



# KANCHI KARPOORAM LIMITED

(Manufacturer of Camphor & Allied Products)

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

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



KKL/BSE/2019

16.08.2019

**Bombay Stock Exchange Limited**

PJ Towers,  
DALAL Street  
Mumbai 400001

Dear Sir,

**Sub: Dispatch of annual report to share holder of company**

We hereby inform you that, the company has dispatched annual report for the financial year 2018-19 to its shareholders through E-mail and Courier from 07-08-2019 to 09-08-2019 for the Annual general meeting which is to be held on 09-09-2019.

Kindly take the above information on record.

Regards,

For KANCHI KARPOORAM LIMITED



(Suresh V Shah)  
Managing Director

**Regd. Office / Works :** Parandur Road, Enathur Village, Karaipettai Post, Kanchipuram Dist.,  
Tamilnadu - 631 552, INDIA. Tel : 83001 89411 / 94983 78180

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



# **KANCHI KARPOORAM LIMITED**

**TWENTY SIXTH  
ANNUAL REPORT  
2018-2019**



### E-Mail Registration

To

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

Dear Sir / Madam,

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

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

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

Folio No.\*

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

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

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

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

E-MailID\* \_\_\_\_\_

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.

We would also like to draw your attention to the Amendment To Regulation 40 Of Securities Exchange Board Of India (Listing Obligation and Disclosure Requirements)Regulation, 2015 vide gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only. Hence, all members are advised to get their physical shares dematerialized. Please refer our Website [www.kanchikarpooram.com](http://www.kanchikarpooram.com) for the procedure to dematerialize the physical shares.



## **KANCHI KARPOORAM LIMITED**

### **BOARD OF DIRECTORS**

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

### **CHIEF FINANCIAL OFFICER**

Mr. .K. C. Radhakrishnan

### **COMPANY SECRETARY**

Ms. A.Priyanka

### **AUDITORS**

M/s. P. Chandrasekar, LLP  
Chartered Accountants  
Flat 4a, 4th Floor, Dixit Griha Apartments,  
No.10, Nyniappan Street,  
R.A. Puram, Chennai - 600 028.

### **SECRETARIAL AUDITOR**

M/s. P. Sriram & Associates  
Practicing Company Secretaries  
10/17, Anandam Colony ,South Canal Bank Road  
Mandaveli, Chennai - 600 028.

### **BANKERS**

1. Citi Bank, N.A.,  
No. 163 Anna Salai, Second Floor, Chennai - 600002.
2. Bank of India,  
Chennai Overseas Branch, "Star House" III Floor,  
30 (old no.17), Errabalu Street, Chennai - 600 001.

### **REGISTERED OFFICE OF THE COMPANY AND FACTORY**

Parandur Road, Enathur Village, Karaipettai Post, Kanchipuram, 631552,  
Tamil Nadu, India

### **REGISTRAR AND SHARE TRANSFER AGENT**

M/s. Cameo Corporate Services Ltd.  
"Subramanian Building"  
No.1, Club House Road, Chennai - 600002, Tamilnadu, India.  
E-Mail Id: investor@cameoindia.com



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**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the 26th Annual General Meeting of the members of Kanchi Karpooram Limited will be held on Monday, 9th September, 2019 at 11.00 a.m. at M. M. Hotels, 65/66, Nellukara Street, Kanchipuram, 631502, Tamilnadu, India, to transact the following business:

**Ordinary Business:**

1. To consider and adopt the Audited Financial Statements for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend on equity shares for the year ended 31st March, 2019.
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

**Special Resolution:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the Regulation 23 of the SEBI (LODR), 2015 and subject to such approvals, consents, sanctions and permission as may be necessary, consent of the members of the Company be accorded to the Board of Directors of the Company/ Committee of Directors, to enter into contracts and/ or agreements with M/s Suresh Industries for sale, purchase or supply of any goods or materials for maximum amount not exceeding Rs.25 Crores (Rupees Twenty five Crores Only) per annum.

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

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

**"RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to M/s. N. Sivashankaran & Co., Cost Accountants(FIRM REG NO.100662 ) who was appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the FY 2019-20, amounting to Rs. 50,000/- per annum plus applicable Goods and Service Tax and out-of-pocket expenses incurred in Connection with the aforesaid audit, be and is hereby ratified.

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

**"RESOLVED THAT** Pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation of Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for revision in the remuneration of Mr. Suresh Shah (DIN: 01659809), Managing Director of the Company, Mr. Dipesh S Jain (DIN: 01659930), Whole-time Director, Mr. Arun V Shah (DIN: 01744884), Whole-time Director upto Rs. 15,00,000/- p.a. and other benefits.

7. To Re-appoint Mr. S. Srinivasan (DIN: 05185901) as Independent Director of the Company for a second term. To consider and if thought fit, pass with or without modification(s), following resolution as a "SPECIAL RESOLUTION":



“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, and as per Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. S. Srinivasan (DIN: 05185901), an Independent Director of the company, whose term of office expires at this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and who is eligible for reappointment as an Independent Director, be and is hereby reappointed as an independent director of the company to hold office for another term of 5 consecutive years from 01.09.2019 to 31.08.2024 and that he shall not be liable to retire by rotation.”

**RESOLVED FURTHER THAT** the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

8. To Re-appoint Mr. K. Venkateswaran (DIN: 00001899) as Independent Director of the Company for a second term. To consider and if thought fit, pass with or without modification(s), following resolution as a “SPECIAL RESOLUTION”:

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, and as per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. K. Venkateswaran (DIN: 00001899), an Independent Director of the company, whose term of office expires at this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and who is eligible for reappointment as an Independent Director, be and is hereby reappointed as an independent director of the company to hold office for another term of 5 consecutive years from 01.09.2019 to 31.08.2024 and that he shall not be liable to retire by rotation notwithstanding the fact that he has already attained the age of Seventy Five years.”

**RESOLVED FURTHER THAT** the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

9. To Re-appoint Mr. N.Raghu (DIN: 06736497) as Independent Director of the Company for a second term. To consider and if thought fit, pass with or without modification(s), following resolution as a “SPECIAL RESOLUTION”:

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, and as per Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. N.Raghu (DIN: 06736497), an Independent Director of the company, whose term of office expires at this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and who is eligible for reappointment as an Independent Director, be and is hereby reappointed as an independent director of the company to hold office for another term of 5 consecutive years from 01.09.2019 to 31.08.2024 and that he shall not be liable to retire by rotation.”

**RESOLVED FURTHER THAT** the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

For & On Behalf of the Board

For **KANCHI KARPOORAM LIMITED**

Place: Chennai  
Date: 25.07.2019

**Dipesh S Jain**  
(DIN: 01659930)  
Whole time Director

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

**NOTES****NOTES**

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

A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights

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

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

2. The business set out in the Notice will be transacted through electronic system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this notice under Note No. 22.
3. Corporate Members intending to send their authorized representatives to attend the meeting are required to send a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Meeting
4. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members, Proxies and Authorized Representatives are requested to bring to the meeting the attendance slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. Duplicate attendance slip or copies of the Report and Accounts will not be made available at the AGM venue.
6. In terms of Section 152 of the Companies Act, 2013, Mrs. Pushpa S Jain (DIN: 06939054) Director of the Company, retires by rotation at the meeting and being eligible, offers herself for re-appointment. A brief resume of the directors proposed to be appointed / re-appointed, nature of her expertise in specific functional areas, names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter se as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and Clause 1.2.5 of Secretarial Standards-2 on General Meetings, are provided in the annexure to the notice.
7. Relevant documents referred to in the accompanying Notice and the statement are open for inspection by the members at the Chennai office of the Company on all working days (except Sundays and Public holidays) between 11.00 a.m. to 04.00 p.m. up to the date of this Annual General Meeting ("AGM") and also at the AGM.
8. The Register of Members and Share Transfer Books of the Company will remain closed from the 03rd September, 2019, Tuesday to 09th September, 2019, Monday (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
9. If Dividend as recommended by the Board of Directors is approved at the AGM, the payment of dividend will be made on/before 08th October, 2019 to those members whose names shall appear on the Company's register of members on the closure of business hour on 02nd September, 2019 as under:
  - (a) In respect of share held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that day.
  - (b) In respect of share held in physical form, the dividend will be paid to members whose names are furnished after giving effect to valid transfers in respect of transfer request lodged with the company on or before the closure of business hour as on that day.





10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents (RTA), M/s Cameo Corporate Services Limited ("Cameo") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in Physical form are requested to advise any change in their address or bank mandates immediately to the Company/ Cameo.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Cameo.
13. Pursuant to the provision of Companies Act the dividend which remained unclaimed for a period of Seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the "Investor Education Protection Fund" (IEPF) account established by the Central Government along with the shares in respect of which unpaid or unclaimed dividend has been transferred to IEPF account. Pursuant to the provisions of Investor Education Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company ([www.kanchikarpooram.com](http://www.kanchikarpooram.com)), as also on the website of Ministry of Corporate Affairs.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Members desirous of making nominations may procure the prescribed form from the Company/Cameo.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Company/RTA, for consolidation into a single folio.
16. Non-Resident Indian Members are requested to inform RTA, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, PAN if not furnished earlier.
17. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
18. Members may also note that the Notice of the 26th AGM and the Annual Report for FY 2019-20 will be available on the Company's website [www.kanchikarpooram.com](http://www.kanchikarpooram.com) for their download and also on the website of Central Depository Services (India) Limited viz. [www.evotingindia.com](http://www.evotingindia.com). Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost. For any communication/ queries the shareholders may also send requests to the Company's investor email id: [secretarial@kanchikarpooram.com](mailto:secretarial@kanchikarpooram.com)
19. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company M/s. Cameo Corporate Services Ltd. "Subramanian Building" No.1, Club House Road, Chennai, 600002, Tel : Phone No.044-28460390 - 94, Email Id: [investor@cameoindia.com](mailto:investor@cameoindia.com) / [cameo@cameoindia.com](mailto:cameo@cameoindia.com)
20. The cut-off date for the purpose of remote e-voting and voting at the AGM shall be 02nd September , 2019. Please note that members can opt for only one mode of voting i.e., either by voting at the meeting or e-voting. If Members opt for e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting may also attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again



21. A route map showing directions to reach the venue of the 26th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meetings"

22. Information and other instructions relating to e-voting are as under:

A. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (a electronic voting system from a place other than venue of the AGM) to exercise their right to vote at the 26th AGM. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL). The instructions to members for voting electronically are as under:

- I. Log on to the E-Voting website [www.evotingindia.com](http://www.evotingindia.com)
- II. Click on "Shareholders" tab to cast your votes
- III. Now fill up the following details in the appropriate boxes

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

- IV. Next enter the Image Verification as displayed and Click on Login.
- V. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- VI. If you are a first time user follow the steps given below:

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



VII. After entering these details appropriately, click on “SUBMIT” tab.

VIII. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

IX. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

X. Click on the EVSN of Kanchi Karpooram Limited.

XI. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

XII. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

XIII. After selecting the Resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

XIV. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

XV. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

XVI. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

XVII. Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

XVIII. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

XIX. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.kanchikarpooram.com](http://www.kanchikarpooram.com) and on website of CDSL e-Voting [www.evotingindia.com](http://www.evotingindia.com) within two days of the passing of the Resolutions at the Annual General Meeting of the Company and will also be communicated to BSE Limited where the shares of the Company are listed.



- B. The voting period begins on 06th September, 2019 at 10.00 am and ends on 8th September, 2019 at 05.00 pm. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off-date (record date) of 02nd September, 2019 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- C. In case of any query pertaining to E-Voting, please refer the FAQs section and E-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- I. The voting rights of members shall be in proportion to their shares of the paid up equity capital of the Company as on the cut-off date of 02nd September, 2019.
- II. M/s. P. Sriram & 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. 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.
- V. The results of e-voting, physical assent/dissent and poll, if any shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kanchikarpooram.com](http://www.kanchikarpooram.com) and on the website of CDSL within two (2) days of passing the resolutions at the AGM of the Company and will be communicated to BSE Limited.

For & On Behalf of the Board

For **KANCHI KARPOORAM LIMITED**

Place: Chennai  
Date: 25.07.2019

**Dipesh S Jain**  
(DIN: 01659930)  
Whole time Director

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

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

Item No. 4: The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case of sale, purchase or supply of any goods or materials, (whether directly or through any agent) and wherein the amount involved amounts upto ten per cent of the turnover of the company or rupees hundred crore, whichever is lower, prior approval of the shareholders by way of a Ordinary Resolution must be obtained.

In the light of provisions of Section 188 (1) of the Companies Act, 2013 and the rules made there under, and also as per the Provisions laid down in Regulation 23 laid as per the SEBI(Listing Obligations and Disclosure Requirements), Regulation,2015the Audit Committee and the Board of Directors of your Company have approved the proposed transactions along with annual limit, that your Company may enter into with the related parties. The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

<b>Name of the Related Party</b>	<b>Name of the Directors who are related</b>	<b>Nature of Relationship</b>	<b>Nature of Transaction</b>	<b>Maximum value of transaction per annum</b>
M/s Suresh Industries	Suresh Shah Dipesh S Jain Arun Shah Pushpa S Jain	Firms in which director and their relatives have significant influence	Sale, purchase or supply of any goods or materials	Rs.25 Crore Only (Rupees Twenty Five Crores Only), upto ten per cent of the turnover of the company, whichever is higher.

The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at item No. 4 shall be entitled to vote on this resolution.

The Board of Directors recommends the resolution set forth in item No. 4 for approval of the Members.

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

**Item No.5:** Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records for the applicable products of the Company. As per the said Rules, remuneration payable to the Cost Auditors is required to be ratified by the members of the Company in the general meeting. The Board of Directors at its meeting held on April 06, 2019, had considered and approved the appointment of M/s. N. Sivashankaran & Co., Cost Accountants, (Firm Reg No. 100662) as the Cost Auditors of the Company for the FY 2019-20 on a remuneration of Rs. 50,000/- (Rs. Fifty Thousand ONLY) per annum plus applicable Goods & Service tax and out of pocket expenses that may be incurred.

Copies of relevant resolution of the Board of Directors are available for inspection of the members on any working day of the Company between 9.00 a.m. and 5.00 p.m. at the Registered office of the Company. The Board of directors accordingly recommend the resolutions set out in Item No. 5 of the accompanying Notice for the approval of members.

**Item no.6:** Considering the performance of Executive Directors and keeping in mind the following factors i.e., financial position of the company, Trend in the industry, Qualification and experience of the Executive Directors, Past performance and Past remuneration of the Executive Directors, and Pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation of Nomination and Remuneration Committee and Audit Committee, the Company has recommended for revision in the remuneration of Mr. Suresh Shah(DIN: 01659809), Managing Director of the



Company, Mr. Dipesh S Jain(DIN: 01659930), Whole-time Director, Mr. Arun V Shah(DIN: 01744884), Whole-time Director upto Rs. 15,00,000/- p.a. and other benefits

The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at item No. 6 shall be entitled to vote on this resolution.

