



KANCHI KARPOORAM LIMITED

**NINETEENTH
ANNUAL REPORT**

2011 - 2012

IMPORTANT NOTE

*You have received this
physical copy of our Annual
Report because you have
not registered your
E-mail ID with us*



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:

- a. Field marked* are mandatory for registration of the e-mail ID
- b. On registration, all the communication will be sent the e-mail ID registered in folio.
- c. Any change in e-mail ID, from time to time, 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 Kumar 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 **19th Annual General Meeting** of the Members of Kanchi Karpooram Limited will be held on Saturday the 29th day of September 2012, 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, 2012** and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr.Suresh Shah who retires by rotation and being eligible, offers himself for re-appointment
3. 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

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

RESOLVED THAT Mr.S.Srinivasan, who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 at the meeting of the Board of Directors held on 31.01.2012 and who vacates his office at the conclusion of this Annual General Meeting be and is hereby appointed as Director of the Company

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 given pursuant to the provisions of section 297 of the Companies Act, 1956 for the contract to be entered into between the Company and M/s.Suresh industries (Subject to the approval of Central Government) for sale/purchase of camphor and its derivatives, gum rosin and its derivatives, Turpentine and its derivatives and other materials by the Company for a period of Three years from 27.06.2013 for value not exceeding Rs.5.00 crores per annum for sales and Rs.2.00 crore per annum for purchases.

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

Sd/

SURESH SHAH

Managing Director

Place : Kanchipuram

Date : 28.08.2012

**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 26th September, 2012 to 29th September, 2012 (Both Days are inclusive). for the purpose of ascertaining the list of members as on the date of ensuing Nineteenth Annual General Meeting*
4. *Shareholders seeking information with regard to accounts are requested to write to the Company 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 holdings 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**

1.	Name	SURESH SHAH
	Date of Birth & Age	19-01-1953 & 59 years
	Nationality	INDIAN
	Qualifications	PUC
	Expertise in functional area	Sales & Purchase
	No of Shares held	2,67,300
	List of Directorship held In other Companies	NIL
	Chairman/Member of the Committees of the Board of other Companies in which he is Director as on 31.03.2012	NIL
	PAN	AFJPS1298A

2	Name	S.SRINIVASAN
	Date of Birth & Age	04.11.1945 & 67 Years
	Nationality	INDIAN
	Date of Appointment on the Board	31.01.2012
	Qualifications	B.Sc.,M.L.,M.H.R.M.,DIP-T&D.,PGDCL
	Expertise in functional area	Human Resource & Industrial Relation
	No of Shares held	NIL
	List of Directorship held in other Companies	NIL
	Chairman/Member of the Committees of the Board of other Companies in which he is Director as on 31.03.2012	NIL
	PAN	AAPIS1823M

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

Sd/

SURESH SHAH

Managing Director

Place : Kanchipuram

Date : 28.08.2012



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(1)

Item No. 4

The Board of Directors at their meeting held on 31.01.2012 had appointed Mr.S.Srinivasan as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956, read with Article No.26 of the Articles of Association of the Company to hold office as such till the conclusion of the ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, the Company has received a notice in writing from a member signifying his intention to propose the candidature of Mr.S.Srinivasan for the office of Director of the Company. The Board considers that it is in the interest of the Company to continue to have the benefit of rich experience and expertise of Mr.S.Srinivasan and accordingly the Board of Directors recommend the resolution as set out in item No.4 of the notice convening annual general meeting for approval of the shareholders

Except Mr.S.Srinivasan, no other Directors are interested in the aforesaid resolution

Item No. 5

Mr.Suresh Shah, Managing Director of the Company is a proprietor of M/s.Suresh Industries established in 1978, which is engaged in the Camphor tableting business. The Company do and continue to do transaction with M/s.Suresh industries. Hence, Mr.Suresh Shah is an interested person in the contract to be entered into between the Company and M/s.Suresh Industries (Subject to approval of Central government). Also Dipesh S Jain, Director (works) and Mr.Arun Kumar Shah, Director of the Company shall be deemed to be interested in their respective capacity as relative to the Managing Director and hence approval of members is sought for the contract to be entered into by the Company with M/s.Suresh Industries.

The copy of the last agreement executed between the Company and M/s.Suresh industries and the central government approval letter is available for inspection at the registered office of the Company during the business hours. The Company has obtained approval of Regional Director, Ministry of Corporate Affairs vide their letter No.2/M8539/02 dated 20.09.2010 for period from 28.06.2010 to 27.06.2013. The same approval will expire on 27.06.2013. The necessary documents will be submitted by the Company for obtaining the approval of the Central Government in respect of the above contract when it get expires.

Except Mr.S.Srinivasan, All the Director's are concerned/interested in the resolution.

By Order of the Board

For **KANCHI KARPOORAM LIMITED**

Sd/

SURESH SHAH

Managing Director

Place : Kanchipuram

Date : 28.08.2012

**DIRECTORS' REPORT****Directors' Report to the Members**

Your Directors have great pleasure in presenting the 19th Annual Report on the business and operations of your Company together with Audited Accounts of the Company for the year ended 31st March 2012 and the Auditors' report thereon.

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 31.03.2012 (Rs.Lakhs)	For the Year Ended 31.03.2011 (Rs.Lakhs)
Sales & Other Income	4891.93	3862.90
Profit / Loss Before Interest & Depreciation	216.22	356.29
Interest	146.26	94.47
Depreciation	113.27	110.57
Profit / (Loss) Before Tax	(43.31)	151.25
Net Profit / (Net Loss) After Tax	(36.40)	102.83

Operations

The year under review was full of uncertainties with respect to industrial growth & performance of industries in general & camphor industries in particulars. Unprecedented increase in the price of raw materials, fluctuations in foreign exchange & unforeseen reduction in camphor selling price had a major adverse role of the performance of the Company during the year under review. Your Company however had managed to come out of the situation by exercising proper controls on possible levels. Your Company do envisage that the business prospectus will be good in the years to come.

Business Analysis and prospects as discussed by your Management

Your Company is adopting various cost controlling measures, prevention of exchange loss, attractive marketing methodology which your directors feel should yield positive growth of your Company.

Dividend

Owing to the loss incurred during the year under review, your directors express their inability for declaring dividend.

