54,34,517</b>	<b>59,35,95,580</b>
<b>Note 17 : Other Income</b>		
a) Interest income from bank	12,90,409	12,60,761
b) Interest income from others	77,948	1,34,407
c) Profit on sale of asset	8,572	57,747
<b>TOTAL</b>	<b>13,76,929</b>	<b>14,52,915</b>
<b>Note 18: Cost of materials consumed</b>		
Raw materials		
<b>Imported :</b>		
a) -Oleo Pine Resin	2,17,10,787	3,60,34,030
b) -Commercial Alpha Pinene	5,07,61,769	27,72,87,194
c) -Gum Turpentine	26,74,14,876	3,98,97,973
d) -Other Raw Materials	1,63,05,161	3,65,90,912
<b>Indigenous</b>		
e) Other Materials	5,59,13,005	5,26,37,489
<b>TOTAL</b>	<b>41,21,05,597</b>	<b>44,24,47,599</b>
<b>Note 19: Change in inventories of finished goods, work in progress</b>		
<b>Finished goods and work in progress</b>		
a) Opening stock	8,95,42,093	6,24,09,524
b) Closing stock	(5,38,80,171)	(8,95,42,093)
c) Change in inventory	<b>3,56,61,922</b>	<b>(2,71,32,569)</b>
<b>Note 20: Employee benefits expense</b>		
a) Salaries and wages	2,27,94,302	2,11,68,341
b) Contribution to provident and other funds	33,31,999	17,23,303
c) Staff welfare expenses	16,69,397	14,21,275
<b>TOTAL</b>	<b>2,77,95,698</b>	<b>2,43,12,919</b>



<b>Note 21: Finance Costs</b>		
<b>Finance costs</b>		
a) Interest expense on cash credit and others	1,08,36,675	1,37,39,605
b) Other Borrowing Cost	39,38,878	37,22,862
<b>TOTAL</b>	<b>1,47,75,552</b>	<b>1,74,62,467</b>
<b>Note 22: Other expenses</b>		
<b>Other expenses</b>		
a) Consumption of stores & spare parts	14,15,093	34,25,825
b) Power and fuel	2,97,55,029	3,06,97,975
c) Rent	16,45,599	15,36,064
d) Repairs to buildings	1,52,937	10,68,371
e) Repairs to machinery	48,44,570	47,12,703
f) Repairs to others	17,88,028	21,63,740
g) General expenses	24,99,374	24,29,474
h) Insurance	6,19,808	5,62,197
i) Rates and taxes	5,53,749	7,07,791
j) Communication expenses	5,94,781	4,68,643
k) Travelling and conveyance	5,57,476	7,15,655
l) Printing and stationery	2,76,815	3,72,951
m) Selling expenses	76,83,664	88,64,707
n) Donations and contributions	74,501	5,91,500
o) Legal and professional charges	25,20,955	31,55,780
p) Payments to auditors	4,83,128	4,53,000
q) Net loss on foreign currency transactions and translation	46,56,107	36,89,443
r) Loss on fixed assets sold	2,51,553	10,447
<b>TOTAL</b>	<b>6,03,73,166</b>	<b>6,56,26,266</b>

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

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

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

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

**2 USE OF ESTIMATES**

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



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

### **3 INCOME RECOGNITION**

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

Interest income is recognized using time proportion method.

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

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

### **5 INVENTORIES**

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

### **6 FOREIGN CURRENCY TRANSLATIONS**

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

### **7 EMPLOYEE BENEFITS**

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

### **8 TAXES ON INCOME**

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

**9 EARNINGS PER SHARE**

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**10 LEASES**

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

**11 SEGMENT REPORTING**

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

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

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

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

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

**13 IMPAIRMENT OF ASSETS**

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

**NOTE 24. OTHER NOTES**

- 1 (a) Contingent Liability- Performance Guarantee issued by Bank of India to TNPCB for Rs 200000/- (PY. Rs. NIL)
- (b) Estimated Amount of Contracts remaining to be executed on capital accounts not provided for Rs.9368725/- (P.Y NIL)