The Board of Directors recommends the resolution set forth in item No. 6 for approval of the Members.

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

**Item no 7:** Mr. S. Srinivasan (DIN: 05185901), was appointed as Independent Directors on the Company's Board with effect from 01.09.2014. Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act, the appointment of Mr. S. Srinivasan (DIN: 05185901) as Independent Director shall be approved by the Members at the Twenty Sixth Annual General Meeting of the Company. Mr. S. Srinivasan (DIN: 05185901) is eligible for appointment as Independent Director in terms of Section 149(4) and has given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act.

In terms of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, Mr. S. Srinivasan (DIN: 05185901) is proposed to be appointed as Independent Director for a term of 5 consecutive years from 01.09.2019 to 31.08.2024.

The Nomination and Remuneration Committee has recommended his appointment as Independent Director for the aforesaid term and the Board has approved the same. Mr. S. Srinivasan (DIN: 05185901) fulfill all the conditions specified in the Act and the Rules made there under and they are independent of the Management.

The Board considers that their appointment as Independent Directors for the aforesaid term would be in the best interests of the Company. Hence, the Board recommends the Ordinary Resolutions as set out in Item No.7 of the Notice convening the Twenty Sixth Annual General Meeting of the Company for approval of the Members.

A copy of the draft letter of appointment of the Independent Directors setting out the terms and conditions would be available for inspection at the Registered Office of the Company during normal business hours on any working day prior to the date of the meeting and will also be available for inspection at the meeting.

#### **Interest of Directors and Key Managerial Personnel:**

Mr. S. Srinivasan (DIN: 05185901) is interested in this resolution, as it relates to his appointment. None of the other directors and key managerial personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in these resolutions.

**Item no 8:** Mr. K. Venkateswaran (DIN: 00001899), was appointed as Independent Directors on the Company's Board with effect from 01.09.2014. Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act, the appointment of Mr. K. Venkateswaran (DIN: 00001899) as Independent Director shall be approved by the Members at the Twenty Sixth Annual General Meeting of the Company. Mr. K. Venkateswaran (DIN: 00001899) is eligible for appointment as Independent Director in terms of Section 149(4) and has given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act.

In terms of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, Mr. K. Venkateswaran (DIN: 00001899) is proposed to be appointed as Independent Director for a term of 5 consecutive years from 01.09.2019 to 31.08.2024. The Nomination and Remuneration Committee has recommended his appointment as Independent Director for the aforesaid term and the Board has approved the same. Mr. K. Venkateswaran (DIN: 00001899) fulfill all the conditions specified in the Act and the Rules made thereunder and they are independent of the Management. The Board considers that their appointment as Independent Directors for the aforesaid term would be in the best interests of the Company. Hence, the Board recommends the Ordinary Resolutions as set out in Item No.8 of the Notice convening the Twenty Sixth Annual General Meeting of the Company for approval of the Members. A copy of the draft letter of appointment of the Independent Directors setting out the terms and conditions would be available for inspection at the Registered Office of the Company during normal business hours on any working day prior to the date of the meeting and will also be available for inspection at the meeting.

**Interest of Directors and Key Managerial Personnel:**

Mr. K. Venkateswaran (DIN: 00001899) is interested in this resolution, as it relates to his appointment. None of the other directors and key managerial personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in these resolutions.

**Item no 9:** N.Raghu (DIN: 06736497), was appointed as Independent Directors on the Company's Board with effect from 01.09.2014. Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act, the appointment of N.Raghu (DIN: 06736497) as Independent Director shall be approved by the Members at the Twenty Sixth Annual General Meeting of the Company. N.Raghu (DIN: 06736497) is eligible for appointment as Independent Director in terms of Section 149(4) and has given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act.

In terms of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, N.Raghu (DIN: 06736497) is proposed to be appointed as Independent Director for a term of 5 consecutive years from 01.09.2019 to 31.08.2024. The Nomination and Remuneration Committee has recommended his appointment as Independent Director for the aforesaid term and the Board has approved the same. N.Raghu (DIN: 06736497) fulfill all the conditions specified in the Act and the Rules made thereunder and they are independent of the Management. The Board considers that their appointment as Independent Directors for the aforesaid term would be in the best interests of the Company. Hence, the Board recommends the Ordinary Resolutions as set out in Item No.9 of the Notice convening the Twenty Sixth Annual General Meeting of the Company for approval of the Members. A copy of the draft letter of appointment of the Independent Directors setting out the terms and conditions would be available for inspection at the Registered Office of the Company during normal business hours on any working day prior to the date of the meeting and will also be available for inspection at the meeting.

**Interest of Directors and Key Managerial Personnel:**

N.Raghu (DIN: 06736497) is interested in this resolution, as it relates to his appointment. None of the other directors and key managerial personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in these resolutions.

**Information on Director recommended for Appointment/Reappointment****1. PUSHPA S JAIN (DIN: 06939054)**

Mrs. Pushpa S Jain (61) assumed charge as the Non-Executive (Women) Director of the Company with effect from 10.09.2014.

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

Name	Pushpa S Jain
Date of Birth	07.09.1958
DIN	6939054
Nationality	Indian
Relationship with Other Director	Wife of Mr.Suresh Shah
Date of Appointment on Board	10.09.2014
Qualification	Matric
Expertise in Area	Engaging in Social Services
No. of Shares held	313700
List of Directorships held in other Companies	Nil
Chairmanship(s) / Membership(s) of Board Committees in Other Companies	Nil

**2. S. SRINIVASAN (DIN: 05185901)**

Mr. S. Srinivasan (73) assumed charge as the Independent Director of the Company with effect from 01.09.2014.

A brief detail of Mr. S. Srinivasan is as follows:

Name	Mr. S. Srinivasan
Date of Birth	04.11.1945
DIN	05185901
Nationality	Indian
Relationship with Other Director	-
Date of Appointment on Board	01.09.2014
Qualification	B.Sc.,M.L.,M.H.R.M.,DIP-T&D,PGDCL.,
Expertise in Area	Legal and human resource
No. of Shares held	-
List of Directorships held in other Companies	Nil
Chairmanship(s) / Membership(s) of Board Committees in Other Companies	Nil

**3. K. VENKATESWARAN (DIN: 00001899)**

Mr. K.Venkateswaran (84) assumed charge as the Independent Director of the Company with effect from 01.09.2014.

A brief detail of Mr.K.Venkateswaran is as follows:

Name	Mr.K.Venkateswaran
Date of Birth	25.05.1935
DIN	00001899
Nationality	Indian
Relationship with Other Director	-
Date of Appointment on Board	01.09.2014
Qualification	B.com., F.C.S.
Expertise in Area	Legal, financial and secretarial matters
No. of Shares held	-
List of Directorships held in other Companies	Nil
Chairmanship(s) / Membership(s) of Board Committees in Other Companies	Nil

**4. N. RAGHU (DIN: 06736497)**

Mr. N.Raghu (50) assumed charge as the Independent Director of the Company with effect from 01.09.2014.

A brief detail of Mr. N.Raghu is as follows:

Name	Mr. N.Raghu
Date of Birth	20.07.1969
DIN	06736497
Nationality	Indian
Relationship with Other Director	-
Date of Appointment on Board	01.09.2014
Qualification	B.S Engineering and technology, BITS, Pilani.
Expertise in Area	More than 25 years of experience as BEE Certified energy auditor
No. of Shares held	-
List of Directorships held in other Companies	Nil
Chairmanship(s) / Membership(s) of Board Committees in Other Companies	Nil





## DIRECTOR'S REPORT

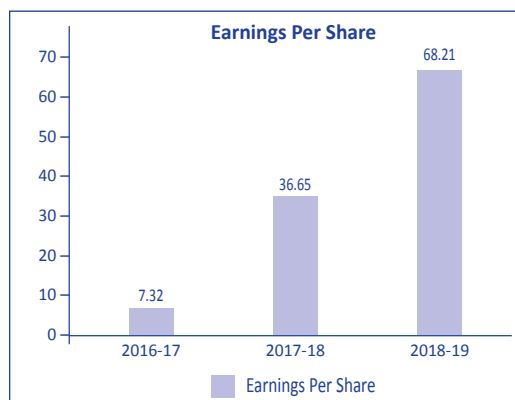
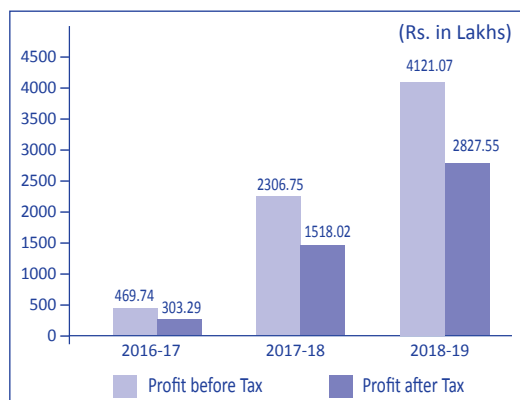
Dear Members,

Your Directors are pleased to present the Twenty sixth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended March 31, 2019.

### FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March 2019 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 31.03.2019 (Rs. in Lakhs)	Year ended 31.03.2018 (Rs. in Lakhs)
<b>Revenue from operations</b>	<b>18,790.48</b>	<b>11,707.14</b>
<b>Other income</b>	<b>48.38</b>	<b>71.58</b>
<b>Total Expenses</b>	<b>14,709.58</b>	<b>9,471.97</b>
Cost of Material Consumed	13,402.35	7,845.87
Depreciation and amortization expenses	94.97	84.63
Finance Cost	280.05	145.13
Other Expenses	855.1	837.65
Profit / Loss Before tax	4,121.07	2,306.75
Current tax	1,293.52	788.73
Profit / Loss After tax	2,827.55	1,518.03
<b>Earnings per share</b>		
Basic & Diluted	68.21	36.65
<b>Your Directors recommend the following appropriations:-</b>		
Proposed Dividend		82.84
Dividend Distribution Tax		17.03
Transfer to general Reserve	-	-





## FINANCIAL PERFORMANCE

The Gross Revenue from operations for FY 2019 was at Rs.18,790.48 Lakhs/- (Previous Year Rs.11,707.14 Lakhs/-), registering a growth of 60.5%. The Profit after tax stood at Rs.2,827.55 Lakhs/- (Previous Year Rs.1,518.03 Lakhs/-).

## EXTRACT OF ANNUAL RETURN

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

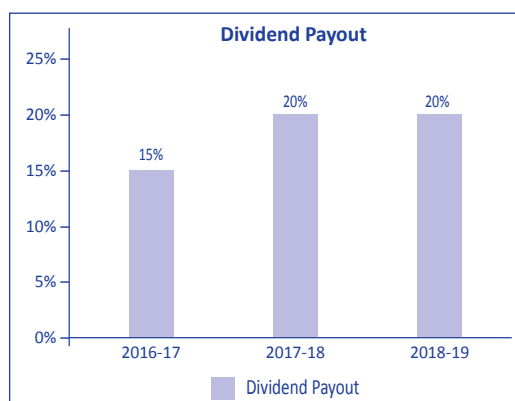
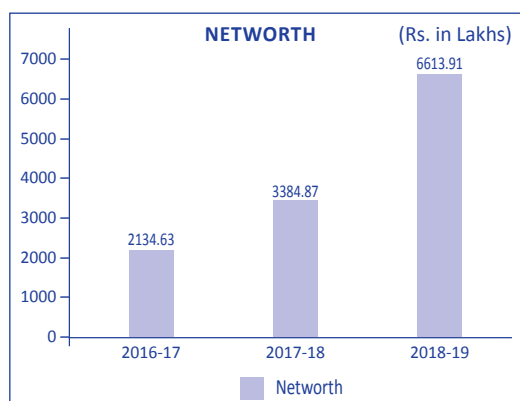
## DIVIDEND AND TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) & (k) OF THE COMPANIES ACT, 2013

Your Directors recommend a dividend of 20 % (Twenty percent) i.e. Rs.2.00/- per equity share of face value of Rs.10/- each (Previous Year 20%). Payment of Dividend is subject to the approval of Shareholders at the ensuing Annual General Meeting.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- 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 2019 and of the profit of the Company for the year ended on that date;
- 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;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



**SHARE CAPITAL**

During the year the total number of equity share warrants converted to equity shares are 45,450 and hence the paid up Equity Share Capital as at March 31, 2019 stood at Rs. 4,18,76,500 /-. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2019, the Directors of the company hold instruments convertible into equity shares of the Company as detailed below:

S. No.	Name of the Director	No. of warrants allotted	No. of warrants converted	No. of equity shares increased	Balance warrants to be converted
1	Dipesh S Jain	125000	18500	18500	106500
2	Suresh Shah	83220	12950	12950	70270

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

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

**DIRECTORS**

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

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

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

**NUMBER OF MEETINGS OF THE BOARD**

During the year, 14 (fourteen) meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached to this report.

**KEY MANAGERIAL PERSONNEL**

The following are the Key Managerial Personnel of the Company:

- Mr. Suresh Shah (DIN: 01659809) Managing Director
- Mr. Dipesh S Jain (DIN: 01659930), Whole time Director
- Mr. Arun V Shah (DIN: 01744884), Whole Time Director
- Mr. K. C. Radhakrishnan, Chief Financial Officer
- Ms. A.Priyanka, Company Secretary

**COMMITTEES OF THE BOARD**

The Board of Directors has the following Committees:

- Audit Committee
- Nomination and Remuneration Committee

**3. Stakeholders' Relationship Committee****4. CSR Committee**

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

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

Pursuant to the Provisions of Sections 139, 141 & 142 of the Companies Act, 2013 ("the Act"), the Companies (Audit and Auditors) Rules, 2014 ("the Rules"), Schedules attached thereto, (including any statutory modification(s) or enactment(s) or re-enactment(s) thereof, for the time being in force), pursuant to the recommendation of Audit Committee of the Company and that of the Board and pursuant to the approval of Members at the Twenty fourth Annual General Meeting held on September 28, 2017, consent of the Members of the Company is hereby accorded to appoint M/s. P. Chandrasekar, LLP, Chartered Accountants, Bangalore (Firm Registration Number: 000580S/S200066) as Statutory Auditors of the Company, to hold office as Statutory Auditors from the conclusion of Twenty fourth Annual General Meeting till the conclusion of Twenty ninth Annual General Meeting.

There is no audit qualification for the year under review.