Internal Controls and their Adequacy:

The Company is updating latest technology required for day to day operations which your directors feel is sufficient for the Company's performance.

Conservation of Energy.

Particulars required under Sec. 217 (1) (e) of the Companies Act, 1956 read with the rules framed thereunder 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 also earned foreign exchange of Rs. **Rs.377.18 Lakhs.** through exports. The total Foreign Exchange utilized by the Company during the year for the purchase of Raw Materials and others was **Rs.3229.54 Lakhs.**

Fixed Deposits

Your Company has not accepted any deposits from the public or its employees during the year under review.

Particulars of Employees

Industrial relations have remained cordial throughout the year. During the year under review there were no employees covered under section 217(2A) of the Companies Act, 1956.

Directors

In compliance with the provisions of the Companies Act, 1956 in accordance with the Article 26 of the Company's Articles of Association, Mr. Suresh Shah retire at this Annual General Meeting and being eligible, offers himself for re-appointment.

Further the Board of Directors at their meeting held on 31.01.2012 had appointed Mr. S. Srinivasan as an Additional Director with effect from 31.01.2012, pursuant to the provisions of section 260 of the Companies Act, 1956, read with Article No.26 of the Articles of Association



of the Company to hold office as such till the conclusion of the ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, the Company has received a notice in writing from a member signifying his intention to propose the candidature of Mr.S.Srinivasan for the office of Director of the Company. Your Directors recommend the resolution as set out in item No.4 of the notice convening annual general meeting for approval of the shareholders.

Brief resume of the Director's, seeking re-appointment, nature of their expertise as stipulated under clause 49 of the listing agreement with the Madras Stock Exchange Limited, 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 31.52% of the total paid up share for the purpose of SEBI(Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Auditors

The retiring auditors, M/s.R.Subramanian & Company., Chartered Accountants have expressed their 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 subsequent 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, expect with regard to Accounting Standard AS-15 Employee Benefits.

(ii) The directors had selected such accounting policies and applied them consistently and made judgements 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 / 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 so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;

(iv) The Directors had prepared the annual accounts on a going concern basis.

Corporate Governance report and Management Discussion and Analysis

A report on Corporate Governance along with the certificate from the auditors of the Company regarding compliance of conditions of corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange forms part of this Director's Report.

Compliance Certificate on Corporate Governance

The Compliance Certificate issued on Corporate Governance by **M/s.Rabi Narayan & Associates, Practicing Company Secretaries** for the Year Ended 31.03.2012 is attached herewith and forming part of this report.

Dematerialization of Shares of the Company

Your Company has entered into an agreement with M/s. Cameo Corporate Services Limited, Chennai for the provision of services of share registry in respect of both physical and electronic share transfers. Shareholders opting for dematerialisation of shares may contact the above said Registrar whose address have been given elsewhere in this report.

Acknowledgement

Your Directors take this opportunity to thank your Bankers, Bank of India, Central and State Governments, other statutory bodies for their unstinted and consistent support to your Company. Your Directors place on record their appreciation of the dedicated service of the Employees of the Company at all levels for the growth of the Company.

For and on behalf of the Board of Directors

KANCHI KARPOORAM LIMITED

-sd-

Place: Kanchipuram

SURESH SHAH

Date: 28.08.2012

Managing Director

**ANNEXURE - 1****FORM - A**

Form for disclosure of particulars with

Respect to conservation of energy

		01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
A.	Power and Fuel Consumption		
1.	Electricity		
	a. Purchase :		
	Unit	5,18,560	5,29,200
	Total Amount (Rs.)	27,02,324	26,19,714
	Rate/Unit (Rs.)	5.21	4.95
	b. Own Generation		
	(i) Through Diesel Generator :		
	Unit	2,62,690	2,37,696
	Unit per lit of diesel oil	3.15	-
	Cost / Unit (Rs.)	13.84	13.08
	(ii) Through Steam Turbine / Generator		
	Unit		
	Unit / Cost	N.A.	N.A.
2.	Coal (Specify quality and where used)	N.A.	N.A.
3.	Furnace Oil :		
	Quantity (M.T.)	50.663	25.114
	Total Amount	19,04,610	7,00,386
	Average rate (Rate per KL) (Rs.)	37,593.71	27,888.27
4.	Others / Internal Generation		
	Quantity	N.A.	N.A.
	Total cost	N.A.	N.A.
	Rate / Unit	N.A.	N.A.



SECRETARIAL COMPLIANCE CERTIFICATE

(Pursuant to Section 383A of the Companies Act, 1956)

CIN. : L30006TN1992PLC022109

Nominal Capital : Rs.50,000,000/-

To

The Members of

M/s.KANCHI KARPOORAM LIMITED,

Parandur Road, Karaipettai Post,

Kanchipuram - 631552

We have examined the registers, records, books and papers of M/s.KANCHI KARPOORAM LIMITED. (the Company), as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officials and agents, We certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made thereunder and in case of delay with additional filing fee.
3. The Company, is a Public Limited Company under section 3(1) (iv) of the Companies Act, 1956 and having the minimum prescribed paid up share capital.
4. The Board of Directors duly met Twelve (12) times on 14.04.2011, 16.05.2011, 25.06.2011, 30.07.2011, 02.09.2011, 17.10.2011, 28.10.2011, 08.12.2011, 20.12.2011, 10.01.2012, 31.01.2012 and 10.02.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed in the minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 24th November, 2011 to 30th November, 2011 (both days inclusive) and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the Financial Year ended 31-03-2011 was held on 30th November 2011 (after obtaining extension of time from Registrar of Companies) after giving due notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contract entered by the Company with M/s. Suresh Industries.



10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors and members pursuant to section 314 of the Act with regard to variation of the terms of appointment of Mr. V.M. Goal, Technical Consultant and the Company has no instances for obtaining approval from Central Government in this regard.
12. The Company has not issued any duplicate Share Certificates during the financial year.
13. (i) The Company has delivered share certificates on lodgment thereof for transfer/ transmission and there was no allotment of securities during the financial year.

[ii] & [iii] The Company has not declared any dividend during the year under report, hence comment on this paras are not required.

