



KANCHI KARPOORAM LIMITED

**TWENTIETH
ANNUAL REPORT
2012 - 2013**



KANCHI KARPOORAM LIMITED

BOARD OF DIRECTORS

Shri.Suresh Shah
Shri.Deepesh Shah
Shri.Arun V Shah
Shri.S.Srinivasan

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 OF THE COMPANY AND FACTORY

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

REGISTRAR AND SHARE TRANSFER AGENT

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



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NOTICE TO SHAREHOLDERS

Notice is hereby given that the **20th Annual General Meeting** of the Members of Kanchi Karpooram Limited will be held on Thursday the 12th day of September 2013, at 11.00 A.M. at M.M.Hotels, 65/66, Nellukara Street, Kanchipuram -631502 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at **31st March, 2013** 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 dividend
3. To appoint a Director in the place of Mr.Deepesh 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 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 pursuant to section 198,269,309,310,311 and all other applicable provisions of the Companies Act 1956, read with Schedule XIII of the Companies Act 1956 the Company hereby approves the re-appointment of Mr.Suresh Shah as the Managing Director of the Company for a further period of three (03) years w.e.f. 01-10-2013 on the following terms and conditions."

I. Remuneration.

(a) Fixed Compensation

Fixed compensation shall include Basic salary and allowances Company's Contribution to Provident fund and Gratuity. The basic salary and allowances shall be in the range of '90,000/- to '2,00,000/- per month. The annual increment will be decided by the Board of Directors on merit basis and take into account other relevant factors. The company's contribution to gratuity shall be according to the rules of the company inforce from time to time.

(b) In addition to the fixed compensation

The Managing Director will be entitled to the following allowances, Perquisites, benefits, facilities and amenities as per rules of the company and subject to the relevant provisions of the Companies act 1956(collectively called "Perquisites and Allowances". These perquisites and allowances maybe granted to the Managing Director in such form and manner as the board may decide.

- ❖ Housing as per rules of the Company(i.e. unfurnished residential accommodation and House Rent Allowance at applicable rate as per Company's rules OR House Rent Allowance as per Company's rules);



- ❖ Furnishing at residence as per rules of the Company;
- ❖ Supplementary Allowance;
- ❖ Leave Travel Assistance for the Managing Director and his family in accordance with rules of the Company;
- ❖ Payment / reimbursement of medical/hospitalization expenses for self and family in accordance with rules of the Company.
- ❖ Group insurance cover, group mediclaim cover, premium at actuals.
- ❖ Payment/reimbursement of Club Fees (Subject to 2 Clubs) Food Vouchers, Petrol reimbursement;
- ❖ Company's car with driver for official use, provision of telephone(s) including mobile & Internet at residence;
- ❖ Payment/reimbursement of telephone expenses including mobile & Internet
- ❖ Consolidated privilege leave, on full pay and allowance, not exceeding 30 days in the financial year. Encashment/accumulation of leave will be permissible in accordance with the rules specified by the Company. Sick leave as per the rules of the Company;
- ❖ Such other perquisites and allowances as per the policy/rules of the Company in force and /or as may be approved by the Board from time to time.

Explanation

- i) For the Leave Travel Assistance and reimbursement of medical and hospitalization expenses, 'family' means the spouse and dependent children and dependent parents of the Managing Director.
- ii) For the purpose of calculation of gratuity and other retirement benefits, the tenure of Mr. Suresh Shah as an employee in **Kanchi Karpooram Limited** shall also be taken into account.
- iii) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable, the same shall be valued as per Income Tax Rules.

(c) Overall Remuneration

The aggregate of salary, allowances and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Managing Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198, 309, 310 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

(d) Minimum Remuneration

Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule XIII to the Companies Act, 1956.

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



"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), the Company hereby approves re-appointment of Mr. Deepesh Shah as Wholetime Director of the Company for a period of 3 years w.e.f. 01st October 2013, upon the terms & conditions including remuneration, perquisites & amenities shall be as follows.