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

A Shri. Suresh V Shah Managing Director

B Shri. Arun V Shah Director

C Shri. Dipesh S. Jain Whole Time Director

**Director**

Pushpa S Jain Director

**Other Related Parties**

M/s Suresh Industries Firms in which directors have significant influence

M/s Ambika Industries Firms in which directors have significant influence

Mukhesh Goal Relative of Director


**Details of Transactions with related parties**

SI No	Name	Nature of Relation	Nature of Transaction	Total Amount		Amount Outstanding as at year end	
				Current Year (Rs)	Previous Year (Rs)	Current Year (Rs)	Previous Year (Rs)
1	Suresh Shah	Managing Director	Remuneration Including Contribution to Provident Fund and other perquisites	18,62,855	17,14,050	1,30,638	1,19,028
2	Dipesh Jain	Director	Remuneration Including Contribution to Provident Fund and other perquisites	17,07,816	15,68,426	1,17,783	1,07,184
3	Arun V Shah	Director	Remuneration Including Contribution to Provident Fund and other perquisites	8,61,600	7,36,500	71,800	61,800
4	Suresh Shah	Director	Unsecured Loan to the Company	-	7,50,000	7,50,000	7,50,000
5	Dipesh Jain	Director	Unsecured Loan to the Company	-	17,25,000	17,25,000	17,25,000
6	Suresh Shah	Director	Interest paid	99,125	45,500	NIL	45,500
7	Dipesh Jain	Director	Interest paid	2,27,988	1,03,070	NIL	1,03,070
8	Jitendra Shah HUF	Relative	Trade Deposit Accepted	NIL	9,50,000	NIL	NIL
9	Kavita A Jain	Relative	Trade Deposit Accepted	NIL	4,50,000	NIL	NIL
10	Lata A Shah	Relative	Trade Deposit Accepted	NIL	10,00,000	NIL	NIL
11	Shantha V Jain	Relative	Trade Deposit Accepted	NIL	9,00,000	NIL	NIL
12	Mukhesh Goal	Relative	Trade Deposit Accepted	NIL	10,00,000	NIL	NIL
13	Jitendra Shah HUF	Relative	Interest paid	NIL	28,817	NIL	NIL
14	Kavita A Jain	Relative	Interest paid	NIL	12,838	NIL	NIL
15	Lata A Shah	Relative	Interest paid	NIL	28,528	NIL	NIL
16	Shantha V Jain	Relative	Interest paid	NIL	37,700	NIL	NIL
17	Mukhesh Goal	Relative	Interest paid	NIL	30,333	NIL	NIL
18	Mukhesh Goal	Relative	Consultancy Charges	6,60,000	6,60,000	NIL	NIL
19	Mukhesh Goal	Relative	Telephone Charges	NIL	567	NIL	NIL
20	Pushpa S.Jain	Director	Sitting Fees	15,000	15,000	NIL	7,500
21	Suresh Industries	Firms in which directors have significant influence	Sales	91,78,280	92,63,077	1,95,073	6,16,793
22	Ambika Industries	Firms in which directors have significant influence	Sales	321	93,555	NIL	NIL

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

Particulars	2015-2016	2014-2015
Net Profit/(Loss) as per Statement of Profit and loss (in Rs.)	7896120	2559395
Weighted Average Number of Equity Shares (in Nos.)	4142200	4142200
Face Value per share(in Rs.)	10	10
Basic and Diluted Earnings Per share	1.91	0.62



#### 4. Payment of Remuneration to Auditors

Particulars	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Statutory Audit Fee	350000	350000
Tax Audit Fee	25000	25000
Limited review	30050	30000
Others	78078	48000
<b>Total</b>	<b>4,83,128</b>	<b>4,53,000</b>

#### 5. Segment Reporting

The Company is engaged in Single business of Camphor and allied products and in single geographical segment and hence "Segment Reporting" is not applicable.