**(b) COST AUDITOR**

The Company's products come under Table B (Non Regulated Sector) Companies (Cost Records and Audit) Rules 2014. As per Rule 4 Companies (Cost Records and Audit) Rules 2014, Every Company specified in Table B of the Cost Audit would be applicable if the overall turnover of the Company from all its products and services during the immediately preceding financial year is Rs.100 Crores or more and the aggregate turnover of the individual product(s) or Service(s) for which cost records are required to be maintained under Rule 3 is Rs.35 Crores or more.

Hence, M/s. N. Sivashankaran & Co., Cost Accountants, appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the FY 2018-19.

**(c) SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s. P. Sriram & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure-2 to this Report.

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

**(d) INTERNAL AUDITOR**

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

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

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

All transactions entered with Related Parties for the year under review were on arm's length basis

All related party transactions are placed before the Audit Committee for approval. Details of the transactions are provided in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is appended as Annexure-3 to this Report.

**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 2019) and the date of the report .

**CORPORATE SOCIAL RESPONSIBILITY**

The Company does meet the provisions laid down in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 hence the Company has constituted a Corporate Social Responsibility Committee. The CSR Report for the Financial Year 2018-19 is annexed to this report as Annexure 6 . The composition of CSR Committee and the details of the ongoing CSR projects/ programs/activities are included in the CSR report/section. The CSR policy is uploaded on the Company's website at the web link: <http://www.kanchikarpooram.com/admin/pdfupload/csr%20policy.pdf>

**DEPOSITS FROM PUBLIC**

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

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

**CORPORATE GOVERNANCE**

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

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

**BOARD EVALUATION**

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

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

**REMUNERATION AND NOMINATION POLICY**

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

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

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

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

**RISK MANAGEMENT**

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

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT: NIL

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

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

**PARTICULARS OF EMPLOYEES**

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

**APPRECIATIONS AND ACKNOWLEDGMENTS**

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

For & On Behalf of the Board

For **KANCHI KARPOORAM LIMITED**

Place: Chennai  
Date: 25.07.2019

**Dipesh S Jain**  
(DIN: 01659930)  
Whole time Director

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

**FORM NO. MGT.9****EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31.03.2019**

[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:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and 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:**

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

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	15,86,250	1,39,650	17,25,900	41.67	17,65,100	-	17,65,100	42.15	0.48%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-



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Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	<b>15,86,250</b>	<b>1,39,650</b>	<b>17,25,900</b>	<b>41.67</b>	<b>17,65,100</b>	<b>-</b>	<b>17,65,100</b>	<b>42.15</b>	<b>0.48%</b>
<b>2. Foreign</b>									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Bank / FI	-	-	-	-	-	-	-	-	-
e) Any other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>15,86,250</b>	<b>1,39,650</b>	<b>17,25,900</b>	<b>41.67</b>	<b>17,65,100</b>	<b>-</b>	<b>17,65,100</b>	<b>42.15</b>	<b>0.48%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	35,200	35,200	0.85	-	3,400	3,400	0.08	(0.77)%
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others – Alternate investment funds	-	-	-	-	1,950	-	1,950	0.05	0.05 %
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>35,200</b>	<b>35,200</b>	<b>0.85</b>	<b>1,950</b>	<b>3,400</b>	<b>5,350</b>	<b>0.13</b>	<b>(0.72)%</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>	-	-	-	-	-	-	-	-	-
i) Indian	39,115	1,22,700	1,61,815	3.91	90,682	32,600	1,23,282	2.98	0.93%
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7,06,223	8,16,950	15,23,173	36.77	10,18,419	24,78,243	14,59,824	35.24	1.53%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2,94,524	1,41,400	4,35,924	10.52	3,76,714	32,000	4,07,714	9.87	0.65%





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Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>c) Others</b>	-	-	-	-	-	-	-	-	-
INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	-	-	-	-	1,90,850	-	1,90,850	4.61	4.61%
Non Resident Indians	20,125	1,41,300	1,61,425	3.90	35,818	93,300	1,29,118	3.11	(0.79)%
HUF	87,249	500	87,749	2.12	54,650	-	54,650	1.32	0.80%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	11,013	-	11,013	0.27	6312	-	6,312	0.15	0.12%
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>11,58,249</b>	<b>12,22,850</b>	<b>23,81,099</b>	<b>57.49</b>	<b>17,73,445</b>	<b>26,36,143</b>	<b>23,71,750</b>	<b>57.25</b>	<b>(0.24)</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	11,58,249	12,58,050	24,16,300	58.34	17,75,395	26,39,543	23,77,100	57.38	(0.96)
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>27,44,499</b>	<b>13,97,700</b>	<b>4142200</b>	<b>100</b>	<b>35,40,495</b>	<b>6,01,705</b>	<b>4142200</b>	<b>100</b>	<b>-</b>

## ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Suresh V Shah	337300	8.14%	0.00	337300	8.14%	0.00	0.00
2	Shanta V Jain	107600	2.60%	0.00	0.00	0.00	0.00	(2.60)%
3	Veerchand D Shah HUF	31950	0.77%	0.00	0.00	0.00	0.00	(0.77)%
4	V.M.Goal	136500	3.30%	0.00	136500	3.30%	0.00	0.00
5	Pushpa S Jain	274500	6.63%	0.00	313700	7.57%	0.00	0.94%
6	Kavita Jain	14500	0.35%	0.00	14500	0.35%	0.00	0.00
7	Varshaa Goal	318400	7.69%	0.00	318400	7.69%	0.00	0.00
8	Arun V Shah	38500	0.93%	0.00	178050	4.30%	0.00	3.37%
9	Jitendra V Shah	38000	0.92%	0.00	38000	0.92%	0.00	0.00
10	Lata A Shah	89500	2.16%	0.00	89500	2.16%	0.00	0.00
11	Madhu J Shah	66000	1.59%	0.00	66000	1.59%	0.00	0.00
12	Dipesh Suresh Jain	212850	5.14%	0.00	212850	5.14%	0.00	0.00
13	Soniya.A	30000	0.72%	0.00	30000	0.72%	0.00	0.00
14	K.C Radhakrishnan	30300	0.73%	0.00	30300	0.73%	0.00	0.00


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

Sl. No.		Shareholding at the beginning (01.04.2018)/ end (31.03.2019) of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Shanta V Jain				
1	At the beginning of the year	107600	2.60%	107600	2.60%
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):				
	Inter-se transfer 12.09.2018	(107600)	(2.60)%	-	-
3	At the End of the year	0.00	0.00	0.00	0.00
	Veerchand D Shah HUF				
1	At the beginning of the year	31950	0.77%	31950	0.77%
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):				
	Inter-se transfer 26.11.2018	(31950)	(0.77)%	-	-
3	At the End of the year	0.00	0.00	0.00	0.00
	Pushpa S Jain				
1	At the beginning of the year	274500	6.63%	274500	6.63%
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):				
	Transfer of shares by virtue of gift deed 23.01.2019	39200	0.00%	-	-
3	At the End of the year	313700	7.57%	313700	7.57%
	Arun V Shah				
1	At the beginning of the year	38500	0.93%	38500	0.93%
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):				
	Inter-se transfer 12.09.2018	107600	2.60%	-	-
	Inter-se transfer 26.11.2018	31950	0.77%	-	-
3	At the End of the year	178050	4.30%	178050	4.30%


**iv) Share holding Pattern of top ten Share holders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning (01.04.2018) / end (31.03.2019) of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>BETA LA GLOBAL SECURITIES LIMITED*</b>				
	At the beginning of the year	90000	2.17	90000	2.17
	Changes made during the year - Sale	(90000)	(2.17)	-	-
	At the end of the year	-	-	-	-
<b>2</b>	<b>SURENDRA KUMAR SHAH</b>				
	At the beginning of the year	53915	1.3	53915	1.3
	Changes made during the year	(21162)	(0.51)		
	At the end of the year	32753	0.79	32753	0.79
<b>3</b>	<b>SHASHI GUPTA*</b>				
	At the beginning of the year	47700	1.15	47700	1.15
	Changes made during the year	(47700)	(1.15)	-	-
	At the end of the year	-	-	-	-
<b>4</b>	<b>HITESH KUMAR S SHAH*</b>				
	At the beginning of the year	39200	0.95	39200	0.95
	Changes made during the year	(39200)	(0.95)	-	-
	At the end of the year	-	-	-	-
<b>5</b>	<b>RAJANIKANT GOHIL*</b>				
	At the beginning of the year	33467	0.81	33467	0.81
	Changes made during the year -Sale	(30667)	(0.75)	-	-
	At the end of the year	2800	0.06	2800	0.06
<b>6</b>	<b>BANK OF INDIA A/C BOI MUTUAL FUND *</b>				
	At the beginning of the year	33300	0.8	33300	0.8
	Changes made during the year	(32800)	(0.79)	-	-
	At the end of the year	500	0.01	500	0.01
<b>7</b>	<b>MILAN R PAREKH *</b>				
	At the beginning of the year	31800	0.77	31800	0.77
	Changes made during the year	(31800)	(0.77)	-	-
	At the end of the year	-	-	-	-
<b>8</b>	<b>BLUE CIRCLE SERVICES LTD</b>				
	At the beginning of the year	31000	0.75	31000	0.75
	Changes made during the year	-	-	-	-
	At the end of the year	31000	0.75	31000	0.75
<b>9</b>	<b>BISWA NATH PATRA*</b>				
	At the beginning of the year	30000	0.72	30000	0.72
	Changes made during the year	Transferred To IEPFA			
	At the end of the year				



Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning (01.04.2018) / end (31.03.2019) of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
<b>10</b>	<b>CHANDNI SHARMA</b>				
	At the beginning of the year	25900	0.63	25900	0.63
	Changes made during the year	-	-	-	-
	At the end of the year	25900	0.63	25900	0.63
<b>11</b>	<b>INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (IEPFA)**</b>				
	At the beginning of the year	-	-	-	-
	Changes made during the year	190850	4.61	-	-
	At the end of the year	190850	4.61	190850	4.61
<b>12</b>	<b>ROOP CHAND BETALA **</b>				
	At the beginning of the year	-	-	-	-
	Changes made during the year - Purchase	90000	2.17	-	-
	At the end of the year	90000	2.17	90000	2.17
<b>13</b>	<b>LINCOLN N COELHO**</b>				
	At the beginning of the year	-	-	-	-
	Changes made during the year -Purchase	30000	0.72	-	-
	At the end of the year	30000	0.72	30000	0.72
<b>14</b>	<b>PRAKASH BALADEVBHAI PATEL **</b>				
	At the beginning of the year	5828	0.14	5828	0.14
	Changes made during the year - Purchase	19920	0.48	-	-
	At the end of the year	25748	0.62	25748	0.62
<b>15</b>	<b>UDAY R SHAH HUF**</b>				
	At the beginning of the year	19300	0.46	19300	0.46
	Changes made during the year - Purchase	3600	0.09	-	-
	At the end of the year	22900	0.55	22900	0.55
<b>16</b>	<b>ANKUSH KEDIA**</b>				
	At the beginning of the year	-	-	-	-
	Changes made during the year-Purchase	21000	0.51	-	-
	At the end of the year	21000	0.51	21000	0.51
<b>17</b>	<b>SHANTILAL GANDHI**</b>				
	At the beginning of the year	20600	0.50	20600	0.50
	Changes made during the year-Purchase	-	-	-	-
	At the end of the year	20600	0.50	20600	0.50
<b>18</b>	<b>PRABHUDAS RAITHATHA**</b>				
	At the beginning of the year	20000	0.48	20000	0.48
	Changes made during the year-Purchase	-	-	-	-
	At the end of the year	20000	0.48	20000	0.48

\* Ceased to be in the list of Top 10 Shareholders as on 31.03.2019. The same is reflected above since the Shareholder was one of the Top 10 Shareholder as on 01.04.2018

\*\* Not in the list of Top 10 Shareholders as on 01.04.2018. The same has been reflected above since the Shareholder was one of the Top 10 Shareholder as on 31.03.2019.


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

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
	Suresh Shah	337300	8.14	337300	8.14
	Dipesh Suresh Jain	212850	5.14	212850	5.14
	Arun V Shah	38500	0.93	38500	0.93
	K. Venkateswaran	0	0.00	0	0.00
	S. Srinivasan	0	0.00	0	0.00
	Narasimhan Raghu	0	0.00	0	0.00
	Pushpa Suresh Jain	274500	6.63	274500	6.63
	K. C. Radhakrishnan	30300	0.73	30300	0.73
	A.Priyanka	0	0	0	0
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	<b>Arun V Shah</b>				
	Inter-se transfer 12.09.2018	107600	2.60		
	Inter-se transfer 26.11.2018	31950	0.77		
	Pushpa Suresh Jain				
	Transfer of shares by virtue of gift deed 23.01.2019	39200	0.00		
3	At the end of the year				
	Suresh Shah	337300	8.14	337300	8.14
	Dipesh Suresh Jain	212850	5.14	212850	5.14
	Arun V Shah	178050	4.30	178050	4.30
	K. Venkateswaran	0	0.00	0	0.00
	S. Srinivasan	0	0.00	0	0.00
	Narasimhan Raghu	0	0.00	0	0.00
	Pushpa Suresh Jain	313700	7.57	313700	7.57
	K. C. Radhakrishnan	30300	0.73	30300	0.73
	A.Priyanka	0	0	0	0


**vi) INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2208.04	76.08	-	2284.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2208.04	76.08	-	2284.12
<b>Change in Indebtedness during the financial year</b>				
* Addition	21.49	-	-	21.49
* Reduction	2208.04	76.08	-	2208.04
<b>Net Change</b>	(2186.55)	(76.08)		(2262.63)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	21.49	-	-	21.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	21.49			21.49

**vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WT/Manager			Total Amount
		Suresh V Shah	Dipesh S Jain	Arun V Shah	
1.	Gross salary				
	(a) Salary as per provisions contained in section17 (1) of the Income-tax Act, 1961	31,20,000.00	23,18,000.00	22,80,000.00	77,18,000.00
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	3,69,000	3,00,000	-	6,69,000.00
	(c) Profits in lieu of salary under section17(3)Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as% of profit - others, specify...		-	-	-
5.	Others, please specify				
	Employers contribution to PF	21,600	21,600	21,600	64,800.00
	Total(A)	35,10,600.00	26,39,600.00	23,01,600.00	84,51,800.00
	Ceiling as per the Act	Rs. 281.14 lakhs/- (being 10% of net profits of the Company calculated as per Section 198 of Companies Act, 2013)			