I. Remuneration.

(a) Fixed Compensation

Fixed compensation shall include Basic salary and allowances Company's Contribution to Provident fund and Gratuity. The basic salary shall be in the range of '80,000/- to '2,00,000/- per month. The annual increment will be decided by the Board of Directors on merit basis and take into account other relevant factors. The company's contribution to gratuity shall be according to the rules of the company inforce from time to time.

(b) In addition to the fixed compensation

The Whole Time Director will be entitled to the following allowances, Perquisites, benefits, facilites and amenities as per rules of the company and subject to the relevant provisions of the Companies act 1956(collectively called "Perquisites and Allowances". These perquisites and allowances maybe granted to the Wholetime Director in such form and manner as the board may decide.

- ❖ Housing as per rules of the Company(i.e. unfurnished residential accommodation and House Rent Allowance at applicable rate as per Company's rules OR House Rent Allowance as per Company's rules);
- ❖ Furnishing at residence as per rules of the Company;
- ❖ Supplementary Allowance;
- ❖ Leave Travel Assistance for the Wholetime Director and his family in accordance with rules of the Company;
- ❖ Payment / reimbursement of medical/hospitalization expenses for self and family in accordance with rules of the Company.
- ❖ Group insurance cover, group mediclaim cover, premium at actuals
- ❖ Payment/reimbursement of Club Fees (Subject to 2 Clubs) Food Vouchers, Petrol reimbursement;
- ❖ Company's car with driver for official use, provision of telephone(s) including mobile & internet at residence;
- ❖ Payment/reimbursement of telephone expenses including mobile Internet.
- ❖ Consolidated privilege leave, on full pay and allowance, not exceeding 30 days in the financial year. Encashment/accumulation of leave will be permissible in accordance with the rules specified by the Company. Sick leave as per the rules of the Company;



- ❖ Such other perquisites and allowances as per the policy/rules of the Company in force and /or as may be approved by the Board from time to time.

Explanation

- i) For the Leave Travel Assistance and reimbursement of medical and hospitalization expenses, 'family' means the spouse and dependent children and dependent parents of the Whole Time Director.
- ii) For the purpose of calculation of gratuity and other retirement benefits, the tenure of Mr. Deepesh Shah as an employee in **Kanchi Karpooram Limited** shall also be taken into account.
- iii) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

(c) Overall Remuneration

The aggregate of salary, allowances and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Whole Time Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198, 309, 310 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

(d) Minimum Remuneration

Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule XIII to the Companies Act, 1956.

To enlist the equity shares of the Company with BSE (SME) Exchange

7. To consider and if thought fit to pass with or without modifications, following resolution as

Special Resolution:

RESOLVED THAT subject to provisions of the Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009, listing agreements with the Stock Exchanges and Guidelines/Rules of the Securities and Exchange Board of India and/or such other applicable laws, regulations and guidelines and subject further to such approvals and sanctions as may be required, the Board of Directors (hereinafter referred to as "The Board" which term shall include a Committee of Directors) be and is hereby authorized to list Equity Shares of the company with BSE (SME) Exchange.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to apply to such BSE (SME) Exchange/SEBI and take all the required steps in terms of guidelines laid down by SEBI for listing of the Equity Shares of the Company and to decide/settle all the matter related to listing of shares and also to do all such acts/deeds and things as may be required by the relevant Competent Authority for and on behalf of the board.



RESOLVED FURTHER THAT the Board of Directors may authorise any of its committee or any of its Directors to do all such acts/deeds and things to give effect to the above said resolution.

To delist the equity shares of the Company with Delhi and Ahmedabad Stock Exchanges

8. To consider and if thought fit to pass with or without modifications, following resolution as

Special Resolution:

"RESOLVED THAT the promoters recommending/Conveying their intention to voluntarily delist the equity shares of the Company from the "Delhi Stock Exchange (DSE) and Ahmedabad Stock Exchange (ASE) in accordance with SEBI (Delisting of Equity Shares) Regulations, 2009 and other applicable provisions of Companies Act, 1956 and receipt of the necessary approvals of the Share Holders, DSE and ASE and such other authorities, regulatory or otherwise the voluntary delisting of the Equity Shares of the Company from the BSE and DSE be and is hereby approved and the Company (which term shall be deemed to include the board or any committee of the Board or person authorized by the Board thereof) shall take all necessary steps and make all necessary filings to facilitate such delisting in accordance with the conditions specified in the Delisting Regulations and the applicable provisions of the Companies Act, 1956 "