#### 6. Employee Benefits

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

##### Assumptions:

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
i Discount Rate (Per Annum)	7.80%	7.80%	7.80%	7.80%
ii Salary Escalation	7.00%	7.00%	7.00%	7.00%

##### Changes in present value of obligation

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
i Present Value of obligations as at the beginning of the year	40,70,726	31,50,831	10,10,006	4,62,052
ii Interest Cost	3,23,870	2,86,726	79,498	42,047
iii Current Service Cost	3,89,732	3,36,641	1,78,889	1,46,978
iv Past Service Cost - (non vested benefits)	0	-	0	-
v Past Service Cost - (vested benefits)	0	-	0	-
vi Benefits and Charges Paid	-44,709	-	-32,563	-
vii Actuarial gain/(loss) on plan assets	-3,14,687	2,96,528	-2,17,999	3,58,929
viii Present Value of obligations as at the end of the year	44,24,932	40,70,726	10,17,831	10,10,006

##### Changes in fair value of plan assets

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
i Fair Value of Plan Assets at the beginning of the year	35,98,846	31,54,003	4,45,661	4,45,661
ii Expected return on plan assets	3,57,485	2,93,986	58,508	38,995
iii Contributions less charges	17,84,151	1,53,230	6,03,929	-
iv Benefits and Charges Paid	(44,709)	-	(32,563)	-
v Actuarial gain/(loss) on plan assets	19,270	(2,373)	58,248	(38,995)
vi Fair Value of Plan Assets at the end of the year	57,15,043	35,98,846	11,33,783	4,45,661


**Amounts recognised in the Balance Sheet**

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
i Closing Balance of Present Value of Obligation	44,24,932	40,70,726	10,17,831	10,10,006
ii Closing Balance of Fair Value of Plan Assets	57,15,043	35,98,846	11,33,783	4,45,661
iii Net Liability/(Asset) recognised in the Balance Sheet	(12,90,111)	4,71,880	(1,15,952)	5,64,345

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

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
i Current Service Cost	3,89,732	3,36,641	1,78,889	1,46,978
ii Interest Cost	3,23,870	2,86,726	79,498	42,047
iii Expected return on plan assets	(3,57,485)	(2,93,986)	(58,508)	(38,995)
iv Net Actuarial Gain/(Loss)	(3,33,956)	2,98,902	(2,76,247)	3,97,925
v Expenses recognised in the statement of Profit and Loss Account	22,161	6,28,282	(76,368)	5,47,954

**7.Foreign Exchange Earnings and Outgo**

Description	Year 2015-2016	Year 2014-2015
<b>EXPENDITURE</b>		
Foreign Travel Expenditure	32532	137303
Membership & Subscriptions	0	113921
<b>INCOME</b>		
Export of goods	7173862	6461939

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

Description	Year 2015-2016	Year 2014-2015
Raw Material	313170246	356576152
<b>Total</b>	<b>313170246</b>	<b>356576152</b>

**9. Cost of Material Consumed**

Description	Year 2015-2016	Year 2014-2015
Oleo Pine Resin	21710787	36034029.97
Commercial Alpha Pinen	50761769	277287194.5
Gum Turpentine	267414876	39897973.26
Others	72218166	89228401
- Imported	16305161	36590912
- Indigenous	55913005	52637489
<b>Total</b>	<b>412105597</b>	<b>442447599</b>

Description	2015-2016		2014-2015	
	%	Rs	%	Rs
Imported	86.43%	356192592	88.10%	389810110
Indigenous	13.57%	55913005	11.90%	52637489
<b>Total</b>	<b>100%</b>	<b>412105597</b>	<b>100%</b>	<b>442447599</b>



**10. Operating Lease**

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

Particulars	As on 31.03.2016	As on 31.03.2015
Not later than One Year	782570	772594
Later than One Year and not later than Five Years	1406098	674652
Later than Five Years	Nil	Nil