**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	<b>Independent Directors</b>	<b>S. Srinivasan</b>	<b>Narasimhan Raghu</b>	<b>K. Venkateswaran</b>	
	Fee for attending board committee meetings	1,02,000	1,07,000	1,02,000	3,11,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>1,02,000</b>	<b>1,07,000</b>	<b>1,02,000</b>	<b>3,11,000</b>
2	<b>Other Non-Executive Directors</b>	<b>Pushpa S Jain</b>			
	Fee for attending board committee meetings	35,000	-	-	35,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>35,000</b>
	<b>Total (B)=(1+2)</b>	<b>1,37,000</b>	<b>107000</b>	<b>102000</b>	<b>3,46,000</b>
	<b>Total Managerial Remuneration</b>	<b>36,47,600.00</b>	<b>27,46,600.00</b>	<b>24,03,600.00</b>	<b>87,97,800.00</b>
	<b>Overall Ceiling as per the Act</b>	Rs.281.14 lakhs/- (being 10% of net profits of the Company calculated as per Section 198 of Companies Act, 2013)			

**C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	CFO	Company Secretary	Total
		K.C. Radhakrishnan	A. Priyanka	
1	Gross salary			
	(d) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28,19,600	5,47,000	33,66,600
	(e) Value of perquisites u/s 17 (2) Income-tax Act, 1961	3,48,000	-	3,48,000
	(f) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit			
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Employers contribution to PF	21,600	21,600	43,200
	<b>Total (A)</b>	<b>31,89,200</b>	<b>5,68,600</b>	<b>37,57,800</b>



i) 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>			NIL		
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty					
Punishment					
Compounding					



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of  
KANCHI KARPOORAM LIMITED  
PARANDUR RD, KARAIPETTAI POST,  
KANCHIPURAM – 631552

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	SURESH SHAH	01659809	31/01/1992
2	DIPESH S JAIN	01659930	11/11/2005
3	ARUN V SHAH	01744884	05/10/1994
4	S SRINIVASAN	05185901	31/01/2012
5	NARASIMHAN RAGHU	06736497	20/11/2013
6	K VENKATESWARAN	00001899	18/02/2014
7	PUSHPA S JAIN	06939054	10/09/2014

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

Date: 12th June 2019

Place: Chennai

Signature

Name: P. Sriram

Membership No: 4862

CP No: 3310

**Form No.MR-3****SECRETARIAL AUDIT REPORT  
FINANCIAL YEAR ENDED 31st MARCH, 2019**

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

To

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kanchi Karpooram Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of Company's books, papers, minute books, forms, statutory registers and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- 1) The Companies Act, 2013(the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**6) Other Laws applicable to the Company**

- a) Factories Act, 1948.
- b) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

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

**I further report that**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with other applicable laws on the operation of the Company and the rules made thereunder.

**I further report that**

During the audit period, the company had issued 2,22,220 warrants on preferential basis on 05th November 2018 out of which 14,000 warrants had been converted into 14,000 equity shares on 14th February 2019 and 31,450 warrants had been converted into 31,450 equity shares on 18th March 2019. Apart from the above, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc

Place : Chennai

Date : 25.07.2019

Signature:

**(P.Sriram)**

**P. Sriram & Associates**

FCSNo. 4862/CPNo: 3310



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

**Annexure A**

To

The Members,  
Kanchi Karpooram Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai

Date : 25.07.2019

Signature:

**(P.Sriram)**

**P. Sriram & Associates**

FCSNo. 4862/CPNo: 3310


*Annexure-3*
**FORM NO.: AOC-2**

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

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

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

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

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

Sl.No.	Particulars	Details		
1	Name (s) of the related party nature of relationship	Suresh Industries	Ambika Industries	Rahul Industries
2	Nature of relationship	Director have significant influence	Director have significant influence	Director have significant influence
3	Nature of contracts/ arrangements/transaction	Sale of Camphor, Gum Rosin, Turpentine and its derivatives	Sale of Camphor, Gum Rosin, Turpentine and its derivatives	Sale of Camphor, Gum Rosin, Turpentine and its derivatives
4	Duration of the contracts/ arrangements/transaction	01.04.2018 - 31.03.2019	01.04.2018 - 31.03.2019	01.04.2018 - 31.03.2019
5	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of Goods Rs.15,45,85,860 /-	Sale of Goods NIL	Sale of Goods NIL
6	Justification for entering into such contracts or arrangements or transactions'	Transactions in ordinary course of business and on Arm's Length Basis	Transactions in ordinary course of business and on Arm's Length Basis	Transactions in ordinary course of business and on Arm's Length Basis
7	Date of approval by the Board	14.08.2018	14.08.2018	14.08.2018
8	Amount paid as advances, if any	NIL	NIL	NIL


*Annexure-4*
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars	01.04.2018 to 31.03.2019	01.04.2017 to 31.03.2018
<b>1. Power and Fuel Consumption</b>		
Electricity		
<b>a. Purchase :</b>		
Unit	15,13,976	14,56,852
Total Amount (Rs.)	1,15,69,774	1,11,69,428
Rate/Unit (Rs.)	7.64	7.67
<b>b. Own Generation</b>		
(i) Through Diesel Generator :		
Unit	40,105	34,047
Unit per lit of diesel oil	2.9	0.32
Cost / Unit	25.20	19.26
(ii) Through Steam Turbine / Generator:	NA	NA
Unit		
Cost / Unit		
<b>2. Cost / Unit</b>	NA	NA
Coal (Specify quality and where used)		
<b>3. Unit / Cost</b>		
Furnace Oil :		
Quantity (M.T.)	8770	5,200
Total Amount	2,38,632	1,41,492
Average rate (Rate per MT)	27,210	27,210
<b>4. Others / Internal Generation</b>	NA	NA
Quantity		
Total cost		
Rate / Unit		

**Foreign Exchange Earnings & Outgo**

Your company has also earned foreign exchange of Rs.1064 Lakhs through exports. The total Foreign Exchange utilized by the company during the year for the purchase of Raw Materials and others was Rs.12124.80 Lakhs.

For and on behalf of the Board of Directors

**KANCHI KARPOORAM LIMITED**

Place: Chennai  
Date:25.07.2019

**Dipesh S Jain**  
DIN: 01659930  
Whole-time Director

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


**Annexure-5**
**DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014**

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

Sl. No.	Name	Designation	%
1	Suresh V Shah	Managing Director	17.01%
2	Dipesh S Jain	Whole-time Director	12.79%
3	Arun V Shah	Whole-time Director	11.15%

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

Sl. No.	Name	Designation	%
1	Suresh V Shah	Managing Director	29.73%
2	Dipesh S Jain	Whole-time Director	19.46%
3	Arun V Shah	Whole-time Director	33.99%
4	Radhakrishnan Chandrasekaran	Chief Financial Officer	29.79%
5	A Priyanka	Company Secretary	17.89%

- 3. The percentage increase in the median remuneration of employees in the financial year: 18.30%**

- 4. The number of permanent employees on the rolls of company: 67**

- 5.**

Sl. No.	Name	Designation	CTC	% of increase in CTC	Profit After Tax (PAT)	% increase in PAT
1	Suresh V Shah	Managing Director	35,10,641.61	29.73%	2,827.55	86%
2	Dipesh S Jain	Whole-time Director	25,08,490.95	19.46%		
3	Arun V Shah	Whole-time Director	23,01,600.00	33.99%		
4	K. C. Radhakrishnan	Chief Financial Officer	31,89,600.00	29.79%		
5	A Priyanka	Company Secretary	5,47,000.00	17.89%		

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

Particulars	Paid Up Capital	Closing Market price per share	EPS	PE Ratio	Market Capitalisation (Rs)
As on 31.03.2018	4,14,22,000	199.97	36.65	5.46	82,83,15,734
As on 31.03.2019	4,18,76,500	314.50	68.21	4.61	1,31,70,15,925
Increase / Decrease	4,54,500	114.53	31.56	(0.85)	48,87,00,191
%Increase / Decrease	1%	57%	86%	(15%)	59%
No. of issue of Share during the year	45,450	45,450	45,450	45,450	45,450

- 6.** 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 18.30% and the average increase in the managerial remuneration is 28.24%

- 7.** If remuneration is as per the remuneration policy of the company: Yes



**REPORT ON CSR ACTIVITIES FOR THE YEAR 2018-2019**

1. CSR policy, encompasses the company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities / projects and programmes for welfare and sustainability, development of community at large and is titled "Corporate Social Responsibility Policy".

<http://www.kanchikarpooram.com/admin/pdfupload/csr%20policy.pdf>

2. Composition of CSR Committee Mr. Suresh Shah - Chairperson Mr Dipesh S Jain - Member Mr Narasimhan Raghu – Member
3. Average Net Profit of the Company for last three preceding financial years = 951.88 lakhs. 2017-18 - Rs. 2,306.75 lakhs 2016-17 - Rs. 469.94 lakhs 2015-16 - Rs. 118.11 lakhs
4. Prescribed CSR Expenditure: 2% on Rs. 951.88 lakhs = Rs. 19.30 lakhs.
5. Total amount to be spent for the financial year = Rs. 5.44 lakhs.

Amount unspent = Rs. 19.03 lakhs - Rs. 5.44 lakhs = Rs. 13.86 lakhs.

Manner in which the amount spent during the financial year.

Details of CSR Amount spent as on 31 March, 2019							
S. No	CSR Project of Activity Identified	Sector in which the project is covered	Projects or programs 1. Local area or other  2. Specify the state and district where the project is undertaken.	Amount Outlay (Budget) project of program wise	Amount spent on the project or program	Cumulative expenditure up to the reporting period	Amount Spent : Direct or through implementation agency
1	2	3	4	5	6	7	8
1	Public Welfare	Prime Minister national Relief fund	Chennai	13.51	4.00	4.00	Direct
2	Health	Health care and health camps	Chennai	5.79	1.44	1.44	Direct

Justification for unspent money out of 2% of the average net profit of the last 3 financial years

As part of ongoing initiatives, the Company has involved in Environmental activities, health care activities, Rain water harvesting facility and better road facility by contributing towards Prime Minister national relief Fund and providing health care facilities to families in and around the company operations.

The Company's spend on CSR is stated to be Rs. 5.44 Lakhs during the year under review. Company shall continue to evaluate and commit resources to CSR activities in a structured manner towards its stated objectives on CSR by Identifying nearby villages and provide better sanitation facility, better Road facility, Rain water harvesting and water shed in villages.

The Company has prioritize its approach on CSR Expenditure, with an objective that the benefits from CSR reach the targeted segments and in turn would help in improving the brand and social image of the Company. The year under review did witness an increase in CSR spends and we shall continue to work on committing more resources to identified causes.





Responsibility Statement of the CSR Committee for the implementation and monitoring of CSR policy in compliance with CSR objectives and Policy of the Company.

The Company is fully committed in order to continue to prosper over the long term, community, environment and society at large must also prosper. The Company's activities are aimed at driving the above values through its initiatives in the areas of education, environment and health care have been committed to improving its initiatives on education, health care, Water sanitation and environment. The Company's forecast of its CSR activities for next 5 years are as follows:

S. No	CSR Project of Activities Identified	% Alloted	Period
1	Providing Note book and supply of furniture	20%	19-20
2	Additional Class rooms to schools	30%	
3	PM Fund	50%	
4	Tree Plantation	20%	20-21
5	Better road Facility	15%	
6	Rain water harvesting and water shed in village	15%	
7	PM Fund	50%	
8	Tree Plantation	15%	21-22
9	Additional Class rooms to schools	10%	
10	Better road Facility	15%	
12	Sports Equipment	10%	
11	PM Fund	50%	
13	Tree Plantation	10%	22-23
14	Skill Training Programmes	20%	
15	Health- Health Camps	20%	
16	PM Fund	50%	
17	Sports Equipment	20%	23-24
18	Health- Health Camps	15%	
19	Additional Class rooms to schools	15%	
20	PM Fund	50%	

These initiatives are built upon the strong base of performance in environmental sustainability, applicable laws and the Company's CSR policy.

For and on behalf of the Board of Directors

**KANCHI KARPOORAM LIMITED**

Place : Chennai  
Date : 25.07.2019

**Dipesh S Jain**  
DIN: 01659930  
Whole-time Director

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



## CORPORATE GOVERNANCE REPORT

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

### 1. COMPANY'S PHILOSOPHY

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

### 2. BOARD OF DIRECTORS

All statutory and other significant material information are placed before the Board of Directors to enable it to discharge its responsibility of superintendence, control and direction of management of strategic and day to day affairs of the Company. The Company has a judicious combination of Executive and Non- Executive Directors. as on March 31, 2019, the Board comprised of 7 Directors out of which three are Executive Directors, three are Independent Directors and one is Non-Executive Director. The Chairman of the Board is an Executive Director. Board of Directors meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board members possess requisite skills, experience and expertise that are required to take decisions, which are in the best interest of the Company. Board meetings are generally chaired by Mr. Suresh Shah. Policy formulation, evaluation of performance and control functions vest with the Board.

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

Name of the Director	Designation & Category	No. of Board Meetings in the year		Attendance of Last AGM	No. of Out-side Directorships	No. of outside Board Committee Memberships
		Held	Attended			
Suresh V Shah	Managing Director, Executive	14	14	Yes	NIL	NIL
Dipesh S Jain	Whole-Time Director, Executive	14	14	Yes	NIL	NIL
Arun V Shah	Whole-Time Director, Executive	14	14	Yes	NIL	NIL
S. Srinivasan	Director, Independent	14	14	Yes	NIL	NIL
Narasimhan Raghu	Director, Independent	14	14	Yes	NIL	NIL
K. Venkateswaran	Director, Independent	14	14	Yes	NIL	NIL
Pushpa S Jain	Director, Non-Executive	14	14	Yes	NIL	NIL

### 3. BOARD MEETINGS AND BOARD COMMITTEE MEETINGS

The Meetings of the Board are regularly held at the Chennai Office. There is constant endeavor to improve the practices with regard to the Board Meetings. The agenda and the relevant papers are circulated in advance to facilitate the members of the Board to take informed decisions and discharge their responsibility effectively. The Board of Directors has constituted four committees, namely Audit Committee, Stakeholder's Relationship



Committee, CSR Committee, Nomination and Remuneration Committee. The Board is authorised to constitute additional functional Committees from time to time depending on business needs.

#### **BOARD MEETING**

The Board meetings of the Company are usually held at the Chennai office of the Company at No.1, Barnaby Avenue, Barnaby Road, Kilpauk, Chennai - 600 010.

