



KANCHI KARPOORAM LIMITED

**EIGHTEENTH
ANNUAL REPORT
2010 - 2011**

KANCHI KARPOORAM LIMITED

KANCHI KARPOORAM LIMITED

17.10.2011

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

Dear Shareholder,

Sub: Request for E-mail I.D.

The Ministry of Corporate Affairs (MCA) has taken the "**Green Initiative in Corporate Governance**" (Circular No.17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011) allowing paperless compliances by companies through electronic mode. Companies are now permitted to send various notices/documents to their shareholders through electronic mode to their registered email addresses.

This will benefit the society at large through reduction in paper consumption and would contribute towards a sustainable greener environment. From your point of view, it will ensure prompt receipt of communication from the company and avoid situations where physical documents get lost.

Keeping the above in view, we propose to send all documents to be sent to Shareholders like General Meeting Notices including the AGM, Annual Report including Audited Financial Statements, Directors Report, Auditors Report, etc. to our shareholders in electronic form, to the email address provided by them and made available to us by the Depositories.

Physical copies will also be available for inspection during office hours at our Registered Office.

Please also note that you will be entitled to be furnished free of cost, with a copy of the Annual report of the company and all other documents required by law to be attached thereto, upon receipt of a requisition from you, any time, as a member of the Company. Such a requisition may be sent to the registered office of the company at the address given above.

We are sure that you will whole-heartedly support this initiative and will co-operate with the company in our mutual Endeavour towards a sustainable greener environment and brighter living.

Accordingly, if you hold shares in physical mode, we request you to kindly fill out the enclosed form and send the same to our Registrar and Share Transfer Agent **M/s Cameo Corporate Services Limited** at the address mentioned therein at the earliest. **For Shareholders holding shares in dematerialized mode, the form needs to be submitted to your Depository Participant (DP) and not to the Company or the Transfer Agent for updating the same.**

With best wishes,

Thanking you,
Yours faithfully,
For **Kanchi Karpooram Limited**,

Sd/-

SURESH SHAH
Managing Director

KANCHI KARPOORAM LIMITED

To be given by the Shareholders holding shares in physical Form only.

Date

To

M/s Cameo Corporate Services Private Limited (RTA)

"Subramaniam Building", V Floor,

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

Sub: Request for E-mail ID

Unit: Kanchi Karpooram Limited

Folio Number

Name of First Named Shareholder:

Personal E-mail ID:

Signature of First Named Shareholder:

NOTE:

Shareholders holding shares in demat mode are requested to give their E-mail ID to their Depository participant in the format provided by them.

KANCHI KARPOORAM LIMITED

BOARD OF DIRECTORS

Shri Suresh Shah
Shri Arun Kumar Shah
Shri Dipesh S. Jain

AUDITORS

M/s. R.Subramanian and Company
Chartered Accountants
No.6, Krishnaswamy Avenue
Luz, Mylapore
Chennai - 600 004.

BANKERS

Bank of India
Chennai Overseas Branch,
"Star House" III Floor,
30(Old No.17), Errabalu Street,
Chennai – 600 001.

REGISTERED OFFICE AND FACTORY

Parandur Road
Enathur Village
Karaipettai Post
Kanchipuram - 631 552. Tamil Nadu

REGISTRAR AND SHARE TRANSFER AGENT

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

KANCHI KARPOORAM LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **18th Annual General Meeting** of the Members of Kanchi Karpooram Limited will be held on **Wednesday, the 30th day of November 2011**, at **11.00 A.M. at M.M.Hotels, 65/66, Nellukara Street, Kanchipuram - 631501** to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at **31st March, 2011** and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare a Dividend
3. To appoint a Director in the place of **Mr.Arun Kumar Shah** who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration. The retiring Auditors **M/s.R.Subramanian & Company, Chartered Accountants, Chennai 600 004** are eligible for re-appointment.

Special Business

5. To consider and if thought fit to pass with or without modifications, following resolution as **Special Resolution**:

RESOLVED THAT the consent of the Company be and is hereby accorded under the provisions of Section 314 (1) and other applicable provisions, if any, of the Companies Act, 1956, to revise the terms of appointment of **Mr.V.M.Goal**, who is a relative of Mr.Suresh Shah, Managing Director, Mr.Dipesh S Jain, Director (Works) and Mr.Arun Kumar Shah, Director, for holding and continuing to hold an office or place of profit as 'Technical Consultant' of the company, with effect from **1-December 2011 for a period of three years** as Technical Consultant on a monthly time scale pay of **Rs.60,000/-** (Rupees Sixty Thousand only) and reimbursement of telephone, Mobile & internet charges and including all perquisites, allowances and benefits payable to such other consultants.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorized to revise his terms of payment of remuneration upto **31st March 2014** and do all such acts, deeds and things as may be necessary to give effect to the above resolution."

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

Place : Kanchipuram
Date : 17.10.2011

Sd/
SURESH SHAH
Managing Director

KANCHI KARPOORAM LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, PROXY FORM MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS PRIOR TO THE TIME FOR HOLDING THE AFORESAID MEETING. IN DEFAULT, THE INSTRUMENT OF PROXY SHALL NOT BE TREATED AS VALID.
2. The Register of Members and Share Transfer Books will remain closed from **24th November 2011 to 30th November 2011 (Both Days are inclusive)**.
3. Members/Proxies should bring their Attendance Slip duly filled in for attending the Meeting.
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
5. Shareholders are requested to bring copy of Annual Report for the Meeting.
6. M/s. Cameo Corporate Services Ltd., Subramanian Building, No. 1, Club House Road, Chennai 600 002 has been appointed as a common agency for both Physical and Electronic Share Transfers. Shareholders may contact the Registrar for Physical as well as Electronic Share Transfers (Dematerialisation of Shares).
7. Members desirous of making a Nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956, are requested to write to the Company's Registrar for the prescribed form.
8. Information pursuant to clause 49 of the listing agreement in respect of proposed appointment / re-appointment of directors.