(iv) The Company is not required to transfer the amount in unpaid dividend account, Matured deposit, and the interest accrued thereon as there was no amount which have remained unclaimed or unpaid for a period of seven year to Investors Education and Protection Fund.

(v) The Company has generally complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted during the year under review. Mr.S.Srinivasan was appointed as Additional Director at the Board meeting held on 31.01.2012 and there was no appointment of alternate or Directors to fill the causal vacancies during the financial year.
15. The Company has not appointed any Managing Director/Whole Time Directors/Manager during the financial year, hence comment on the compliance of provision of Section 269 read with Schedule XIII to the Act and approval of Central Government are not required.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has obtained approvals of the Hon'ble Company Law Board, Southern Region Bench, Chennai compounding the offence relating to the contravention of Section 297 of the Act and complied with the order passed by Hon'ble Company Law Board. Apart from the same, the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in the other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued/allotted any shares, debentures or other securities during the financial year.
20. The Company has not bought back any Shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus Shares, pending registration of transfer of Shares.
23. The Company has not invited/accepted any deposits, including unsecured loan falling within the purview of Section 58A and 58AA of the Act and rules made thereunder, during the financial year .



24. The amount borrowed by the Company during the financial year ending 31st March 2012 are within the borrowing limits of the Company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened Extra Ordinary General Meeting held on March 08, 1995.
25. The Company has not made any loans or advances, investments, or given guarantees or provided securities to other bodies corporate falling within the provisions of 372A of the Act and consequently no entries have been made in the Register kept for the purpose
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to Objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny
29. The Company has not altered the provisions of the Memorandum with respect to Share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. The Company has received order from Hon'ble Company Law Board, Southern Region Bench, Chennai compounding the offence relating to the contravention of Section 297 of the Act and complied with the order passed by Hon'ble Company Law Board. Apart from the above, there was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

For Rabi Narayan & Associates
Company Secretaries

Rabi Narayan Pal
Partner
C.P.No: 3480

Place : Chennai
Date : 28.08.2012

**ANNEXURE TO SECRETARIAL COMPLIANCE CERTIFICATE 'A'**

M/s. KANCHI KARPOORAM LIMITED,

Registers and Returns, as Maintained by the Company/ Registrar and Share Transfer Agent (*)

SN	Name of Register	Under Section
01	Register of Members/Index of Members (*)	150/151
02	Register of Transfer of Shares(*)	
03	Minutes Book of Board of Directors/ Committee of the Board	193
04	Minutes Books of General Body of shareholders	193
05	Books of Accounts	209
06	Register of Directors, MD and Secretary	303
07	Register of Directors' Shareholdings	307
08	Register of Contracts and Disclosure	301
09	Register of Loans, Investments, Guarantee & Securities	372A
10	Copy of Annual Returns	163
11	Register of Charges and copies of instruments creating charges	143/136

ANNEXURE TO SECRETARIAL COMPLIANCE CERTIFICATE 'B'

M/s. KANCHI KARPOORAM LIMITED,

Forms and Returns as filed by the Company with the Registrar of companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2012.

S. No.	Forms / Returns	Filed under Section	Date and status of filing
1	Form 8	Filed u/s 125, for the Modification of charge on 25 th May, 2011 created in favour of Bank of India for Rs.14 Crores.	B14677424 21.06.2011 No Delay
2	Form 21	Filed U/s.17 Notice of the Company law board order for entering into contract under section 297 between the Company and M/s.Suresh Industries for a period of Two (02) Years	B15535677 06.07.2011 No Delay
3	Form 23	Filed U/s. 192 for Special Resolutions for ratification of the terms of appointment of Mr.V.M Goal, as Technical Consultant of the Company at the annual general meeting held on 30 th November, 2011.	B28132439 26.12.2011 No Delay
4	Form-66	Filed under section 383A for the year ended 31-03-2011	P85500072 30.01.2012 Delay
5	Annual Return/ Form-20B	Filed U/s 159 for the Annual General Meeting held on 30-11-2011 Financial year ended 31.03.2011.	P85499424 30.01.2012 No Delay
6	Form-32	Filed U/s 303(2) for Appointment of Mr.S.Srinivasan, as Additional Director of the Company with effect from 31.01.2012.	B32140782 16.02.2012 No Delay
7	Balance sheet / Form-23AC & 23ACA	Filed U/s 220(1) for the year ended 31-03-2011.	P86416468 17.03.2012 Delay

Regional Directors : Nil

Central Government : Nil

Ministry of Corporate Affairs : Nil

**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy**

The Board of Directors of your Company believes that implementation of Corporate Governance will be of help to the Company to achieve corporate goals and enhance the value of stakeholders. The driving forces of Corporate Governance are its core values - Belief in people, Entrepreneurship, Customer Orientation and the Pursuit of Excellence. The Company's goal is to find creative and productive ways of delighting its Investors, Customers and Associates in turn fulfilling the role of a responsible corporate representative.

2. Board of Directors

The Board of Directors of the Company comprises of one Managing Director, one Executive and Two non executive, including one Independent Director. The Board members possess requisite skills, experience and expertise that are required to take decisions, which are in the best interest of the Company.

Mr.Suresh Shah is the Managing Director of the Company. He works under the direction, control and supervision of the Board of Directors and it meets at regular intervals. Policy formulation, evaluation of performance and control functions vest with the Board.

The composition of Board, Attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meeting and number of other Directorship/ Committee Memberships held by them are as follows:-

Name of Director	Designation and Category	No. of Board Meetings in the Year during respective tenure of Directors		Attendance Of Last AGM	Number of directorships held in the Indian Companies	Number of Board Committee memberships Held in other companies
		Held	Attended			
Suresh Shah	Managing Director – Executive	12	12	Yes	Nil	Nil
Arun Kumar Shah	Director – Non Executive	12	12	Yes	Nil	Nil
Dipesh S Jain	Director – Executive	12	12	Yes	Nil	Nil
S.Srinivasan**	Director – Non Executive & Independent	12	02	No	Nil	Nil

****Appointed with effect from 31.01.2012**

Further, the Board of Directors would like to inform the Members that none of the Directors are disqualified to act as directors of this Company or any other public Company under Section 274(1) (g) and other applicable provisions of the Companies Act, 1956.