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

Particulars	Year 2015-2016	Year 2014-2015
Salary	1500000	1380000
Company's contribution to Provident Fund	21600	16500
Other Perquisites	341255	317550
<b>Total</b>	<b>1862855</b>	<b>1714050</b>

**Whole Time Directors**

Particulars	Year 2015-2016	Year 2014-2015
Salary	2196000	1956000
Company's contribution to Provident Fund	43200	33000
Other Perquisites	330216	315926
<b>Total</b>	<b>2569416</b>	<b>2304926</b>

12. Amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31.03.2016 is Rs NIL

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

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

For R. Subramanian and Company  
Chartered Accountants  
(Firm Registration No. 004137-S)

K.Jayasankar  
Partner  
M.No: 014156

Place : Chennai  
Date : 30.05.2016

For and on behalf of the Board

Suresh V Shah  
Managing Director

Arun V Shah  
Director

K.C.Radhakrishnan  
Chief Financial Officer

Gayathri S  
Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

PARTICULARS	As at 31.03.2016 Rs.		As at 31.03.2015 Rs.	
<b>A . CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit before tax</b>		<b>1,18,11,938</b>		<b>36,58,482</b>
Adjustments for:				
Depreciation	37,62,987		35,26,251	
Finance cost - Interest	1,47,75,552		1,74,62,467	
Interest Income	(13,68,357)		(13,95,168)	
(Profit)/Loss on sale of assets (net)	2,42,981	1,74,13,163	(47,300)	1,95,46,250
Operating Profit / (Loss) before Working Capital changes		2,92,25,101		2,32,04,732
(Increase) / Decrease in trade Inventories	6,95,46,046		(2,29,32,339)	
(Increase) / Decrease in trade receivables	(2,08,35,580)		2,07,71,241	
Increase) / Decrease in Loans and Advances/other current assets	(70,39,195)		(1,12,76,988)	
Increase / (Decrease) in trade and other payables	(22,20,060)		(1,61,63,875)	
		3,94,51,211		(2,96,01,961)
Cash generation from operations		6,86,76,312		(63,97,229)
Less: Interest Paid on Working Capital borrowings and bank charges	(1,45,18,020)		(1,72,52,432)	
Less: Income tax paid	(18,02,123)		(88,00,000)	
	(1,63,20,143)		(2,60,52,432)	
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<b>5,23,56,168</b>		<b>(3,24,49,661)</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest received	12,65,411		12,06,593	
(Increase) / Decrease in Fixed deposits	(7,23,938)		1,62,014	
Purchase of Fixed Assets	(1,25,27,604)		(74,07,081)	
Sale of Fixed Assets	7,15,715		1,80,237	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		<b>(1,12,70,416)</b>		<b>(58,58,237)</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Increase / (Decrease) on Long term loans from bank	7,41,422		(5,19,717)	
Increase / (Decrease) on working capital loans from banks	(4,45,78,321)		4,85,49,861	
Increase / (Decrease) on Unsecured demand loans	50,00,000		(34,25,000)	
Interest on borrowings	(3,95,493)		(99,004)	
Dividend and Dividend Distribution tax paid	(25,04,453)		(72,69,250)	
<b>NETCASH FLOW FROM FINANCING ACTIVITIES (C)</b>		<b>(4,17,36,845)</b>		<b>3,72,36,890</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(6,51,093)</b>		<b>(10,71,008)</b>
Cash and Cash equivalents at the beginning		9,78,577		20,49,586
Cash and Cash equivalents at the close		3,27,484		9,78,577
		(6,51,093)		(10,71,009)
Note:				
Cash and cash equivalents consist of Cash on Hand, Balance with Banks. Cash equivalents included in Cash Flow Statement comprises the following Balance Sheet amounts:				
(i) Balances with banks - in Current accounts		2,08,424		4,52,154
(ii) Cash on hand		1,19,060		5,26,423
		<b>3,27,484</b>		<b>9,78,577</b>