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

During the year 14 (fourteen) 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.	09.04.2018	7	7
2.	16.05.2018	7	7
3.	08.06.2018	7	7
4.	09.07.2018	7	7
5.	14.08.2018	7	7
6.	29.08.2018	7	7
7.	27.09.2018	7	7
8.	09.10.2018	7	7
9.	05.11.2018	7	7
10.	13.11.2018	7	7
11.	09.01.2019	7	7
12.	13.02.2019	7	7
13.	14.02.2019	7	7
14.	18.03.2019	7	7

Add -1. No. of Shares & Convertible instruments held by the non-executive directors: Pushpa S Jain - 322200

2. During the year, the independent Directors of the Company, without the presence of Non-Independent Directors and Management team met on 30.03.2019, to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timelines of flow of information between the management and the Board. Mr. Srinivasan Chairman of the meeting presented the views of the Independent Directors on matters relating to Board Processes and views to the full Board.

#### **For the Independent Directors**

The Details of familiarization programme done for the financial year 2018-19 have been hosted in the website of the Company under the Web link <http://www.kanchikarpooram.com/investor.html>.

#### **BOARD COMMITTEES:**

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



The Board currently has the following Committees:

**A) AUDIT COMMITTEE**

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

The Audit Committee of the Company comprises of three Independent Directors. The Audit Committee met five times during the financial year 2018 – 2019 i.e. on 09.04.2018, 16.05.2018, 14.08.2018, 13.11.2018, 13.02.2019. 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	5	5
2.	S. Srinivasan	Member	5	5
3.	Na Raghu	Member	5	5

**Terms of Reference**

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

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

**B) STAKE HOLDERS' RELATIONSHIP COMMITTEE**

The Stake Holders' Relationship Committee of the Company comprises of three Independent Directors. The Committee met twenty times during the financial year 2018 – 2019. 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	20	20
2.	Na Raghu	Member	20	20
3.	K. Venkateswaran	Member	20	20

**Terms of Reference**

The Committee looks into the matters of Shareholders/ Investors grievances overseas and reviews all matters connected with the transfer of the Company's Securities, approves issue of duplicate share certificates, etc. The Committee reviews and redresses all investors' grievances and complaints in general including non-receipt of dividend, non-receipt of Annual Report, change of address, etc and performs such other functions as may be necessary. SEBI SCORES Complaints Status as on March 31, 2019.



Investor Complaints	ended 31.03.2019 (No's)
Pending at the beginning of the quarter	0
Received during the quarter	0
Disposed of during the quarter	0
Remaining unresolved at the end of the quarter	0

There are no complaints as on date of Report.

### C) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises of three Independent Directors. The Committee meet one time (14.08.2018) during the financial year 2018 – 2019. 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.	Narasimhan Raghu	Chairman	1	1
2.	S. Srinivasan	Member	1	1
3.	K. Venkateswaran	Member	1	1

#### Terms of Reference

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

### D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate social responsibility Committee of the Company comprises of three Directors. The Committee meet twice (14.12.2018 , 28.02.2019) during the financial year 2018 – 2019. 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.	Suresh Shah	Chairman	2	2
2.	Dipesh S Jain	Member	2	2
3.	Narasimhan Raghu	Member	2	2

#### Terms of Reference

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

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

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

**B. Remuneration to Executive Directors**

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

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

**PERFORMANCE EVALUATION**

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

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

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

The Company has three Executive Directors. The details of remuneration paid to the Executive Directors during the year 2018 – 2019 as under:

Sl. No.	Name	Designation	Salary	Perquisites	Total
1.	Suresh V Shah	Managing Director	31,41,600	3,69,000	35,10,600
2.	Dipesh S Jain	Whole-time Director	23,39,600	3,00,000	26,39,600
3.	Arun V Shah	Whole-time Director	23,01,600	-	23,01,600

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	Category	Sitting Fees paid for the year (In Rs.)
1.	S. Srinivasan	Independent Director	55,000
2.	Narasimhan Raghu	Independent Director	55,000
3.	K. Venkateswaran	Independent Director	55,000
4.	Pushpa S Jain	Non-Executive (Women) Director	15,000

#### 5. DETAILS OF SHAREHOLDING OF DIRECTORS AS ON 31st MARCH 2019

Name of the Director	No. of Shares
Suresh V Shah	337300
Dipesh S Jain	212850
Arun V Shah	178050
S. Srinivasan	Nil
Narasimhan Raghu	Nil
K. Venkateswaran	Nil
Pushpa S Jain	313700

#### 6. GENERAL BODY MEETINGS

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

Year	Date	Time	Venue
2015 – 2016	07.09.2016	11.00AM	MM. Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052
2016 - 2017	28.09.2017	11.00AM	MM. Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052
2017-18	27.09.2018	11.00AM	MM. Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052

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

#### 7. WHISTLE BLOWER POLICY

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

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

#### 8. MEETING OF INDEPENDENT DIRECTORS

During the year, meeting of Independent Directors (without the presence of Non-Independent Directors) was held on 30th march 2019 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**

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

Quarterly Results: The Company's quarterly results after the Board's approval are promptly sent to the Stock Exchange in the prescribed format as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These are published in English language "Trinity Mirror" and in Vernacular language (Tamil) in "Makkalkural" and are displayed on the Company's website ([www.kanchikarpooram.com](http://www.kanchikarpooram.com)).

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

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

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

#### **11. DISCLOSURES**

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

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

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

CEO and CFO Certification: The CEO and CFO certification of the Financial Statements for the year 2018 - 2019 is enclosed at the end of this report. The Company has complied will all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Annual General Meeting (Date and Time)	09th September 2019, 11.00AM
Venue	MM. Hotels, No.65/66, Nellukara Street, Kanchipuram - 631 052
Financial Year	1st April to 31st March 2019
Book Closure Date	03rd September, 2019 to 09th September 2019 (both days inclusive)
Date of Payment of Dividend	Between 09th September, 2019 to 08th October 2019
Rate of Dividend	20% (Rs. 2.00/-per share)





Listing of Equity Shares	Bombay Stock Exchange(BSE) Limited PhirozeJeejeebhoy Towers Dalal Street, Mumbai-400001
Listing Fee	Annual Listing Fees Paid to Stock Exchange for the Financial Year 2018-2019
BSE Stock Code	538896
ISIN	INE081G01019
Corporate Identification Number (CIN)	L30006TN1992PLC022109
Details of Plant Locations & Address for Correspondence	a. ParandurRoad, EnathurVillage, Karaipettai Post, Kanchipuram - 631552 b. No.1,Barnaby Avenue, Barnaby Road Kilapuk,Chennai-600100
<b>FINANCIAL CALENDAR (Tentative)</b>	
30th June 2018	2nd / 3rd Week of August 2018
30th September 2018	2nd / 3rd Week of November 2018
31st December 2018	2nd / 3rd Week of February 2019
31st March 2019	End of May 2019

### 13. PAYMENT OF LISTING FEE

The Company's Securities are listed with BSE Ltd. Annual Listing Fees for the year 2019 – 2020 has been paid by the Company to BSE.

### 14. STOCK MARKET PRICE DATA

Month	BSE		
	High (in Rs.)	Low (in Rs.)	Volume (No. of Shares traded)
April - 2018	242.70	198.50	50,967
May - 2018	319.00	230.00	2,44,619
June – 2018	285.00	210.75	1,74,673
July – 2018	241.70	200.00	72,334
August – 2018	499.95	226.10	4,44,539
September – 2018	613.00	509.90	3,24,012
October – 2018	577.10	410.10	3,61,618
November – 2018	665.00	486.00	3,07,861
December – 2018	543.00	448.40	1,26,458
January – 2019	546.90	419.90	2,15,221
February – 2019	476.40	302.15	1,77,823
March - 2019	374.00	300.20	1,46,667


**15. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2019**

Sl. No.	Holding	No. of Shareholders		No. of Shares	
		Number	% of Total	Shares	% of Total
1	1 - 1000	3471	62.6	1710670	4.13
2	1001 - 5000	1464	26.4	3762790	9.08
3	5001 - 10000	272	4.91	2221410	5.36
4	10001 - 20000	138	2.49	2070480	5
5	20001 - 30000	77	1.39	1964940	4.74
6	30001 - 40000	21	0.38	762570	1.84
7	40001 - 50000	24	0.43	1131440	2.73
8	50001 - 100000	42	0.76	3139810	7.58
9	100001 and Above	36	0.65	24657890	59.53
		5545			
	Total	5545	100	41422000	100

**16. CATEGORY WISE SHAREHOLDING PATTERN AS ON 31st MARCH 2019**

Sl. No.	Category	No. of Shares	% of Holding
1	Resident	1923188	46.43
2	NRI	129118	3.12
3	Corporate Body	123282	2.98
4	Clearing Member	6312	0.15
5	Mutual Funds	2400	0.06
6	Promoters	1765100	42.61
	Total	4142200	100

**17. DEMATERIALIZATION OF SHARES**

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

Particulars	No. of Shares	Percentage
CDSL	2334804	56.36
NSDL	1205691	29.11
Physical	601705	14.53
Total	41,42,200	100

**18. REGISTRARS AND SHARE TRANSFER AGENTS**

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



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

## **19. SHARE TRANSFER SYSTEM**

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

### **Electronic Clearing Service**

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

### **Service of documents through electronic mode**

As a part of Green Initiatives, the members are requested to go for green initiative and thus, who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Ltd; to its dedicated e-mail id i.e., investor@cameoindia.com

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

<b>Sl. No.</b>	<b>Financial Year</b>	<b>Dividend Per Share</b>
1	2008 - 2009	-
2	2009 - 2010	-
3	2010 - 2011	1.0/-
4	2011 - 2012	-
5	2012 - 2013	1.5/-
6	2013 - 2014	1.5/-
7	2014 – 2015	0.5/-
8	2015 – 2016	1.5/-
9	2017 - 2018	2.0/-
10	2018-19	2.0/-

## **21. UNCLAIMED DIVIDEND AMOUNTS**

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

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

Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

Accordingly, the Company has transferred the unclaimed and unpaid dividends of Rs. 367,951.00. Further, 190,950 shares were transferred as the per requirements.

Access Link to claim refund from IEPF Authority (to be used by shareholders/claimants whose shares and/or dividend/other amounts have been transferred by the Company to Investor Education and Protection Fund)

<http://www.iepf.gov.in/IEPFA/refund.html>

**23. 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.

**24. 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 2018– 2019.

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

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

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

**Ms. A.Priyanka**

Company Secretary

Correspondence Address: No.1, Barnaby Avenue, Barnaby Road, Kilpauk, Chennai – 600 010

Phone No. 044-26401914/15/16/17, email: [secretarial@kanchikarpooram.com](mailto:secretarial@kanchikarpooram.com)

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

For and on behalf of the Board of Directors

**KANCHI KARPOORAM LIMITED**

Place: Chennai

Date: 25.07.2019

**Dipesh S Jain**

DIN: 01659930

Whole-time Director

**Suresh V Shah**

DIN: 01659809

Managing Director



### CEO / CFO CERTIFICATION

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

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation in nature of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **KANCHI KARPOORAM LIMITED**

Place: Chennai

Date: 25.07.2019

**Suresh V Shah**

(DIN:01659809)

Managing Director

**K.C. Radhakrishnan**

Chief Financial Officer

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of KanchiKarpooram Limited

#### **Report on the compliance of conditions of Corporate Governance**

1. We have examined the compliance of conditions of Corporate Governance by Kanchi Karpooram Limited, ("the Company"), for the year ended 31st March 2019, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations"].

#### **Management's Responsibility for the compliance**

2. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management.

#### **Auditors' Responsibility**

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

#### **Opinion**

4. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations.
5. We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **P Sriram & Associates**

Place: Chennai

Date: 27th May 2019

**P Sriram**

FCS No. 4862/CP No. 3310



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

We, the Board of Directors, present its analysis covering performance of the Company for the year 2018 - 2019 and the business outlook for the future. The business outlook performance is based on the current business environment and do not include any economic variation.

### **Industry structure and developments**

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

### **Opportunities and Threats**

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

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

### **Product -wise Performance**

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

### **Outlook**

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

### **Risks and Concerns**

#### **General risks:**

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

#### **Operational risks:**

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

#### **Financial risks:**

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

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

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

#### **Risk management:**

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

**Internal Control Systems and their adequacy**

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.18838.86 lakhs as compared to 11778.72 lakhs and has profit after tax Rs. 2827.55 lakhs as compared to Rs.1518.02 lakhs profit in the previous year.

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

Your Company has increased the volume in sales, hence a better performance compared to the previous year. Your Company exercises stringent cost control factors and quality control measures so as to sustain consistent in performance.

**Managerial Developments in Human Resources and Industrial Relation**

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

Number of people employed:143

**Cautionary Statement**

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

For and on behalf of the Board of Directors

**KANCHI KARPOORAM LIMITED**

Place: Chennai  
Date: 25.07.2019

**Dipesh S Jain**  
DIN: 01659930  
Whole-time Director

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



## RATIOS (Under MD & A Section of Annual Report)

Particulars	2018-19	2017-18
<b>A: Profitability ratios</b>		
Operating Profit Margin	20%	18%
Net Profit Margin	22%	20%
Return on Equity	43%	42%
<b>B. Capital Structure Ratio</b>		
Net debt to Equity Ratio	0.05	5.66
Interest Service coverage ratio	15.74	16.89
<b>C. Ratio for Assessing Financial Health</b>		
Capital Turnover Ratio	45.10	28.26
Fixed Assets Turnover Ratio	7.57	4.84
Inventory Turnover Ratio	5.16	4.21
Current Ratio	3.17	1.33
Liquid Ratio	1.58	0.56
Debtors Turnover Ratio	14.94	14.30
Debt Equity Ratio	0.07	5.94
Operating Profit Margin Ratio	80%	22%
<b>D: Earnings and dividend ratio</b>		
Dividend percentage	20%	20%
Earnings per Share	68.21	36.65
P/E Ratio	4.61	5.46
Book Value Per share	67.52	36.64

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

### **Ratios where there has been significant change from Financial Year 17-18 to Financial Year 18-19**

Improvements in operating profit margin, net profit margin, return on network, and Earning Per Share capital turnover ratio and Asset turnover ratio

1. Operating profit margin, return on network, Earning Per Share, capital turnover ratio and Asset turnover ratio were improved on account of increase in turnover(60.5%) and profits (85%).
2. The net profit margin has improved in FY 2018-19 compared to FY 2017-18 due to better operational performance.
3. The inventory turnover ratio has improved in FY 2018-19 compared to FY 2017-18 as there has been increase in Inventory and increase in Revenue from operations by 15% and 60.5% respectively.

### **Decrease in Net debt to equity ratio**

During the year the company has squared off the debt significantly leading to decrease in Net debt to equity ratio.



**INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2019****TO****THE MEMBERS OF  
KANCHI KARPOORAM LIMITED****Report on the audit of financial statements****Opinion**

We have audited the financial statements of Kanchi Karpooram Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, the Profit (including Other Comprehensive Income), the changes in Equity, and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Response to Key Audit Matter
1	<b>Quantity of raw materials</b>  Significant portion of the material procurement is through tankers which are accounted on weight-basis.  Hence, any variance in the ascertainment of the quantity purchased may have a significant impact on the cost of materials	<b>Our audit procedures included:</b> <ul style="list-style-type: none"><li>• Assessment of controls over ascertaining the quantity of purchase for which payment is made.</li><li>• Assessment of controls over calibration system of the weighing equipment.</li><li>• Assessment of controls over periodical stock-take and the related procedures.</li></ul>

**Information other than the Financial Statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and Shareholders' Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

**We also:**

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant 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 31st March 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) 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 at 31st March 2019 and accordingly, disclosing the impact of pending litigations on its financial position in its Financial Statements does not arise.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For **P. Chandrasekar LLP**  
Chartered Accountants  
FRN: 000580S/S200066

**S.Sriram**  
Partner  
Membership No.: 205496

Place : Chennai  
Date : 27th May 2019



**ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31ST MARCH 2019**

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements"  
section of our report to the Members of Kanchi Karpooram Limited of even date)

- i. In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, these fixed assets have been physically verified by the Management at regular intervals; as informed to us, 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. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not provided any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. According to the information and explanations provided to us, the Company has not provided any loans or guarantee or security to any company covered under Section 185 of the Companies Act, 2013. Therefore, provisions of Para 4(iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- v. The Company has not accepted any deposits from public.
- vi. On the basis of the records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 have been maintained. However, we have not carried out any detailed examination of such records.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - a) the Company is regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess, Goods and Service Tax to the appropriate authorities. To the best of our knowledge and according to the information and explanations given to us, there were no undisputed amounts payable which were in arrears as at 31st March 2019 for a period of more than six months from the date they become payable.
  - b) the Company has no disputed dues of Income Tax, Sales Tax, Excise Duty, Customs Duty and Value Added Tax or Goods and Services Tax which have not been deposited as on 31st March 2019.
- viii. On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year. The term loans availed were applied for the purposes for which they were raised.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given to us by the Management, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration paid or provided has been in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Companies Act, 2013.



- xii. The Company is not a Nidhi Company and hence compliance with the provisions of the Nidhi Rules is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has made preferential allotment of 2,22,220 Warrants convertible into equity shares of face value of ₹10 each at a premium of ₹350 each during the year, of which 45,450 Warrants have been converted to equity shares during the year. The requirements of Section 42 of the Companies Act, 2013 have been complied with by the Company to the extent applicable. The amount so raised has been partly utilized during the year, towards the purpose for which funds were raised.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with him which will come under the purview of Section 192 of the Companies Act, 2013.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **P. Chandrasekar LLP**  
Chartered Accountants  
FRN: 000580S/S200066

**S.Sriram**  
Partner  
Membership No.: 205496

Place: Chennai  
Date: 27th May 2019



**ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31ST MARCH 2019**

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements"  
section of our report to the Members of Kanchi Karpooram Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Kanchi Karpooram Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, 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 with reference to financial statements were in place and if such controls were operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, 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 with reference to financial statements.

**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial controls with reference to financial statements are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



- b) 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
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P. Chandrasekar LLP**  
Chartered Accountants  
FRN: 000580S/S200066

**S.Sriram**  
Partner  
Membership No.: 205496

Place: Chennai  
Date: 27th May 2019





## BALANCE SHEET AS AT 31 MARCH 2019

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

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,578.89	2,501.59
Capital work in progress	3a	270.69	77.50
Intangible assets	3	0.06	0.08
Financial assets			
(i) Loans	4	122.81	23.92
Deferred tax asset (net)	5	-	-
Other Non-Current assets	6	45.01	11.51
		<b>3,017.47</b>	<b>2,614.60</b>
<b>CURRENT ASSETS</b>			
Inventories	7	2,670.45	2,320.19
Financial assets			
(i) Trade Receivables	8	1,475.97	1,039.24
(ii) Cash and Cash equivalents	9	0.45	195.25
(iii) Bank balances other than (ii) above	10	217.72	41.12
(iv) Other financial assets	11	10.70	6.74
Other assets	12	950.73	400.60
<b>Total Current Assets</b>		<b>5,326.03</b>	<b>4,003.14</b>
<b>Total assets</b>		<b>8,343.50</b>	<b>6,617.74</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	418.77	414.22
Other Equity	14	6,195.60	3,165.90
<b>Total equity</b>		<b>6,614.37</b>	<b>3,580.12</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	15	-	9.48
Deferred Tax Liabilities (Net)		47.15	23.49
		47.15	32.97
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	16	21.49	2,334.12
(ii) Trade Payables - total outstanding dues of:			
(A) Micro enterprises and small enterprises	17	-	-
(B) Creditors other than micro enterprises and small enterprises	17	8.50	127.89
(iii) Other Financial Liabilities	18	37.90	50.96
Provision	19	394.10	87.28
Current Tax liabilities	20	1,220.00	404.40
		<b>1,681.99</b>	<b>3,004.65</b>
<b>Total liabilities</b>		<b>1,729.14</b>	<b>3,037.62</b>
<b>Total equity and liabilities</b>		<b>8,343.50</b>	<b>6,617.74</b>
Summary of significant accounting policies	2		

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

As per our report of even date  
For **P. Chandrasekar LLP**  
Chartered Accountants  
Firm Registration No.: 000580S/S200066  
**S SRIRAM**  
Partner  
Membership No.: 205496  
Place: Chennai  
Date: May 27, 2019

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

**SURESH SHAH**  
Managing Director  
DIN: 01659809

**K.C. RADHAKRISHNAN**  
Chief Financial Officer

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

**A PRIYANKA**  
Company Secretary



## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

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

Particulars	Notes	Year Ended 31-03-2019	Year Ended 31-03-2018
<b>REVENUE FROM OPERATIONS</b>	21	18,790.48	11,707.14
Other income	22	48.38	71.58
<b>Total income</b>		<b>18,838.86</b>	<b>11,778.72</b>
<b>EXPENSES</b>			
Cost of Raw materials and components consumed	23	13,402.35	7,845.87
(Increase)/ decrease in inventories	23	(518.34)	(121.60)
Excise Duty		-	245.02
Employee benefits expense	24	595.44	435.27
Finance Cost	25	280.05	145.13
Depreciation and amortization expense	26	94.97	84.63
Other expenses	27	855.10	837.65
<b>Total expense</b>		<b>14,709.58</b>	<b>9,471.97</b>
Profit before Exceptional items and taxes		4,129.28	2,306.75
Exceptional Items	28	8.21	-
Profit before tax		4,121.07	2,306.75
Current Tax		1,226.65	815.93
<b>Tax relating to previous years</b>		<b>43.21</b>	<b>-</b>
Deferred tax expense / (credit)		23.66	-27.20
Income tax expense		1,293.52	788.73
<b>Profit after tax</b>		<b>2,827.55</b>	<b>1,518.02</b>
Profit for the year			
Other comprehensive income			
A. (i) Items that will not be reclassified to profit or loss	29	(22.85)	(3.65)
(ii) Income tax relating to items that will not be reclassified to profit or loss		6.65	1.26
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax		(16.20)	(2.39)
Total comprehensive income for the year, net of tax		2,811.35	1,515.63
Earnings per share			
Basic Earnings per share		68.21	36.65
Diluted earnings per share		68.21	36.65

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

As per our report of even date  
For **P. Chandrasekar LLP**  
Chartered Accountants  
Firm Registration No.: 000580S/S200066  
**S SRIRAM**  
Partner  
Membership No.: 205496  
Place: Chennai  
Date: May 27, 2019

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

**K.C. RADHAKRISHNAN**  
Chief Financial Officer

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

**A PRIYANKA**  
Company Secretary



## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2019

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

Particulars	Notes	31 March 2019	31 March 2018
<b>Operating activities</b>			
Profit before tax		4,121.07	2,306.75
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation of Property, plant and equipment	3	94.97	84.63
(Profit)/loss on sale of Property, plant and equipment	22, 27	(2.25)	0.55
Amortisation of Financial Instruments	27	1.96	2.07
Provision for doubtful receivables	27	2.93	-
Finance cost interest	25	271.78	88.16
Interest Income	22	(18.87)	(11.95)
Unrealised foreign exchange gain	22	35.23	(57.43)
Unwinding of finance cost	22	16.20	(2.21)
Exceptional Item		8.21	-
<b>Operating Cash flow before working capital changes</b>		<b>4,531.23</b>	<b>2,410.57</b>
<b>Working capital adjustments:</b>			
Increase in trade receivables			(440.79)
Increase in inventories		(559.55)	(942.71)
Increase in other Current assets		(350.26)	(90.66)
(Increase)/ decrease in loans and advances/ Other non-current assets		396.64	(0.60)
Increase/ (decrease) in trade payables		(57.42)	6.24
Increase/ (decrease) in other current liabilities		(107.86)	(155.16)
Increase/ (Decrease) in defined benefit Asset/liability		282.23	
<b>Operating cash flow after working capital changes</b>		<b>13.93</b>	<b>(1,519.86)</b>
Interest on Working Capital and Bank charges		(271.78)	(88.16)
Taxes paid, net of refund		(1,410.73)	(400.00)
<b>Net cash flows from operating activities</b>		<b>2,452.50</b>	<b>298.73</b>
<b>Investing activities</b>			
Purchase of Property, plant and equipment, intangible assets, including capital work-in-progress and capital advances		(365.86)	(853.00)
Proceeds from sale of Property, plant and equipment		2.73	2.63
Interest income		18.87	11.95
(Increase)/ Decrease in Fixed Deposits and Dividend accounts'	10	(176.60)	147.67
<b>Net cash flows from/(used in) investing activities</b>		<b>(520.86)</b>	<b>(690.75)</b>
<b>Financing activities</b>			
Proceeds from issue of share capital		322.80	-
Dividends paid and DDT		(91.68)	(74.90)
Increase / (Decrease) on Long term loans from bank		(9.48)	(7.88)
Increase / (Decrease) on working capital loans from banks		(2,186.55)	762.51
Increase / (Decrease) on Unsecured demand loans		(126.08)	(154.67)
Exchange gain		(35.43)	57.43
Net cash flows used in financing activities		(2,126.42)	582.49
Net increase/(decrease) in cash and cash equivalents		(194.78)	190.47
<b>Cash and cash equivalents at the beginning of the year</b>	<b>10.1</b>	<b>195.23</b>	<b>4.76</b>
<b>Cash and cash equivalents at year end</b>	<b>10.1</b>	<b>0.45</b>	<b>195.23</b>

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

As per our report of even date  
For **P. Chandrasekar LLP**  
Chartered Accountants  
Firm Registration No.: 000580S/S200066  
**S SRIRAM**  
Partner  
Membership No.: 205496  
Place: Chennai  
Date: May 27, 2019

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

**SURESH SHAH**  
Managing Director  
DIN: 01659809

**K.C. RADHAKRISHNAN**  
Chief Financial Officer

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

**A PRIYANKA**  
Company Secretary



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

### **Note 1: Company Overview**

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

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accordingly, the financial statements for the year ended 31st March 2019 are prepared as per IND AS financial statements. The financial statements for the year ended 31st March 2019 were authorized and approved for issue by the Board of Directors on 27th May 2019.

### **Note 2: Summary of Significant Accounting Policies**

#### **1. Basis of Preparation**

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value. The financial statements upto year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

#### **2. Use of Estimates**

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

#### **3. Significant Estimates and Judgments**

The areas involving critical estimates or judgments are:

- Estimation of fair value of financial assets and liabilities (Refer Note 33 to the Accounts)
- Estimation of useful life of Property, Plant and Equipment (Refer Note 6 below)

#### **4. Revenue**

Revenue from sale of goods is recognized upon dispatch of goods. Sales are accounted net of Excise Duty/GST, returns and freight. Interest income is recognized using time proportion method.

#### **5. Property, Plant and Equipment**

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



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

## **6. Depreciation and Amortization**

Depreciation on tangible fixed assets is provided over the estimated useful life of the asset or part of the asset, on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013. Residual value is considered between 0 to 5 per cent of the cost of assets.

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

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

## **7. Intangible Assets**

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

## **8. 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) or net realizable value, 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.

## **9. Impairment**

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

## **10. Employee Benefits**

- a) Defined Contribution Plans

Provident Fund benefit is a defined contribution plan under which the Company pays fixed contribution into funds established under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The Company has no legal or constructive obligations to pay further contributions after the payment of the fixed contribution.

- b) Defined benefit plans

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.



c) **Short-term employee benefits**

Short term employee benefits are charged off at the undiscounted amount in the year in which related service is rendered.

**11. Taxes on Income**

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) **Current tax**

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

b) **Deferred tax**

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

**12. Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to the transition date, i.e. 1st April 2016 the Company has determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

**13. Functional and presentation currency and Foreign Currency Transactions**

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

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

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

**14. Earnings per Share**

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

**15. Segment Reporting**

The Company is principally engaged in a single business segment, viz., manufacture and sale of Camphor and allied products.

**16. Provisions, Contingent Liabilities and Contingent Assets****a) Provision**

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

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

**b) Contingent Liabilities**

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

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

Contingent assets are not recognized and hence not disclosed.

**17. Current and Non-Current Classification**

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

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

**18. Financial instruments**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**19. Financial assets**

All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**a) Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition). The debt instruments carried at amortised cost include Deposits, Debtors, Loans and advances recoverable in cash.

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.





For the impairment policy on financial assets measured at amortized cost, refer point no 18.c below.

All other financial assets are subsequently measured at fair value.

**b) Effective interest method**

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

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

**c) Impairment of financial assets**

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

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

**d) De-recognition of financial assets**

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

**20. Financial liabilities and equity instruments**

**a) Classification as debt or equity**

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**b) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognized at the proceeds received, net of direct issue costs.



Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c) Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below

- Financial liabilities at FVTPL

Financial liabilities at FVTPL include derivative liabilities. Non-derivative financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL. There are no non-derivative financial liabilities carried at FVTPL.

- Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of cost of an asset is included in the 'Finance costs' line item.

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

- Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

- Derecognition of financial liabilities

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

**21. Cash flow statement**

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

**22. Key sources of estimation uncertainty**

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

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

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

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 29.

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

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

**c) Contingencies**

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

**d) Deferred Tax Assets**

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

**e) Defined Benefit Plan**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**23. Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.