The requisite information as prescribed under Clause 49 of the Listing Agreement is placed before the Board from time to time and is generally provided as part of the Agenda papers of the Board Meeting and /or is placed at the table during the course of the meeting.

The Board of Directors met Twelve(12) times on 14.04.2011, 16.05.2011, 25.06.2011, 30.07.2011, 02.09.2011, 17.10.2011, 28.10.2011, 08.12.2011, 20.12.2011, 10.01.2012, 31.01.2012 and 10.02.2012 and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose.



The Annual General Meeting for the financial year ended on 31.03.2011 was held on 30.11.2011 after obtaining extension of time from Registrar of Companies, Chennai by giving due notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.

Except Mr.S.Srinivasan, all other Directors are related to each other. Equity Shares held by the Director.

Name of the Directors	No. of Equity Shares as on 31st March 2012
Shri.Suresh Shah	2,67,300
Shri.Arun Kumar Shah	38,500
Shri.Dipesh S Jain	2,12,850

There are no other Shares or convertible instruments held by any other Directors

Information about the Directors proposed to be appointed/re-appointed required to be furnished pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges is forming part of the Notice of the 19th Annual General Meeting to the Shareholders of the Company.

3. COMMITTEE OF THE BOARD

The Board of Directors has constituted Three committees: Audit Committee., Remuneration committee and Shareholder/ Investors Grievance Committee. The roles and responsibilities assigned to these committees are covered under the terms of reference approved by the Board and are subject to review by the Board from time to time.

The Minutes of Meetings of Audit Committee, Remuneration committee and Shareholder Grievance Committee are placed before the Board for their Information and Noting. The details as to the composition, terms of reference, number of meetings and related attendance etc of these committees are given below:

4. Audit Committee

Section 292A of the Companies Act, 1956 is not applicable to the Company.

Your Company has constituted a qualified and independent Audit Committee during end of the financial year. The Audit Committee consisting of two Non Executive including one Independent Director and an Executive Director. All the members have adequate financial and accounting knowledge. The Company is in the process of appointment of few Independent Directors to strengthen the same in line with Clause 49 of the Listing Agreement. Terms of reference of the Committee includes the powers and role including review of information, as Specified in Clause 49 of the Listing Agreement of the Company.

During the financial year, one meeting of the Audit Committee was held on 10.02.2012.The details of the number of meetings held and attendance record of the members are as follows:

Name of the Directors	Status and Category	No. of Meetings	
		Held	Attended
S.Srinivasan, Chairman(**)	Director Non-Executive and Independent	01	01
Arun Kumar Shah	Director Non-Executive	01	01
Dipesh S Jain	Director Executive	01	01

The un-audited/ audited financial results of the Company are also specifically reviewed by the Audit Committee before these are submitted to the Board for approval. Minutes of the audit Committee meetings are placed before the Board for information



Head of Finance, Internal Auditors and Statutory Auditors also attended said meeting as and when required by the Committee. A.S.Senthil Kumar, compliance officer is the Secretary to the Committee.

The Committee reviews the reports of the internal auditors and statutory auditors along with the comments and action taken reports of the management. The committee also invites senior executives as it considers appropriate to be present at the meetings of the committee.

5. Remuneration Committee

Your Company has re-constituted Remuneration Committee under the Chairmanship of Mr.S.Srinivasan. The Remuneration committee consisting of Mr.S.Srinivasan, Mr.Arun Kumar Shah and Mr.Suresh Shah, decide the structure of the Executive Director's Remuneration. No meeting was held during the year under review.

6. Executive Directors

The Company has a Managing Director and Whole-time Director. The remuneration paid to them during the period 01-04-2011 to 31-03-2012 was as under:-

(In Rupees)				
Name and Designation	Period	Basic Salary	Perquisites	Total
Suresh Shah Managing Director	01-04-2011 to 31-03-2012	10,29,360	2,69,261	12,98,621
Dipesh S Jain Whole-time Director	01-04-2011 to 31-03-2012	8,85,360	1,54,000	10,39,360

Mr.Suresh Shah was re-appointed as Managing Director and Mr.Dipesh S Jain was re-appointed as Whole-time Director at the Annual General Meeting held on September 30th 2010 for a period of three years with effect from 01.10.2010 with principal terms and condition mentioned and other perquisite as per policy of the Company.

Mr.Suresh Shah and Mr.Dipesh S Jain were not paid any sitting fees for the Board meetings or of any Committees of the Board attended by them.

7. Non-Executive Director

Non-Executive Directors of the Company are remunerated by way of sitting fees for the meetings of the Board/Committees of the Board attended by them. There was no other payment to the Non-Executive Directors.

None of the non-executive directors has pecuniary relationship with Company, its promoters, management or its subsidiaries

8. Shareholders / Investors Grievance Committee

The shareholders/ Investors Grievance Committee of the Board oversees redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

9. Composition and Attendance

The Shareholders/Investors' Grievance Committee consist of Mr.S.Srinivasan, Mr.Arun Kumar Shah and Mr.Suresh Shah, where Mr.S.Srinivasan, is the Chairman of the Committee and they met at regular intervals. Secretarial Officer is the Compliance officer of the Committee.

The Company used to give a detailed report on steps taken by it to the Committee to specifically look into redressing shareholders and investor's complaint, break up of the nature of complaints received including number of complaints not resolved to the satisfaction of the complainants. Additionally details of communication received from agencies like Stock Exchanges/SEBI/ Ministry of Corporate Affairs were placed with an explanation as to how such communication were responded to and within how many days/ weeks.

The Company has delegated its Registrar and Share Transfer Agent, all shares related works. No complaint of any



material nature was received during the year under review.

10. Compliance Officer

Mr.A.S.Senthil Kumar, is the Compliance Officer for complying with the requirements of Securities laws and Listing Agreements with the Stock Exchanges in India

11. General Body Meetings

The details of the Annual General Meetings held during the last three years are as follows: -

Year	Date	Time	Venue
2007 - 09	30.06.2009	11.00 A.M.	M.M.Hotels,No.65/66,Nellukara Street, Kanchipuram 631 052
2009 - 10	30.09.2010	11.00 A.M.	M.M.Hotels,No.65/66,Nellukara Street, Kanchipuram 631 052
2010-11	30.11.2011	11.00.A.M	M.M.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.

