



KANCHI KARPOORAM LIMITED

**TWENTY FIRST
ANNUAL REPORT
2013 - 2014**



E-Mail Registration

To

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

Dear Sir / Madam,

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

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

Folio No.* _____

Name of the 1st Registered Holder * _____

Name of the Joint Holder(s) _____

Address * _____

Pin Code* _____

E-Mail ID * _____

Contact Tel. No* _____ Mobile _____

Landline _____

Date _____ Signature of 1st Holder _____

Important Notes:

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



KANCHI KARPOORAM LIMITED

BOARD OF DIRECTORS

Shri.Suresh Shah
Shri.Dipesh S Jain
Shri.Arun V Shah
Shri.S.Srinivasan
Shri Na Raghu
Shri K.Venkateswaran

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 **21st Annual General Meeting** of the Members of Kanchi Karpooram Limited will be held on Wednesday, the 10th day of September 2014, 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 Financial Statements of the Company for the year ended March 31, 2014 including the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the year ended March 31, 2014 and the Reports of the Board of Directors and Auditors thereon
2. To declare dividend on the equity shares for the financial year ended 31st March, 2014.
3. To appoint Director in the place of Shri.Arun V Shah (DIN: 01744884) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of section 139, 142, and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s.R.Subramanian and Co, Chartered Accountants, (Registration No.FRN 004137S) be and is hereby re-appointed as the statutory Auditor of the Company to hold office for a period of 3 years from the conclusion of this Annual General meeting to, till the conclusion of 24th Annual General Meeting of the Company subject to ratification of the appointment by the shareholders at every Annual General Meeting held after this AGM on a remuneration to be decided by a Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

Special Business

5. To appoint Shri.Narasimhan Raghu (holding DIN: 06736497) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 149, 152 read with Schedule IV and all other applicable provisions of the companies Act, 2013 and the companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri.Narasimhan Raghu (holding DIN: 06736497), who was appointed as an Additional Director (a non-executive) pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member along with the prescribed deposit, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from 01st day of September 2014 up to August 31, 2019."

6. To appoint Shri.K.Venkateswaran (holding DIN: 00001899) as an Independent Director and in this regard to consider and if thought fit to pass with or without modification(s), following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 149, 152 read with Schedule IV and all other applicable provisions of the companies Act, 2013 and the companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri.K.Venkateswaran (holding DIN: 00001899), who was appointed as an Additional Director (a non-executive) pursuant to the provisions of Section 161(1) of the



Companies Act, 2013 and the Articles of Association of the Company who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member along with the prescribed deposit, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from 01st day of September 2014 up to August 31, 2019."

7. To appoint Shri.S.Srinivasan (holding DIN: 05185901) as an Independent Director and in this regard To consider and if thought fit to pass with or without modification(s), following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 149, 152 read with Schedule IV and all other applicable provisions of the companies Act, 2013 and the companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri.S.Srinivasan (holding DIN: 05185901), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from 01st day of September 2014 up to August 31, 2019."

8. To re-appoint Shri.Arun V Shah (DIN: 01744884) as a Whole Time Director and in this regard to consider and if thought fit to pass with or without modification(s), following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Section 188, 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri.Arun V Shah (DIN: 01744884) who is a relative (brother) of Mr.Suresh Shah, Managing Director of the Company and who has been appointed as Whole-time Director of the company by the Board of Director at the meeting held on February 28, 2014 for a period up to the ensuing Annual General Meeting with effect from March 01, 2014, be and is hereby re-appointed as Whole-time Director of the Company, for a period of 5 (Five) years, on the terms and conditions including remuneration as per the details given herein below, with effect from 10th September, 2014:-

I. 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 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act as may for the time being, be in force

II. 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 V to the Companies Act, 2013.

RESOLVED FURTHER THAT during the tenure as the Whole-time Director Shri.Arun V Shah, shall be entitled to be paid / re-imbursed by the Company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company / Nomination and Remuneration Committee of the Company be and is hereby authorized to decide the annual increments payable to him on yearly basis not exceeding 25% of the aforementioned remuneration and also authorised as and when it may determine and deem fit and proper to revise the aforesaid remuneration.



9. To appoint Mrs.Pushpa S Jain (holding DIN: 06939054) as Woman Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of section 149, 188 of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs.Pushpa S Jain (holding DIN: 06939054), relative (Wife) of Mr.Suresh Shah, Managing Director of the Company and eligible for re-appointment in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member along with the requisite deposit, proposing her candidature for the office of Director, be and is hereby appointed as a Woman Non-Executive Director of the Company who is liable to retire by rotation"

10. To borrow money and in this regard to consider and if thought fit, to pass with or without modification(s), following resolution as a **Special Resolution**

RESOLVED THAT in supersession of the Ordinary Resolution approved at the Extra Ordinary General Meeting held on 01st February 1995, and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions 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) subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to borrow from time to time in one or more tranches, for the purpose of the Company's business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remain outstanding in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs.60 crores (Rupees Sixty Crores Only).