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

Particulars	Property, Plant and Equipment										Intangi- ble assets	
	Freehold Land	Electrical Installa- tions	Buildings	Plant and Equip- ment	Furniture and Fixtures	Vehicles	Lab Equip- ments	Air Condi- tioners	Office equip- ment	Comput- er		Total
Cost or valuation												
At 1 April 2018	1,870.00	3.00	100.00	587.00	6.00	52.00	8.00	4.00	4.00	9.00	2,643.00	0.11
Add: Additions	35.07	-	17.84	91.20	1.12	16.15	-	2.24	1.33	7.65	172.61	0.06
Less: Disposals/ Write off	-	-	-	-	-	-11.25	-	-	-	-	-11.25	-
Less: Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	1,905.07	3.00	117.84	678.20	7.12	56.89	8.00	6.24	5.33	16.65	2,804.35	0.17
Accumulated Depreciation/ Amortization/ Impairment												
At 1 April 2018	-	0.73	15.24	101.96	1.96	13.06	0.38	1.67	1.92	3.97	140.89	0.03
Depreciation charge for the year	-	0.38	8.04	68.67	0.53	11.36	0.82	0.77	1.07	3.26	94.90	0.07
Disposals	-	-	-	-	-	-10.33	-	-	-	-	-10.33	-
Impairment charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	1.11	23.28	170.63	2.49	14.09	1.20	2.44	2.99	7.23	225.46	0.10
Net book value												
At 31 March 2019	1,905.07	1.89	94.56	507.58	4.64	42.80	6.80	3.79	2.34	9.42	2,578.89	0.06
At 1 April 2018	1,870.00	2.27	84.76	485.04	4.04	38.94	7.62	2.33	2.08	5.03	2,501.59	0.08


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

Particulars	CWIP - Plant and machinery	CWIP - Others	Total
Balance as on 1st April 2018	77.50	-	77.50
Additions	62.63	221.79	284.42
Deletions	91.22		91.22
Balance as on 31st March 2019	48.90	221.79	270.69

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

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
Security Deposits	122.81	23.92
	<b>122.81</b>	<b>23.92</b>

**5 Deferred Tax Asset/ Liability**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
Deferred tax asset	-	-
Deferred tax Liability	47.15	23.49
	<b>(47.15)</b>	<b>(23.49)</b>

**6 Other Non-Current assets**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
Capital advance	45.01	-
<b>Advances other than capital advances</b>		
(i) Unamortized expense on rental deposit and others	-	11.51
	<b>45.01</b>	<b>11.51</b>

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

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
Raw materials	1,302.59	1,483.68
Work in progress	948.96	495.37
Finished goods	351.85	287.10
Stores and Spares	67.04	54.04
<b>Total inventories</b>	<b>2,670.45</b>	<b>2,320.19</b>

**Mode of valuation**

- (i) Raw Materials, Stores and Spares: Valued at cost under FIFO Method
- (ii) Work-in-Progress : Value Derived from value of finished goods less estimated cost of work to be completed
- (iii) Finished goods : Valued at Cost AND Net Realisable Value whichever is lower


**8 Trade receivables**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
Trade receivables	1,456.86	903.34
Receivables from related parties (refer note 33)	19.12	135.90
	<b>1,475.97</b>	<b>1,039.24</b>

**9 Cash and cash equivalents**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
Cash on hand	0.45	0.41
Balances with banks	-	194.84
	<b>0.45</b>	<b>195.25</b>

**10 Bank balances**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
Balance with Scheduled Banks in deposit account held as margin money	179.82	2.47
In unpaid dividend accounts	37.90	38.65
	<b>217.72</b>	<b>41.12</b>

**11 Other financial assets (current)**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
Advance to employees	0.23	6.08
Secured Deposits	-	0.66
Prepaid Expenses	10.47	-
	<b>10.70</b>	<b>6.74</b>

**12 Other assets (current)**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
Balance with Government authorities	950.73	68.68
Others	-	331.92
	<b>950.73</b>	<b>400.60</b>


**13 Share Capital**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
<b>Authorised:</b>	500.00	500.00
50,00,000 (Previous years: 5,00,00,000) equity shares of Rs.10/- each		
	500.00	500.00
<b>Issued, subscribed and paid-up:</b>		
41,87,650 (Previous years: 41,42,200) equity shares of Rs.10 each fully paid-up.	418.77	414.22

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

Particulars	No. of Shares
<b>As at April 01, 2017</b>	<b>41,42,200</b>
Changes during the year	-
<b>As at March 31, 2018</b>	<b>41,42,200</b>
Changes during the year	45,450
<b>As at March 31, 2019</b>	<b>41,87,650</b>

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

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

During the year ended March 31, 2019, the total number of shares issued, Subscribed and Paid up is 41,87,650/- (March 31, 2018: 41,42,200/-; April 1, 2017: 41,42,200/-). During the year 45,450 share warrant were issued and allotted at face value Rs.10/- per share and the balance deposit warrant for unallotted shares for current year was taken to reserve.

During the year ended March 31, 2019, the amount of dividend (if any) proposed by board of directors is subject to approval of shareholders at annual general meeting, except in case of interim dividend (In March 31, 2018: Re.2/- per share; April 1, 2017: Re.1.5/-per share on face value was paid as dividend).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.


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

Name of equity share holders	2018-19		2017-18	
	No. of shares	% of holding	Number of shares held	% of holding
SURESH SHAH	3,37,300	8.14	3,37,300	8.14%
VARSHAA GOAL	3,18,400	7.69%	2,74,500	6.63%
PUSHPA S JAIN	3,13,700	7.57%	2,12,850	5.14%
DIPESH SURESH JAIN	2,12,850	5.14%	3,18,400	7.69%

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

**14 Other equity**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
<b>Retained Earnings</b>		
Balance as at the beginning of the year	2,955.90	1,515.17
Add: Increase/ (Decrease)	2,711.45	1,440.73
Balance as at the end of the year	5,667.35	2,955.90
<b>Other reserves</b>		
Warrant deposit	159.18	-
General reserve	210.00	210.00
Securities premium	159.08	-
<b>Total Other equity</b>	<b>6,195.60</b>	<b>3,165.90</b>

*Nature and purpose of the reserve:*

**General Reserve:**

Part of retained earnings was earlier utilised for declaration of dividends as per the erstwhile Companies Act, 1956. This is available for distribution to shareholders.

**Retained Earnings:**

Company's Cumulative earnings since its formation, Minus the dividends/Capitalisation and earnings transferred to General Reserve.

**Warrant Deposit:**

Deposits received and retained against unallotted Warrants.

**Securities Premium:**

Company has issued 45,450 number of shares during the current year at premium of Rs. 350/- per share (Rs. 10/- per share as face value and Rs. 350/- per share as premium per share). The balance in securities premium account will be used as per section 52 of Companies Act, 2013.




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

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
<b>Term Loan</b>		
(i) From banks		
(a) Secured by vehicles purchased	-	9.48
	-	9.48

**16 Current Financial Liabilities - Loans**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
<b>Current Financial Liabilities- Borrowings</b>		
<b>Loans repayable on demand</b>		
<b>I) From banks</b>		
<b>Secured</b>		
i) Secured by vehicles purchased	21.49	-
ii) Working capital demand loan from Bank	-	400.00
iii) Working capital loan from Bank of India	-	-
iv) Buyer's credit	-	1,808.04
<b>Loans from related parties</b>		
<b>Unsecured</b>		
i) Loans from directors	-	76.08
<i>Loans from Directors carry an interest of 13% p.a. The aforesaid loan was closed during the financial year in the month of september</i>		
<b>Deposits</b>		
<b>Unsecured</b>		
i) Inter Corporate Deposits	-	-
ii) Trade Deposits	-	50.00
<i>Inter corporate deposits and trade deposits carry an interest of 12% p.a (14% during the year 2016-17)</i>		
	<b>21.49</b>	<b>2,334.12</b>

**17 Trade Payable**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
Dues to Micro Enterprises and Small Enterprises*	-	-
Dues to other than Micro, Small & Medium Enterprises	8.50	127.89
	8.50	127.89

The Company has not received information from vendors regarding their status under Micro, Small and medium Enterprise Act, 2006. Hence, the disclosures relating to amounts unpaid as at the year-end together with interest payable/Paid under this act has not been given.


**18 Other financial liabilities**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
Security Deposits	-	-
Current maturities of long term debt	-	6.58
Interest accrued but not due on borrowings	-	0.18
Advance from Customers	-	5.55
Unclaimed Dividend	37.90	38.65
	<b>37.90</b>	<b>50.96</b>

**19 Provision**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
<b>i) Provision for employee benefits</b>		
Leave Encashment	36.42	1.65
Pension	-	-
Gratuity	26.64	-
Bonus	34.92	23.88
<b>ii) Other Provision</b>		
Provision for corporate Social responsibility	18.05	4.20
<b>iii) Outstanding Expense</b>	61.21	41.47
<b>iv) Statutory dues payable</b>		
Income tax deducted at source payable	12.47	12.92
provident fund payable	4.00	2.57
state insurance payable	0.76	0.58
Professional tax payable	0.00	0.00
GST Payable	199.61	-
	<b>394.10</b>	<b>87.28</b>

**20 Current Tax liabilities**

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
Provision for Income tax	1,220.00	810.00
(Less) Advance tax and tax deducted at source	-	(405.60)
	<b>1,220.00</b>	<b>404.40</b>



## 21 Revenue from operations

Rs. in Lakhs

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
<b>Sale of products</b>		
i) Camphor	14,754.97	9,863.08
ii) Dipentine	1,096.22	955.01
iii) Others	2,935.04	873.34
<b>Other operating revenues</b>		
Scrap sales	4.25	15.71
	<b>18,790.48</b>	<b>11,707.14</b>

## 22 Other income

Rs. in Lakhs

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Interest on bank deposits	2.09	0.09
Interest from Others	16.79	11.85
Interest income from financial assets measured at amortized cost	-	2.21
Provision on bad and doubtful debts	27.19	-
Profit on sale of Property, plant and equipment (net)	2.30	-
Net gain on account of foreign exchange fluctuation	-	57.43
	<b>48.38</b>	<b>71.58</b>


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

Rs. in Lakhs

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
<b>a. Raw materials</b>		
Purchases Made:		
<b>Imported :</b>		
- Oleo Pine Resin	-	16.93
- Alpha Pine	1,839.83	43.20
- Gum Rosin	72.04	-
- Gum Turpentine	10,310.04	6,484.46
- Other Raw Materials	-	393.15
<b>Indigenous :</b>		
Other Materials	1,180.44	908.13
	13,402.35	7,845.87
<b>b. Finished goods and work in progress (Increase) / Decrease in Inventories</b>		
Opening Stock		
Manufactured Goods	495.37	288.25
Work in progress	287.10	431.07
	782.47	719.32
Closing Stock		
Manufactured Goods	(351.85)	(495.37)
Work in progress	(948.96)	(287.10)
Excise Duty on Finished Goods	-	(58.45)
<b>Change in inventory</b>	<b>(518.34)</b>	<b>(121.60)</b>

**24 Employee benefits expense**

Rs. in Lakhs

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Salaries, wages and bonus	505.72	396.34
Contribution to provident and other funds	65.56	23.38
Interest expense on financial asset measured at amortized cost	-	1.00
Staff welfare expenses	24.16	14.55
	595.44	435.27

**25 Finance Costs**

Rs. in Lakhs

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Interest expense	74.73	81.15
Exchange differences considered as borrowing costs	197.05	7.01
Other borrowing costs- Commission on Buyers' credit and other charges	8.28	56.97
	280.05	145.13

**26 Depreciation and Amortization Expenses**

Rs. in Lakhs

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Depreciation of Property, plant and equipment	94.90	84.60
Amortisation of intangible assets	0.07	0.03
	94.97	84.63


**27 Other expense**

Rs. in Lakhs

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Consumption of stores and spares	82.57	39.37
Power and fuel	391.32	342.31
Donation and contribution	1.16	1.50
Rent	21.90	22.55
Repairs and maintenance		
- Building	8.46	1.91
- Plant and machinery	58.17	44.56
- Others	18.66	23.75
Insurance	6.44	7.97
Travelling expenses	19.90	30.07
Communication expenses	7.21	6.73
Rates and taxes	6.74	9.97
Transport and freight	1.34	-
Sales promotion and selling expenses	94.36	151.93
Legal and professional charges	40.68	43.89
Payment to auditors*	6.00	5.93
Printing and stationery	4.34	3.20
Loss on sales of Property, plant and equipment	0.05	0.55
Exchange differences (net)	35.23	23.83
CSR expenditure (Refer note 26.2)	19.30	4.20
Provision for doubtful receivables	2.93	-
Interest expense on Financial Assets measured at Amortised Cost	1.96	1.48
Miscellaneous expenses	26.39	71.95
	<b>855.10</b>	<b>837.65</b>

**28 Exceptional items**

Rs. in Lakhs

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Loss on fire accident	8.21	-
	8.21	-


**29 Other Comprehensive Income**

Rs. in Lakhs

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Items that will be not be reclassified to profit and loss account		
Remeasurent of defined benefits Plans- Acturial Gains	22.85	3.65
Income tax relating to above	(6.65)	(1.26)
	<b>16.20</b>	<b>2.39</b>

**\* Payment to Auditors**

Rs. in Lakhs

Particulars	2018-19	2017-18
Statutory Audit Fees	4.00	3.50
Tax Audit fees	1.00	0.45
Limited Review	1.00	0.85
Others	-	1.24
<b>Total</b>	<b>6.00</b>	<b>5.93</b>

**30 Earnings per share (EPS)**

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

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

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

Rs. in Lakhs

Particulars	31st March 2019	31st March 2018
Profit for the year (Rs)	2,828	1,518
Weighted average number of Equity shares for EPS	41,45,209	41,42,200
<b>Basic and Diluted earnings per share</b>	<b>68.21</b>	<b>36.65</b>

Date	Particulars	No. of shares	No. of days	Weighted average no. of shares
01-04-2018	Opening balance	41,42,200	365	41,42,200
13-02-2019	Share warrants converted	14,000	47	1,803
18-03-2019	Share warrants converted	31,450	14	1,206
		<b>41,87,650</b>		<b>41,45,209</b>



### 31 Capital management

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

The Company determines the amount of capital required on the basis of annual and long-term operating plans. The funding requirements are met through equity and long term/short term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The following table summarises the capital of the Company:

Rs. in Lakhs

Sl. No.	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 31 Mar 2017
1	Equity	418.77	414.22	414.22
2	Debt	21.49	2,350.18	1,750.22
3	Cash and cash equivalents	(0.45)	(195.25)	(4.76)
4	Net debt (2+3)	21.04	2,154.93	1,745.46
5	Total capital (Equity + Net debt)	439.80	2,569.15	2,159.68
	<b>Net debt to Capital ratio</b>	<b>0.05</b>	<b>0.84</b>	<b>0.81</b>

### 32 Major Financial risk management objectives

The Company's financial liabilities comprise of short term and long term borrowings, trade payables, employees dues and unpaid dividend. The main purpose of financial liabilities is to support the Company's financial operations. The Company's financial assets includes security deposit, investments, trade receivable, staff advance, cash and cash equivalents, Bank balance etc that derive directly from the operations.