12. Disclosures

Disclosures on materially significant related party transactions i.e. transaction of the Company with its promoters directors of the Company their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large.

None of the transaction with any of the related parties were in conflict with the interest of the Company.

13. Disclosure of Accounting Treatment

No treatment different from that prescribed in an Accounting Standard have been followed by the Company except that **provision towards liability on account of employee benefits is made in deviation to the Accounting Standard – 15. The impact of the same on the Profit and Accumulated losses is not ascertainable.**

13. Risk Management

In order to ensure that management controls risk through means of properly defined frame work a report on Risk Management and minimization procedures as received from the Individual functional heads of the Company is placed before the Board of Directors of the Company

14. C E O / C F O Certification

In terms of Clause 49 (V) of the Listing Agreement, the Certificate duly signed by Mr.Suresh Shah Managing Director was placed before the Board of Directors along with financial statement for the financial year ended March 31, 2012 at its meeting held on 28.08.2012.

Details of Non-Compliances by the Company penalties,strictures imposed on the Company by stock exchanges or SEBI or any statutory authority,on any matter related to capital markets,during last 3 years.

There have not been any non-compliance by the Company and no penalty, strictures imposed on the Company by SEBI/ Stock Exchange or any statutory authorities on any matter related to capital markets,during the last three years.

Means of Communication

- ◆ Quarterly and Half – yearly financial results are generally published in the national and regional news papers.
- ◆ All material information about the Company is promptly sent to through facsimile to the concerned stock exchanges



where the Company shares are listed and release to the press for information of the public at large. The Management Discussion and Analysis forms part of this Annual Report and is provided elsewhere in this report.

14. General Shareholder’s Information

Financial Calendar (Tentative)

Financial year	April 1, 2012 to March 31, 2013 (Subject to Change)
First Quarter Result	Last week of July, 2012
Second Quarter and Half-yearly Result	Last week of October, 2012
Third Quarter Result	Last week of January, 2013
Fourth Quarter Result	Last week of April, 2013
Annual Result (Audited)	May 30, 2013
Annual General Meeting	Within 6 months of the close of the financial year In accordance with Section 166 of the Companies Act, 1956.
Dates of book closure	26 th September 2012 to 29 th September 2012
Venue and other details of the Annual General Meeting	Day :- Saturday Date :- 29 th September, 2012 Time :- 11.00 a.m at M.M.Hotels, 65/66, Nellukara Street, Kanchipuram - 631502
Listing on Stock Exchange and Stock Code. The Equity Shares of Rs.10/- each are Listed at	The Madras Stock Exchange Limited, Chennai, The Delhi Stock Exchange Association Limited, New Delhi and The Ahmedabad Stock Exchange limited, Ahmedabad (Annual Listing for fees for the year 2011-2012 has been duly paid to the above exchanges)

15. Stock Market Data

Since shares of the Company are not traded in any of the Stock Exchanges where the Company’s shares are listed, the data in this regard is not available.

16. Registrar and Share Transfer Agents (RTA):

“Cameo Corporate Services Limited”

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

Phone No.044-28460390-94, Fax No.28460129,

Email: investor@cameoindia.com & cameo@cameoindia.com

17. Distribution of share holding as on 31st March, 2012

Category	No. of shares (Physical & Electornic)	Percentage %
Indian Promoter	13,05,300	31.51
Mutual Fund	35,500	0.86
Private Bodies Corporate	1,34,400	3.24
NRI's	4,27,500	10.32



Indian Public	22,39,500	54.07
Total	41,42,200	100

18. Legal Proceedings:

There is no legal proceeding pending against the Company.

The Company has not issued any GDRS/ADRS/ Warrants/Convertible Instruments.

19. Plant Location and Address for Correspondence:

KANCHI KARPOORAM LIMITED

Parandur Road, Enathur Village,
Karaipettai Post, Kanchipuram. Tamil Nadu.

Pin code - 631 552.

Tel. / Fax No.044-27294904 / 30

E-Mail Id: info@kanchikarpooram.com

20. In terms of clause 47(f) of the Listing Agreement of Stock Exchanges, investors may please use investorcare@kanchikarpooram.com as email id for redressal of investor request/complaint

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The management of Kanchi Karpooram Limited presents its analysis covering performance of the Company for the year 2011-2012 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.

Industrial product and development:

The Company's major product namely camphor is used for religions purposes. There exists demand and supply gap. It is estimated that the major consumption of camphor is in Tamil Nadu. The plant is situated well within agglomeration limits of the city and logistically well placed.

General risks:

The main raw materials for manufacturing Camphor is imported and hence subject to foreign exchange fluctuations. Abnormal exchange variations may have adverse effect of the profits of the Company.

Operational risks:

The major raw material is distilled from tree produce and hence subject to weather conditions and other natural calamities. The raw material's cost depends on supply and demand gap because of wide range of useage of raw material.

Financial risks

The Company's business involves procurement of raw materials in the right time which warrants working capital. The Company has conscious approach to risks in terms of procurement of raw materials at competitive rates keeping in mind the availability of finance.

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 System

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.4891.93 lakhs as compared to 3862.90 lakhs and has loss after tax Rs.36.40 lakhs as compared to Rs.102.83 lakhs profit in the previous year.

Managerial Development and Human Resources and Industrial Relation

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

For and on behalf of the Board of Directors

KANCHI KARPOORAM LIMITED

-sd-

SURESH SHAH

Managing Director

Place: Kanchipuram

Date: 28.08.2012



R.SUBRAMANIAN & COMPANY

CHARTERED ACCOUNTANTS

CERTIFICATE OF THE AUDITORS TO THE SHAREHOLDERS OF

M/s. KANCHI KARPOORAM LIMITED ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Kanchi Karpooram Limited for the Year Ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

Attention is invited that though the Company has constituted Audit Committee, Shareholders' / Investors' Grievances Committee and Remuneration Committee, sufficient number of Independent Directors are not inducted in line with the Clause 49 of the Listing Agreements.

Subject to the above:

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 abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency (or) effectiveness with which the Management has conducted the affairs of the Company

For **R. Subramanian and Company**
Chartered Accountants
FRN 004137 S

Sd/-
A.S. RAMANATHAN
Partner
M. No. 11072.