"RESOLVED FURTHER THAT for the purpose of giving effect to the voluntary delisting of the equity shares as described herein above, Mr.Suresh Shah Managing Director be and is hereby authorized to do all such acts, deeds, matters and things as they may at his discretion deem necessary or desirable for such purpose, including making applications to the DSE and ASE to seek their in-principle and final approval for the proposed voluntary delisting of the equity shares of the Company and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard as they may in their absolute discretion deem fit."

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it to any committee of the Directors or any Director(s) or officer (s) of the company to give effect to the aforesaid resolutions."

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

Sd/-

SURESH SHAH

Chairman & Managing Director

Place : Chennai

Date : 30.05.2013

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. PROXY TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER 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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to special business to be transacted in the meeting is annexed hereto
3. The Register of Members and Share Transfer Books will remain closed from 09th September, 2013 to 12th September, 2013 (Both Days are inclusive). for the purpose of ascertaining the list of members as on the date of ensuing Twentieth Annual General Meeting
4. Shareholders seeking information with regard to accounts are requested to write to the Company at an early date so as to enable the Management keep the information ready.
5. Members/ proxies should bring the attendance slip duly filled in for attending the meeting and corporate members are requested to send a duly certified copy of the Board resolution/ Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
6. 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.
7. Annual Report is available at the website of the Company at www.kanchikarpooram.com
8. Members who have not yet en-cashed their dividend warrants for previous years are advised to forward such warrants to the Company for revalidation. Pursuant to the provision of section 205A of the Companies Act, 1956 dividend, which remains unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund of the Central Government.
9. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, members holding shares in electronic form are, therefore, requested to submit the PAN to their Depositories Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their Pan Details to the Company / Registrar and Transfer Agents.
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 cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars of bank mandates. Such changes are to be advised only to the Depository participant of 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 can submit their Pan Details to the Company / Registrar and Transfer Agents
12. **The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by email to its members. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email ids with M/s.Cameo Corporate Services Limited, "Subramanian Buildings", 1, Club House Road, Chennai 600 002**



13. Members who are holding shares more than one folio under physical form may approach the Company's Share Transfer Agents for consolidation with respective details.
14. Information pursuant to clause 49 of the listing agreement in respect of proposed appointment/ re-appointment of directors and as per Schedule xiii of Companies Act 1956

1	Name of the Director	Suresh Shah	Deepesh Shah
	Age	60 Years	33 Years
	Designation	Managing Director	Whole time Director
	Father's Name	Veerchand D Shah	Suresh Shah
	Nationality	Indian	Indian
	Qualification	PUC	B.Tech (Chemical Engineering)
	Experience	41 Years	10 Years
2	Past Remuneration including perquisites	Rs.1461699	Rs.1240965
3	Recognition Awards	Nil	Nil
4	Job Profile and his suitability	CEO of the Company, Entire Control is vested on him, His proven sales & Procurement Experience for more than 4 decades is an asset to the Company	He is a Chemical Engineering Graduate and incharge of production and Factory Management.
5	Remuneration proposed	In the Scale of 90,000 to 2,00,000	In the Scale of 80,000 to 2,00,000
6	Comparative Remuneration	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in similar Companies of Comparable size in the similar industry.	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in similar Companies of Comparable size in the similar industry.
7	Pecuniary relationship directly or indirectly with the Company	Mr.Suresh Shah has no pecuniary relationship directly or indirectly with the Company except to the extent his remuneration and shareholding of self and relatives and for the contract for purchase and sale of goods dealt by the company for which approval of Regional Director is obtained.	Mr. Deepesh Shah has no pecuniary relationship directly or indirectly with the Company except to the extent his remuneration and shareholding of self and relatives.

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

Sd/-

SURESH SHAH

Chairman & Managing Director

Place : Chennai

Date : 30.05.2013