1.	Name of the Director	Arun Kumar Shah
2.	Date of Birth & Age	19.02.1964 & 47 Years
3.	Designation	Director
4.	Father's Name	Veerchand D Shah
5.	Nationality	Indian
6.	Qualifications	He is a Commerce Graduate
7.	Expertise	22 Years of experience in Marketing and General Administration
8.	Other Directorships	He is a Non-Executive Director

KANCHI KARPOORAM LIMITED

9.	Committee Memberships, if any, with position	He is a member of the Share Transfer Committee
10.	Shareholdings in the Company	He is holding 38,500 Shares
11.	PAN	AAEPA4627R

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(1)

Item No.5

Mr.V.M. Goal has been appointed as Technical Consultant of the Company, with effect from April 01, 2009 at the Board Meeting held on 24th April 2009. Mr.V.M.Goal is a relative of Mr.Suresh Shah, Managing Director, Mr.Dipesh S Jain, Director (Works) and Mr. Arun Kumar Shah, Director. Mr. V.M.Goal, to hold and continue to hold office or place of profit as Technical Consultant as set out in the item no.5 require the consent of the members in terms of section 314 of the Companies Act, 1956. The Board of Directors at their meeting held on 17th October 2011 has recommended revision of his salary and perquisite on a time scale based on the contribution to the Company. The Board recommends the resolution set forth in item no.5 for the approval of the members.

All the Directors are concerned / interested in the resolution.

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

Place : Kanchipuram
Date : 17.10.2011

Sd/
SURESH SHAH
Managing Director

DIRECTORS' REPORT

Directors' Report to the Members

Your Directors have pleasure in presenting the 18th Annual Report together with the audited statement of accounts of the Company for the Year Ended 31st March, 2011.

Financial Results

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.

	For the Year Ended 31.03.2011 (Rs.Lakhs)	For the Year Ended 31.03.2010 (Rs.Lakhs)
Sales & Other Income	3862.90	2948.30
Profit / Loss Before Interest & Depreciation	356.29	392.47
Interest	94.47	59.28
Depreciation	110.57	99.43
Profit / (Loss) Before Tax	151.25	233.76
Net Profit / (Net Loss) After Tax	102.83	96.53

Operations

In spite of economic fluctuations, your Company is able to sustain the growth progressively during the year under review and look forward for the same trend in the years to come.

In recognition of the camphor quality and price, your Company has decided to go for increased production capacity of camphor shortly.

Business Analysis and prospects as discussed by your Management

Your Company by virtue of well defined clientele will achieve the desired growth in spite of threats in economic sector.

Dividend

Your Company, considering the performance during the first half of the year have declared an **interim dividend of 10% (Re.1/- per equity share of Rs.10)** vide the Board of Directors meeting held on 27.12.2010. However, your directors do not recommend further dividend for the year under review.

Internal Controls and their Adequacy:

The internal control systems are commensurate to the size of the operation of the Company. Whenever it is required, the systems and procedure are upgraded to suit the changing business needs.

Conservation of Energy.

Particulars required under Sec. 217 (1)(e) of the Companies Act, 1956 read with the rules framed there under are given in Annexure I (Form A) which forms part of Directors' Report.

Technology

During the year under review, your Company has not imported any technology.

Foreign Exchange Earnings & Outgo

Your Company has earned foreign exchange of **Rs. 214.30 Lakhs.** through exports. The total Foreign Exchange utilized by the Company during the year for the purchase of Raw Materials and others was **Rs. 2,735.00 Lakhs.**

Fixed Deposits

The outstanding Public Deposits as on 31st March, 2011 Nil and as on that date, there was no Fixed Deposit pending payment.

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Particulars of Employees

There were no Employees who were in receipt of remuneration in excess of limits prescribed in the Companies (Particulars of Employees) Rules, 1975.

Hence, the requisite information in terms of Sec.217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is Nil.

Directors

In compliance with the provisions of the Companies Act, 1956 in accordance with the Company's Articles of Association

Mr.Arun Kumar Shah retires at this Annual General Meeting and being eligible, offers himself for re-appointment.

Brief resume of the Mr.Arun Kumar Shah seeking re-appointment, nature of his expertise as stipulated under clause 49 of the Listing Agreement, is appended to the notice convening the Annual General Meeting.

Disclosures of Particulars of Constituting "Group" pursuant to Regulation 3(1)(e) of the SEBI(Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Pursuant to an information from the promoters, the name of the promoters and entities comprising group as defined under Monopolies and Restrictive Trade Practice

(MRTP) Act, 1969, are 31.30% of the total Paid-up Shares for the purpose of

the SEBI(Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Auditors

The retiring Auditors, M/s. R.Subramanian & Company, Chartered Accountants, have expressed willingness to continue in office, if

appointed. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956.

Auditors Report

The Auditors Report to the Members does not contain any qualification or adverse remarks **except with regard to AS-15 for which your directors state that the provisions were made based on settlements during the year under review.**

Directors' Responsibility Statement

As required under Sec. 217 (2AA) of the Companies Act, 1956 it is hereby stated that:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure, except with regard to AS-15 in employee benefits.

(ii) The Directors had 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 at the end of the Financial year and of the Profit or Loss of the Company for the year under review.

(iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The Directors had prepared the Annual Accounts on a going concern basis.

Report on Corporate Governance

A report on Corporate Governance along with a certificate from the Auditors of the Company regarding compliance of conditions of Corporate