Place : Chennai
Date : 28.08.2012



REPORT OF THE AUDITORS

TO

**THE MEMBERS OF
KANCHI KARPOORAM LIMITED
KANCHIPURAM**

1. We have audited the attached Balance Sheet of Kanchi Karpooram Limited as at 31st March 2012 and also the Statement of Profit and Loss and Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent they are applicable to the Company.
4. Further to our comments in the annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 such books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash flow statement referred to in this report are in agreement with the books of account produced.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent such standards have been made applicable by the Institute of Chartered Accountants of India with the exception of Accounting Standard -15 on Employee benefits relating to Disclosure requirements.
 - e) On the basis of written representations received from the Directors, as on 31.03.2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of Sub section (1) of Section 274 of the Companies Act 1956. Subject to the above:-



5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon and schedules attached thereto give the information required by the Companies Act 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India.

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
- ii) in the case of Statement of Profit and Loss Account of the Loss for the year ended on that date; and
- iii) in the case of Cash flow Statement, of the cash flows for the year ended on that date.

For **R. Subramanian and Company**
Chartered Accountants
FRN 004137 S

Sd/-

A.S. RAMANATHAN

Partner

M. No. 11072.

Place : Chennai
Date : 28.08.2012



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i. (a) The Company is maintaining proper records which is being updated showing full particulars, including quantitative details and situation of Fixed assets.
- (b) The Fixed Assets are physically verified by the management in a phased manner which our opinion is reasonable commensurate to the size of the Company and nature of its assets. No material discrepancies between with books and the physical have been noticed.
- (c) Substantial part of the Fixed assets have not been sold during the year under review affecting Going concern.
- ii. (a). The stock of Finished goods, Work in progress, raw materials and stores have been Physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) The procedure of Physical verification of Inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of Inventory. The discrepancies noticed on verification between the Physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- iii. (a) The Company has availed loans from Parties listed in the register maintained under section 301 of the Companies Act, 1956 and the terms and conditions of such loans are Prima facie not prejudicial to the interests of the Company.
- (b) The Company has not granted any loans to Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business in regard to purchase of Inventory, fixed assets and with regard to the Sale of goods. During the course of audit, we have not observed any continuing failure to correct major weakness in Internal Controls.
- v. (a) According to the information and explanations given to us, and based on our verification, we are of the opinion that the transactions that were required to be entered in the register maintained under section 301 of the companies Act, 1956 have been duly recorded.
- (b) In our opinion and according to the information and explanations given to us ,the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act 1956 in respect of any Party during the year have been made at rates or values which are reasonable having regard to the relevant market rates or values at the relevant time.



- vi. The Company has not accepted any fixed deposits from the public during the year requiring compliance of provisions of Section 58 A and 58 AA or any other relevant provisions of the Companies Act 1956.
- vii. The Company has an adequate Internal audit system Commensurate with the size of the Company and the nature of its business.
- viii. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under Clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Employees Provident Fund, Employees' State Insurance, Investor Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax Customs Duty Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year. However occasional delays have been observed in remitting the statutory dues

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax etc were in arrears as at 31.03.2012 for a period of more than six months from the date they became payable.

(c) According to the information and explanations made available to us, there are no dues of Sales tax, Income tax, Customs duty, Wealth tax, Excise duty and cess which have not been deposited on account of any dispute.
- x. The Company has no accumulated losses as at the end of the year, and has not incurred cash losses during the year and also in the immediately preceding financial year.
- xi. As per the information and explanation made available to us, the Company has not defaulted in repayment of dues to any Financial Institutions, Banks or Debenture holders.
- xii. The Company has not granted any loan or advance on the basis of Security by way of pledge of shares, Debentures and other securities.
- xiii. The Company is not a Chit fund or nidhi /mutual benefit fund /society and therefore the provisions of clause 4(xiii) of the Companies (Auditors Report) 2003 are not applicable to this Company.
- xiv. The Company is not dealing in or trading in shares, securities, debentures and other investments and therefore the Provisions of clause 4 (xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to this Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions during the financial year.



- xvi. To the best of our knowledge and belief and according to the information and Explanations given to us, Term Loans have been applied for the purpose for which they were raised.
- xvii. According to the Cash flow statement and other records examined by us and based on the information and explanations given to us, on an overall basis, no funds raised on Short term basis have been used for Long term Investments.
- xviii. During the year Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies act 1956.
- xix. No debentures have been issued by the Company during the year.
- xx. The Company has not raised any money by way of Public issue during the year.
- xxi. To the best of our knowledge and according to information and explanations given to us, no fraud on or by the Company was noticed or reported during the financial year that causes the financial statements to be materially misstated.

For **R. Subramanian and Company**
Chartered Accountants
FRN 004137 S

Sd/-

A.S. RAMANATHAN
Partner
M. No. 11072.

Place : Chennai
Date : 28.08.2012



**BALANCE SHEET,
PROFIT & LOSS ACCOUNT
WITH NOTES**



BALANCE SHEET AS AT 31.03.2012

Particulars	Note	As at 31 March, 2012 Rs	As at 31 March, 2011 Rs
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	41,422,000	41,422,000
(b) Reserves and surplus	2	6,697,449	10,337,880
TOTAL		48,119,449	51,759,880
2 Non-current liabilities			
(a) Long-term borrowings	3	303,520	286,445
(b) Deferred tax liabilities (net)	4	2,880,384	5,070,983
		3,183,904	5,357,428
3 Current liabilities			
(a) Short-term borrowings	5	119,400,435	80,522,721
(b) Trade payables	6	50,950,287	29,673,332
(c) Other current liabilities	7	15,772,679	20,549,301
(d) Short-term provisions	8	2,033,560	8,500,000
		188,156,961	139,245,354
TOTAL		239,460,314	196,362,662
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	36,655,388	40,269,520
(ii) Intangible assets	9	22,688	36,987
		36,678,076	40,306,507
(b) Long-term loans and advances	10	507,625	521,265
TOTAL		37,185,701	40,827,772
2 Current assets			
(a) Inventories	11	115,677,480	97,534,336
(b) Trade receivables	12	35,367,379	29,493,888
(c) Cash and Bank balances	13	17,824,367	9,567,948
(d) Short-term loans and advances	14	30,184,076	18,144,521
(e) Other current assets	15	3,221,312	794,197
		202,274,613	155,534,890
TOTAL		239,460,314	196,362,662

For and on behalf of the Board, of **KANCHI KARPOORAM LTD.**

Sd/-

Suresh Shah

Managing Director

Sd/-

Arun Kumar Shah

Director

Place: Chennai

Date : 28.08.2012

Vide our Report of even date attached,

For **R.SUBRAMANIAN AND COMPANY**

Chartered Accountants.