To ensure alignment of risk management system with the corporate and operational objective and to improve upon the existing procedure, the Company oversees various risk factors for managing of these risks.

#### Interest Rate Risk

The Company is exposed to interest rate risk from the possibility that the inflow in the interest rate will affect future cash flows of a financial instruments. The Company's interest rate mix management includes to maintain a mix between fixed or floatig rate based on liquidity.

#### Credit risk

Customer credit risk is managed according to the Company's policy, procedure and control relating to customers' credit risk management. Outstanding receivables are monitored regularly.

#### Liquidity risk

The Company monitors its risk of shortage of funds using detailed cash flow projections which is monitored closely on a daily basis. The Company has been sanctioned credit facilities for meeting its working capital requirement of the Company.





The table below summarizes, the maturity profile of the Company's financial liabilities based on the contractual maturities:

Particulars	On Demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>31 March 2019</b>						
Working capital facilities from Banks	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-
Loan from related parties	-	-	-	-	-	-
Deposits taken	-	-	-	-	-	-
Trade Payables	-	8.50	-	-	-	8.50
Other financial liabilities	394.10	37.90	-	-	-	432.00
<b>31 March 2018</b>						
Working capital facilities from Banks	2,208.04	-	-	-	-	2,208.04
Term Loan	-	1.64	4.93	9.48	-	16.05
Loan from related parties	76.08	-	-	-	-	76.08
Deposits taken	50.00	-	-	-	-	50.00
Trade Payables	-	127.89	-	-	-	127.89
Other financial liabilities	57.55	50.96	-	-	-	108.51

### 33 Fair values

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

### Method and assumption

The following methods and assumption were used to estimate the fair value at the reporting date:

Loans to employees and security deposit paid are valued using discounted cash flow using rates currently available for items on similar terms, credit risk and maturities.

### 34 Related party transactions

#### (a) Name of related Parties and related party relationship

##### Related Party where control exists

Name of the related party	Nature of relationship
Shri. Suresh V Shah	Managing Director
Shri. Arun V Shah	Director
Shri. Dipesh S. Jain	Whole Time Director
Shri. KC.Radhakrishnan	CFO
Smt. Pushpa S Jain	Director
M/s. Suresh Industries	Firm in which directors have significant influence
M/s. Ambika Industries	Firm in which directors have significant influence
Shri. Mukesh Goal	Relative of Director


**(b) Transactions with Related Parties**

S. No	Name	Nature of Relation	Nature of Transaction	Total Amount		Amount Outstanding as on	
				2018-19 (Rs. lakh)	2017-18 (Rs. lakh)	31 Mar 2019 (Rs. Lakh)	31 Mar 2018 (Rs. Lakh)
1	Suresh Shah	Managing Director	Remuneration Including Contribution to Provident Fund and other perquisites *	35.11	27.06	2.60	1.58
2	Dipesh Jain	Whole Time Director	Remuneration Including Contribution to Provident Fund and other perquisites *	26.39	25.41	2.28	1.46
3	Arun V Shah	Whole Time Director	Remuneration Including Contribution to Provident Fund and other perquisites *	22.80	17.02	1.90	1.08
4	KC.Radhakrishnan	CFO	Remuneration Including Contribution to Provident Fund and other perquisites *	31.90	24.58	2.35	0.93
5	Suresh Shah	Managing Director	Unsecured Loan to the Company	-	(3.88)	-	23.62
6	Dipesh Jain	Whole Time Director	Unsecured Loan to the Company	-	(3.27)	-	33.98
7	Arun V Shah	Director	Unsecured Loan to the Company	-	(1.52)	-	18.48
8	Suresh Shah	Managing Director	Interest paid	13.84	3.35	-	-
9	Dipesh Jain	Whole Time Director	Interest paid	1.99	4.53	-	-
10	Arun V Shah	Whole Time Director	Interest paid	1.08	2.43	-	-
11	KC.Radhakrishnan	CFO	Salary Advance	0.25	(4.20)	-	5.80
12	Mukhesh Goal	Relative	Consultancy Charges	-	6.60	-	-
13	Pushpa S.Jain	Director	Sitting Fees	0.35	0.15	-	-
14	Suresh Industries	Firm in which directors have significant influence	Sales	1,545.86	1,054.16	(19.12)	(135.90)

Note: \* Amount excludes contribution to gratuity fund and provision for leave encashment liability, as the separate figure are not available.

Figures in the bracket represent repayment of loan / debit balance



### 35 Gratuity

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

Sr No	Particulars	Gratuity		Leave Encashment	
		2018-19	2017-18	2018-19	2017-18
i	Discount Rate (Per Annum)	7.62%	7.54%	7.62%	7.54%
ii	Salary Escalation	7.00%	7.00%	7.00%	7.00%

#### Changes in present value of obligation

Sr No	Particulars	Gratuity		Leave Encashment	
		2018-19	2017-18	2018-19	2017-18
i	Present Value of obligations as at the beginning of the year	61,05,097	42,62,473	20,35,100	13,62,449
ii	Interest Cost	4,60,324	2,89,848	1,53,447	92,647
iii	Current Service Cost	7,50,927	14,33,500	5,53,444	2,12,024
iv	Past Service Cost - (non vested benefits)	-	-	-	-
v	Past Service Cost - (vested benefits)	-	-	-	-
vi	Benefits and Charges Paid	-	(2,41,010)	-	-
vii	Actuarial gain/(loss) on plan assets	-	-	-	-
	(a) Due to CHANGE in financial assumptions	(41,584)	(4,10,670)	(24,983)	(1,69,687)
	(b) Due to change in demographic assumptions	-	3,08,138	-	49,592
	(c) Due to Experience Variance	22,86,777	4,62,819	18,86,274	4,88,075
viii	Present Value of obligations as at the end of the year	95,61,541	61,05,097	46,03,282	20,35,100

#### Changes in fair value of plan assets

Sr No	Particulars	Gratuity		Leave Encashment	
		2018-19	2017-18	2018-19	2017-18
i	Fair Value of Plan Assets at the beginning of the year	62,53,721	60,56,406	18,69,954	15,57,171
ii	Expected return on plan assets	4,32,029	4,07,301	94,045	83,485
iii	Contributions less charges	2,11,346	31,024	2,81,167	2,29,298
iv	Benefits and Charges Paid	-	(2,41,010)	-	-
v	Actuarial gain/(loss) on plan assets	-	-	-	-
vi	Fair Value of Plan Assets at the end of the year	68,97,096	62,53,721	22,45,166	18,69,954


**Actuarial Gain/ Loss**

Sr No	Particulars	Gratuity		Leave Encashment	
		2018-19	2017-18	2018-19	2017-18
i	Expected Interest income	4,71,531	4,11,836	1,05,888	1,40,995
ii	Actual Interest on plan assets	4,32,029	4,07,301	83,485	94,045
iii	Actuarial gain/(loss) on plan assets	(39,502)	(4,535)	(22,403)	(46,950)

**Amounts recognised in the Balance Sheet**

Sr No	Particulars	Gratuity		Leave Encashment	
		2018-19	2017-18	2018-19	2017-18
i	Closing Balance of Present Value of Obligation	95,61,541	61,05,097	46,03,282	20,35,100
ii	Closing Balance of Fair Value of Plan Assets	68,97,096	62,53,721	22,45,166	18,69,954
iii	Net Liability/(Asset) recognised in the Balance Sheet	26,64,445	(1,48,624)	23,58,117	1,65,146

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

Sr No	Particulars	Gratuity		Leave Encashment	
		2018-19	2017-18	2018-19	2017-18
I	Current Service Cost	7,50,927	14,33,500	5,53,444	2,12,024
II	Interest Cost	4,60,324	2,89,848	12,452	(13,241)
III	Expected return on plan assets	(4,32,029)	(4,07,301)	-	-
IV	Net Actuarial Gain/(Loss)	(22,84,695)	(3,64,822)	19,08,241	3,90,383
V	Expenses recognised in the statement of Profit and Loss Account	(15,05,473)	9,51,225	24,74,137	5,89,166

**Note:-**

As Per Paragraph 154 and 156 of IND AS 19, Actuarial gains and losses on other long term employee benefit plans continue to be required to be recognized through Profit and loss

**36 Contingent Liability**

There are no Contingent liability Disclosure for the year 2018-19

**37 Segment Reporting**

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker ("CODM"). The Directors evaluate the Company performance and allocate resources based on the analysis of various performance indicators of the Company as a single unit. **Therefore there is no reportable segment for the Company.**

**The entire revenue from operations is derived from India.** All non-current assets are situated within India.


**38 Details of remuneration to Mangaging Directors**

Rs. in Lakhs

Particulars	2018-19	2017-18
Salary	31.20	22.80
Company's contribution to Provident Fund	0.22	0.22
Other Perquisites	3.69	4.05
<b>Total*</b>	<b>35.11</b>	<b>27.07</b>

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

**Whole-Time Director**

Rs. in Lakhs

Particulars	2018-19	2017-18
Salary	45.98	38.16
Company's contribution to Provident Fund	0.43	0.43
Other Perquisites	3.00	3.84
<b>Total*</b>	<b>49.41</b>	<b>42.43</b>

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

**39** Previous years' figures have been regrouped and rearranged, wherever necessary, to conform to current year classification and rounded off to the nearest lakh of rupee.

As per our report of even date  
 For **P. Chandrasekar LLP**  
 Chartered Accountants  
 Firm Registration No.: 000580S/S200066  
**S SRIRAM**  
 Partner  
 Membership No.: 205496  
 Place: Chennai  
 Date: May 27, 2019

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

**K.C. RADHAKRISHNAN**  
 Chief Financial Officer

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

**A PRIYANKA**  
 Company Secretary

**Statement of Changes in Equity for the year ended 31 March 2019**

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

**a. Equity Share Capital**

Equity shares of Rs 10 each issued, subscribed and fully paid	Numbers	Rs.
At 1 April 2017	41,42,200	414.22
At 31 March 2018	41,42,200	414.22
At 31 March 2019	41,87,650	418.77

**b. Other Equity****For the year ended 31 March 2019**

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total
	General Reserve	Retained earnings		
<b>Balance as at 1st April 2017</b>	<b>210.00</b>	<b>1,515.17</b>	<b>-</b>	<b>1,725.17</b>
Total Comprehensive Income for the year		1,518.02	(2.39)	1,515.63
Dividends transferred to retained earnings	-	(74.90)	-	(74.90)
Any other change	-	-	-	-
<b>Balance as at 31st March 2018</b>	<b>210.00</b>	<b>2,958.29</b>	<b>(2.39)</b>	<b>3,165.90</b>
Total Comprehensive Income for the year		2,827.55	(16.20)	2,811.35
Dividends transferred to retained earnings		(99.87)		(99.87)
Any other change		-	-	-
<b>Balance as at 31st March 2019</b>	<b>210.00</b>	<b>5,685.97</b>	<b>(18.59)</b>	<b>5,877.34</b>

**Other Equity also includes Securities Premium : Rs. 159.08 and Warrant Deposit: Rs. 159.18****Nature and purpose of the reserve:****General Reserve:**

Part of retained earnings was earlier utilised for declaration of dividends as per the erstwhile Companies Act, 1956. This is available for distribution to shareholders.

**Retained Earnings:**

Company's Cumulative earnings since its formation, Minus the dividends/Capitalisation and earnings transferred to General Reserve.

**Warrant Deposit:**

Deposits received and retained against unallotted Warrants.

**Securities Premium:**

Company has issued 45,450 number of shares during the current year at premium of Rs. 350/- per share ( Rs. 10/- per share as face value and Rs.350/- per share as premium per share). The balance in securities premium account will be used as per section 52 of Companies Act, 2013.

As per our report of even date  
For **P. Chandrasekar LLP**  
Chartered Accountants  
Firm Registration No.: 000580S/S200066  
**S SRIRAM**  
Partner  
Membership No.: 205496  
Place: Chennai  
Date: May 27, 2019

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

**K.C. RADHAKRISHNAN**  
Chief Financial Officer

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

**A PRIYANKA**  
Company Secretary

**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]

**26th ANNUAL GENERAL MEETING**

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

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

- Name: \_\_\_\_\_ Address \_\_\_\_\_  
E-Mail Id \_\_\_\_\_ Signature \_\_\_\_\_
- Name: \_\_\_\_\_ Address \_\_\_\_\_  
E-Mail Id \_\_\_\_\_ Signature \_\_\_\_\_
- 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 26th Annual General Meeting of the Company, to be held on monday, the 09th day of September, 2019 at 11.00A.M. at M.M.Hotels. 65/66, Nellukara Street, Kanchipuram, Tamilnadu – 631 502 and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Proposed Resolution
<b>Ordinary Business</b>	
1	To consider and adopt the Audited Standalone Financial Statements for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2	To declare dividend on equity shares for the year ended 31st March, 2019.
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
<b>Special Business</b>	
4	To Approve Related Party Transaction with M/s. Suresh Industries.
5	Appointment of M/s. N. Sivashankaran & Co., Cost Accountants, appointed as Cost Auditors and remuneration to be paid.
6	To Approve revision in remuneration for Executive Directors.
7	To Re-appoint Mr. S.Srinivasan (DIN: 05185901) as Independent Director of the Company for a second term
8	To Re-appoint Mr. K.Venkateswaran (DIN: 00001899) as Independent Director of the Company for a second term
9	To Re-appoint Mr. N.Raghu (DIN: 06736497) as Independent Director of the Company for a second term

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

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****26th ANNUAL GENERAL MEETING**

(to be handed over at the entrance of the meeting hall)

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 26th Annual General Meeting of the Company being on Monday, the 09th September, 2019 at 11.00A.M at M.M.Hotels. 65/66, Nellukara Street, Kanchipuram, Tamilnadu – 631 502

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Member/Proxy Signature**Note:**

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

**ELECTRONIC VOTING PARTICULARS**

EVS (Electronic Voting Sequence Number)	User ID	Password
<b>180720013</b>	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 26th Annual General Meeting. The Voting period starts from 06th September, 2019 at 10.00 am and ends on 08th September, 2019 at 05.00 pm. The Voting module shall be disabled by CDSL for voting thereafter





## ROUTE MAP







If undelivered, Please return to:

**KANCHI KARPOORAM LIMITED**

CIN : L30006TN1992PLC022109

**Chennai Office :**

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

**Regd. Office :**

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

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