For and on behalf of the Board,

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

Suresh Shah  
Managing Director

Arun V Shah  
Director

K.C.Radhakrishnan  
Chief Financial Officer

K.Jayasankar  
Partner  
M.No: 014156

Place: Chennai  
Date: 30.05.2016

**KANCHI KARPOORAM LIMITED**

CIN: L30006TN1992PLC022109

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

**PROXY FORM**

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

**23<sup>rd</sup> ANNUAL GENERAL MEETING**

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

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

1. Name: \_\_\_\_\_ Address \_\_\_\_\_  
E-Mail Id \_\_\_\_\_ Signature \_\_\_\_\_
2. Name: \_\_\_\_\_ Address \_\_\_\_\_  
E-Mail Id \_\_\_\_\_ Signature \_\_\_\_\_
3. Name: \_\_\_\_\_ Address \_\_\_\_\_  
E-Mail Id \_\_\_\_\_ Signature \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held on Wednesday, the 07th day of September 2016 at 11.00A.M. at M.M.Hotels. 65/66, Nellukara Street, Kanchipuram, Tamilnadu – 631 502 and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Proposed Resolution
Ordinary Business	
1	Adoption of Financial Statements of the Company for the year ended 31st March 2016
2	Declaration of Dividend
3	Re-Appointment of Mrs. Pushpa S Jain as Director who retires by rotation
4	Appointment of M/s R.Subramanian and Co., Chartered Accountants as the Statutory Auditor of the Company
Special Business	
5	To approve continuation of employment and Revision in Terms of remuneration of Mr.Suresh Shah as Managing Director of the Company
6	To approve continuation of employment and Revision in Terms of remuneration of Mr.Dipesh S Jain as Whole Time Director of the Company

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of the shareholder(s)

**Note**

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

Affix Revenue  
Stamp not less  
than Rs.1/-

**KANCHI KARPOORAM LIMITED**

CIN: L30006TN1992PLC022109

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

**ATTENDANCE SLIP  
23<sup>rd</sup> ANNUAL GENERAL MEETING**

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

I/we hereby record my / our presence at the 23rd Annual General Meeting of the Company being on Wednesday, the 07th September 2016 at 11.00A.M at M.M.Hotels. 65/66, Nellukara Street, Kanchipuram, Tamilnadu – 631 502

---

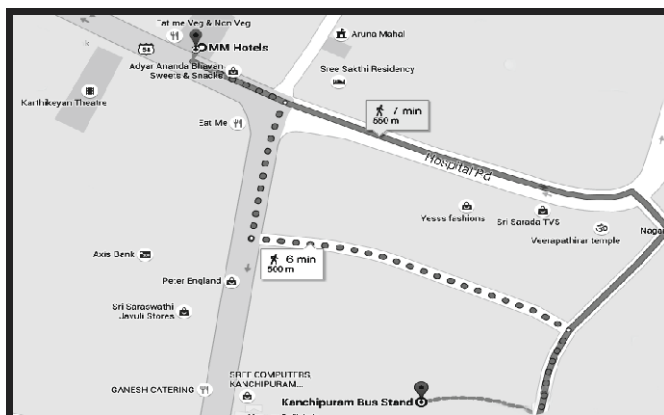
Member/Proxy Signature**Note:**

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

**ELECTRONIC VOTING PARTICULARS**

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

Note: Please refer the details and instructions in the notice of the 23rd Annual General Meeting. The Voting period starts from 10.00A.M. on 04th September 2016 and end on at 06.00PM on 06th September 2016. The Voting module shall be disabled by CDSL for voting thereafter.



REGISTERED POST / COURIER

If undelivered, Please return to :

**KANCHI KARPOORAM LIMITED**

CIN : L30006TN1992PLC022109

**Chennai Office :**

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

**Regd. Office :**

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

---

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