FRN 004137S

Sd/-

A.S.RAMANATHAN

Partner

M.No.11072

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31.03.2012**

Particulars	Note	For the year ended	For the year ended
		31 March, 2012	31 March, 2011
		Rs	Rs
1 Revenue from operations (gross)	16	535,781,178	419,871,453
Less: Excise duty		48,324,009	37,664,951
Revenue from operations (net)		487,457,169	382,206,502
2 Other income	17	1,736,113	1,383,763
3 Total revenue (1+2)		489,193,282	383,590,265
4 Expenses			
(a) Cost of materials consumed	18	381,820,090	322,663,326
(b) Changes in inventories of finished goods, work-in-progress	19	17,238,390	(27,453,260)
(d) Employee benefits expense	20	14,227,105	12,054,741
(e) Finance costs	21	14,626,317	9,447,130
(f) Depreciation and amortisation expense	9	11,326,840	11,056,914
(g) Other expenses	22	54,285,572	40,696,092
Total expenses		493,524,313	368,464,943
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(4,331,031)	15,125,322
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		(4,331,031)	15,125,322
8 Extraordinary items		-	-
9 Profit / (Loss) before tax (7 + 8)		(4,331,031)	15,125,322
10 Tax expense:			
(a) Current tax expense for current year		1,500,000	8,500,000
(c) Current tax expense relating to prior years		-	207,481
(d) Net current tax expense		1,500,000	8,707,481
(e) Deferred tax		(2,190,599)	(3,864,890)
		(690,599)	4,842,591
11 Profit / (Loss) for the Year (9-10)		(3,640,431)	10,282,731
12 Earnings Per Equity Share:			
No of Equity Shares		4,142,200	4,142,200
(a) Basic (Rs. Per Share)		(0.88)	2.48
(b) Diluted (Rs. Per Share)		(0.88)	2.48
Significant Accounting Policies forming part of Financial Statements	23		
Other Notes forming part of Financial Statements	24		

For and on behalf of the Board, of **KANCHI KARPOORAM LTD.**

Sd/-

Suresh Shah

Managing Director

Sd/-

Arun Kumar Shah

Director

Place: Chennai

Date : 28.08.2012

Vide our Report of even date attached,

For **R.SUBRAMANIAN AND COMPANY**

Chartered Accountants.

FRN 004137S

Sd/-

A.S.RAMANATHAN

Partner

M.No.11072



NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON 31.03.2012

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Rs	Number of shares	Rs
Note 1 : Share Capital				
(a) SHARE CAPITAL				
Authorised				
Equity Shares of Rs.10/- each	5,000,000	50,000,000	5,000,000	50,000,000
Issued, Subscribed & Paid up Capital				
Equity Shares of Rs.10/- each, Fully paid up	4,142,200	41,422,000	4,142,200	41,422,000
(b) Recconciliation of Number of Shares				
Shares Outstanding as at 1st April 2011/ 1st April 2010	4,142,200	41,422,000	4,142,200	41,422,000
Shares Outstanding as at 31st March 2012/ 31st March 2011	4,142,200	41,422,000	4,142,200	41,422,000
(c) List of Share Holdings more than 5% of total Shares Issued by the Company				
Suresh Shah	267300	6.45	267300	6.45
Dipesh Shah	212850	5.14	212850	5.14

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
Note 2: Reserves And Surplus		
(a) Capital Reserve		
State Government Subsidy (a)	4,074,000	4,074,000
(b) General Reserve		
i. Opening Balance	1,000,000	Nil
ii. Transfer From Statement of Profit and Loss	Nil	1,000,000
iii. Closing Balance (b)	1,000,000	1,000,000
(c) Surplus in Statement of Profit & Loss		
i. Opening Balance	5,263,880	811,317
ii. Add: Net Profit for the Year	(3,640,431)	10,282,731
iii. Less: Interem Divident	Nil	(4,142,200)
iv. Divident Distribution Tax	Nil	(687,968)
v. Transferred o General Reserve (c.)	Nil	(1,000,000)
	<u>1,623,449</u>	<u>5,263,880</u>
Total	6,697,449	10,337,880

Note 3: Long Term Borrowings(Secured)

(a) Hire Purchase Loan	303,520	286,445
Secured by truck Purchased repayment in 35Equated Monthly Instilment and the last installment is due on 20/03/2014..		
Total	303,520	286,445



Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
Note 4: Deferred Tax Liability (Net)		
Deferred Tax Liability on Account of Depreciation (a)	3,296,375	5,283,958
Deferred Tax Asset		
On Account of Unabsorbed Losses	-	-
On Account Of Other Timing Differences	415,991	212,974
Total Deferred Tax Asset (b)	415,991	212,974
Net Deferred Tax liability(Asset) (a-b)	2,880,384	5,070,983
Note 5: Short Term Borrowings		
(a) Loans from Banks repayable on demand Secured	119,400,435	71,837,122
The entire borrowing limits availed/to be availed by the Company from Bank of India are secured primarily by First Charge in favour of the Bank, of all the Company's Stock of Raw Materials, Semi-finished goods, Stores & Spares, Book Debts, Plant & Machinery, both present and future, and collaterally secured by First Charge of the Company's Factory Land and Buildings, situated at S/No.676/1,674/1,669,672 & 670/2 in No.117, STROTRIUM Enatur Madhura Chettiar Pettai Village by way of Equitable Mortgage. The entire facilities are also collaterally secured by personal property of Director's Relative and also guaranteed by all Directors of the Company and by three relatives.		
(b) Unsecured Interest Free Sales Tax Loan	-	8,685,599
Total	119,400,435	80,522,721
Note 6: Trade Payables		
Trade Payables	50,950,287	29,673,332
The Company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Act, 2006. The disclosures relating to amounts unpaid as at the year end together with interest payable / paid under this act not been given.		
Total	50,950,287	29,673,332
Note 7: Other Current Liabilities		
(a) Current Maturities of Long Term Borrowings	558,458	502,335
Secured by truck Purchased repayment in 35 Equated Monthly Installment and the last installment is due on 20/03/2014.		
(b) Unclaimed Dividend	756,001	1,530,551
(c) Interest Accrued but not due on borrowings	89,008	56,810
(d) Others		
i. Statutory	2,005,595	1,912,703
ii. Others	12,363,617	16,546,902
Total	15,772,679	20,549,301
Note 8: Short Term Provisions		
(a) Provision for Employee Benefits		
Gratuity	371,989	-
Leave Encashment	61,571	-
(b) Provision For Taxation	1,600,000	850,000
Total	2,033,560	8,500,000



