



KANCHI KARPOORAM LIMITED

**TWENTY SEVENTH
ANNUAL REPORT
2019-2020**



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, Chairman, 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

Mr. J. R. Vishnu Varthan

AUDITORS

M/s. P. Chandrasekar, LLP
Chartered Accountants
No. 18A, 1st Floor, Plot No. 5
Balaiah Avenue, Luz,
Mylapore, Chennai – 600 004.

SECRETARIAL AUDITOR

Mr. Lovelish Lodha
Practicing Company Secretary
No.31, “Matashree Nivas”, AP Road,
1st Lane, Choolai, Chennai - 112

BANKERS

1. Citi Bank, N.A.,
No. 163 Anna Salai, Second Floor, Chennai - 600002.
2. State Bank of India,
Kilpauk Garden Branch, 27/14, Landons Road, Kilpauk, Chennai - 600010
3. 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 27th Annual General Meeting of the members of Kanchi Karpooram Limited will be held on Friday, 25th September, 2020 at 11.00 a.m. through Video Conference (VC)/ Other Audio Visual Means (OAVM), to transact the following business:

Ordinary Business:**1. Adoption of Standalone Financial Statements**

To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors thereon.

2. Declaration of dividend

To declare a final dividend of Rs. 1.00 per equity share for the year ended 31st March, 2020 and to confirm interim dividend of Rs. 2.00 per equity share already paid during the year 2019-20.

3. Re-appointment of Mrs. Pushpa S Jain as a Director, liable to retire by rotation

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 Business:**4. Approval Of Related Party Transaction**

To consider and if though fit, to pass with or without modification(s) the following resolution as a Ordinary 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.30 Crores (Rupees Thirty 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. Appointment of Mr. Arun V Shah (DIN: 01744884) as a Whole Time Director

To consider and if though fit, to pass with or without modification(s) the following resolution as a Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Articles of Association of the Company, Mr. Arun V Shah (DIN: 01744884), who was appointed by the Board of Directors of the Company at their meeting held on 22nd October 2019, based on the recommendation of the Nomination and Remuneration Committee of the Board and who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Whole Time Director of the Company.”



“RESOLVED FURTHER THAT in accordance with the recommendations of the Nomination and Remuneration Committee of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198 and 203 of the Act, read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company and subject to the approval of the central government or such other sanctions as may be necessary, consent of the Members be and is hereby accorded to the appointment of Mr. Arun V Shah as a Whole-Time Director of the Company for a period 5 years effective from 25th September 2020 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice of this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the appointment and/ or remuneration based on the recommendation of the Nomination & Remuneration Committee, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and is not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and matters and things as, in its absolute discretion, it may consider necessary, expedient and desirable to give effect to this resolution.”

6. Appointing Mr. Dipesh S Jain (DIN: 01659930), Whole Time Director, as Joint Managing Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, and in accordance with the provisions of Section 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, and subject to the approval of the Central Government as may be required, Mr. Dipesh S Jain (DIN: 01659930), who was a Whole Time Director of the Company, be and is hereby by appointed as Joint Managing Director of the Company for a period of 5 years effective from 25th September 2020, is not liable to retire by rotation, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice of this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the appointment and/ or remuneration based on the recommendation of the Nomination & Remuneration Committee, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and matters and things as, in its absolute discretion, it may consider necessary, expedient and desirable to give effect to this resolution.”

7. Appointment of Mr. Rajagopalan Kannan (DIN: 08837382) as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors for appointment of Mr. Rajagopalan Kannan (DIN: 08837382) as an Additional Director in the capacity of an Independent Director of the Company w.e.f. 24th August 2020, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act and who holds office as such up to the date of ensuing Annual General Meeting, be and is hereby, appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a period of five years effective from 25th September 2020”



“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such necessary acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. Ratification of Remuneration paid to Cost Auditors

To consider and, if thought fit, to pass 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 2020-21, 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.

For & On Behalf of the Board

For **KANCHI KARPOORAM LIMITED**

Place: Chennai
Date: 24.08.2020

Dipesh S Jain
(DIN: 01659930)
Whole time Director

Suresh V Shah
(DIN: 01659809)
Managing Director

NOTES

1. Being this AGM scheduled to be held through VC/ OAVM in pursuant to MCA Circular No. 14/2020 dated April 08, 2020, hence the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members of body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
2. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special Business set out in the Notice is annexed hereto.
3. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from the 19th September, 2020, Saturday to 25th September, 2020, Friday (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
5. If Dividend as recommended by the Board of Directors is approved at the AGM, the payment of dividend will be made on/before 24th October, 2020 to those members whose names shall appear on the Company's register of members on the closure of business hour on 18th September, 2020 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.



6. 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.
7. 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.
8. 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.
9. 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.kklgroup.in), as also on the website of Ministry of Corporate Affairs.
10. 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.
11. 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.
12. 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.
13. 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.
14. Members may also note that the Notice of the 27th AGM and the Annual Report for FY 2019-20 will be available on the Company's website www.kklgroup.in for their download and also on the website of Central Depository Services (India) Limited viz. www.evotingindia.com.
15. 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 / agm@cameoindia.com
16. The cut-off date for the purpose of remote e-voting and voting at the AGM shall be 18th September, 2020.

TDS on Dividend:

- i. Members may note that in terms of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for



various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Cameo Corporate Services Limited, Registrars and Share Transfer Agent by sending a mail to agm@cameoindia.com (in case of shares held in physical mode) and respective depositories (in case of shares held in demat mode).

- ii. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the documents on the link <https://investors.cameoindia.com/> on or before September 18, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a rate of 20%.
- iii. Dividend, if any, declared will be paid subject to deduction of income-tax at source (TDS) at applicable rates. In respect of resident individuals, if the dividend payment is in excess of Rs. 5,000/- (collectively for all folios with the same PAN number) the TDS will be at the rate of 10%. Wherever, TDS is made, TDS Certificates will be sent to the concerned shareholders through email or post, as the case may be.

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.kkggroup.in. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Tuesday 22nd September 2020 from 9.00 AM and ends on Thursday 24th September 2020 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 18th September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote in the meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Shareholders 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">Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company /RTA.
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">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).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of Kanchi Karpooram Limited.