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution."

11. To charge on assets of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), following resolution as a **Special Resolution**

RESOLVED THAT in supersession of the Ordinary Resolution approved at the Extra Ordinary General Meeting held on 01st February 1995, and pursuant to the provisions of Section 180(1)(a) and any other applicable provisions 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) subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), for mortgaging / charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained, in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs.60 crores (Rupees Sixty Crores Only) at any one time."

"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 respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."



12. To approve Related Party Transactions and in this regard to consider and if thought fit, to pass with or without modification(s), following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Meeting of Board and its powers) Rules 2014 and read with Clause 49 (VII) of the Listing Agreements entered into with the Stock Exchanges(s) 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 to enter into contracts and/or agreements with related parties as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind, availing or rendering of any services or any other transaction of the nature specified under section 188(1) clause (a) to (g) with M/s Suresh Industries or with any other related parties as define under section 2(76) of the companies Act,2013.

"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."

13. To substitute the Articles of Association and in this regard to consider and if thought fit to pass with or without modification(s), following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Section 5, 14, 15 and all other applicable provisions of the Companies Act, 2013 (statutory modification (s) or re-enactment thereof, for the time being in force), the new draft Articles in line with the companies Act,2013, as contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

14. Listing with Bombay Stock Exchange/National Stock Exchange and in this regard, to consider and if thought fit, to pass with or without modification(s), following resolution as a **Special Resolution**

"RESOLVED THAT subject to the provisions of the Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2003, 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 Bombay Stock Exchange/National Stock Exchange.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to apply to such BSE/NSE/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 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."

By Order of the Board
For **KANCHI KARPOORAM LIMITED**
Sd/-
SURESH SHAH
Managing Director

Place : Chennai
Date : 01.08.2014

**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting
6. 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
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. The Register of Members and Share Transfer Books of the Company will be closed from 03rd September 2014 and 4th September 2014
9. If final dividend as recommended by the Board of Directors is approved at the AGM, the payment of dividend will be made on/before 09th day, October 2014 as under
 - a) To all beneficial owners in respect of shares held in dematerialized form, as per data made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the closure of business hour on 02nd September 2014;
 - b) To all members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer request lodged with the company on or before the closure of business hour on 02nd September 2014;
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, M/s.Cameo Corporate Services Ltd. "Subramanian Building" No.1, Club House Road, Chennai - 600 002 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 Corporate Services Ltd.



12. Pursuant to the provisions of Section 124(5) 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 and Protection Fund"(IEPF) established by the Central Government. Also as per the provision of Section 124(6) of the Companies Act, 2013 all shares in respect of which unpaid or unclaimed dividend has been transferred under sub-section 5 shall also be transferred by the Company in the name of (IEPF). The provision of section 125(3) of the Companies Act, 2013 Provides that the person whose amounts referred to section 124 (5) & (6), clauses (c) to (e) of section 125 of the Companies Act, 2013 and under clauses (a) to (d) of sub-section (2) of section 205C of the Companies Act, 1956 transferred to Investor Education and Protection Fund, after the expiry of the period of seven years, shall be entitled to get refund out of the Fund in respect of such claims in accordance with rules made under this section.
13. The Securities and Exchange Board of India (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 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 Corporate Services Ltd
14. 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 Cameo Corporate Services Ltd , for consolidation into a single folio.
15. Non-Resident Indian Members are requested to inform Cameo Corporate Services Ltd, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
16. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agents, M/s. Cameo Corporate Services Ltd and have it duly filled and sent back to them.
17. Electronic copy of the Annual Report for 2013-14 is being sent to all Members whose email Ids are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013- 14 is being sent in the permitted mode.
18. Electronic copy of the Notice of the 21st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Notice of 21st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
19. 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
20. Members may also note that the Notice of the 21st Annual General Meeting and the Annual Report 2014 will be available on the Company's website, www.kanchikarpooram.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: investorcare@kanchikarpooram.com/kanchikarpooramus@gmail.com.
21. Voting through electronic means: In terms of the provision of section 108 of the companies Act read with Companies(Management and Administration) Rules 2014, every listed company or a company having not less than 1000 shareholders, shall provide its members facility to exercise their rights to vote at the General Meeting by electronic means. Members may exercise his rights to vote at any General meeting by election means and company may pass any resolution by electronic voting systems in accordance with the provisions of the Companies(Management and Administration) Rules 2014.