FIXED ASSETS SCHEDULE FOR THE PERIOD OF 01-04-2011 TO 31-03-2012

Note -- 9

Figures in Rs.

PARTICULARS	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	BALANCE AS ON 01.04.2011	ADDITIONS	DELETIONS	BALANCE AS ON 31.03.2012	UPTO 01.04.2011	ON OPENING BALANCE	ON ADDITIONS	DEPRECIATION FOR THE PERIOD	ADJUSTMENTS	AS ON 31.03.2012	AS ON 31.03.2011
TANGIBLE ASSETS											
LAND	812918	0	0	812918	0	0	0	0	0	0	812918
BUILDINGS	21644506	456596	0	22101102	9144861	722927	4163	727090	0	9871951	12499645
PLANT & MACHINERY	84747300	6070138	0	90817438	62658388	8762871	351707	9114578	0	71772966	22088912
ELECTRICAL INSTALLATIONS	6401960	0	0	6401960	5049957	661963	0	661963	0	5711920	1352003
LAB EQUIPMENTS	421581	0	0	421581	244952	43591	0	43591	0	288543	176629
VEHICLES	3757405	985104	303300	4439209	1250807	356953	75589	413068	210618	1453257	2506698
AIR CONDITIONERS	504450	0	0	504450	214133	23961	0	23961	0	238094	290317
OFFICE EQUIPMENTS	565593	70191	0	635784	221963	26866	70191	97057	0	319020	343630
COMPUTERS	1482107	209067	0	1691174	1363706	118401	62818	181219	0	1544925	118401
FURNITURES	790167	0	0	790167	709701	50018	0	50018	0	759719	80466
SUB TOTAL	121127987	7791096	303300	128615783	80858468	10767551	564468	11312545	210618	91960395	40269519
INTANGIBLE ASSETS											
SOFTWARE	88189	0	0	88189	51206	14295	0	14295	0	65501	36983
TOTAL	121216176	7791096	303300	128703972	80909674	10781846	564468	11326840	210618	92025896	40306502
Previous Year											
TANGIBLE ASSETS	115206442	5964298	42753	121127987	69835100	10290101	752517	11042819	19251	80858468	45371342
INTANGIBLE ASSETS	88189	0	0	88189	36911	14295	0	14295	0	51206	51278
Total	115294631	5964298	42753	121216176	69872011	10304397	752517	11056914	19251	80909674	45422620



Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
Note 10: Long Term Loans and Advances		
(a) Deposits with Electricity Department and others	507,625	521,265
Total	507,625	521,265
Note 11: Inventories		
(a) Raw Materials(Including Goods Under Clearance)	62,214,973	28,864,492
(b) Work in Progress	43,073,023	37,581,833
(c) Finished Goods	7,052,454	29,782,034
(d) Store, Fuel & Packing Materials	3,337,030	1,305,977
Total	115,677,480	97,534,336
Note 12 : Trade Receivables		
(Unsecured and Considered good)		
(a) Trade receivables outstanding for a period exceeding Six months from the date they are due for payments	278,586	22,531
(b) Trade receivables outstanding for a period less than Six months from the date they are due for payments	35,088,793	29,471,357
Total	35,367,379	29,493,888
Note 13: Cash And Bank Balances		
(a) Cash and Cash Equivalents		
(a) Cash on Hand	69,285	218,413
(b) Balance with Scheduled Banks in Current A/c	939,131	308,984
(b) Other Bank Balances		
(a) Balance with Scheduled Banks in Deposits	16,050,000	7,500,000
(b) Dividend warrant A/c	765,951	1,540,551
Total	17,824,367	9,567,948
Note 14: Short Term Loans And Advances		
(a) Loans and Advances to Employees	613,400	26,000
(b) Security Deposits	1,555,000	1,004,000
(c) Balance with Govt authorities	25,453,070	15,395,625
(d) Prepaid Expenses	226,216	244,611
(e) Others	2,336,390	1,474,285
Total	30,184,076	18,144,521



Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
Note 15: Other Current Assets		
(a) Interest accrued but not due on Deposits with Banks	321,958	279652
(b) Claims Recoverable	2,899,354	514545
Total	3,221,312	794,197

Particulars	For the year ended 31 March, 2012 Rs	For the year ended 31 March, 2011 Rs
Note 16: Revenue From Operations		
(a) Revenue from Operations		
Sale of Products		
a. Camphor	415,400,969	296,457,624
b. Dipentine	54,896,158	57,567,008
c. Others	64,378,091	65,074,158
Total	534,675,218	419,098,789
(b) Other Operating Revenue		
Sale of scrap	1,105,960	772,664
Total	535,781,178	419,871,453
	(a)+ (b)	

Note 17: Other Incomes		
Interest from Banks	928,506	384,327
Interest from others	28,783	44,588
Foreign Exchange Gain	-	954,848
Commission Received	778,824	-
Total	1,736,113	1,383,763

Note 18: Cost Of materials Consumed		
Raw Materials		
(a) Opening Stock	21,811,208	13,440,690
(b) Purchases	396,574,927	331,033,844
(c.) Closing Stock	(36,566,045)	(21,811,208)
Total	381,820,090	322,663,326



Particulars	For the year	For the year
	ended	ended
	31 March, 2012	31 March, 2011
	Rs	Rs
Note 19: Changes in Inventories of Finished Goods, Work-in-Progress		
Finished Goods & Work In Progress		
(a) Opening Stock	67,363,867	39,910,607
(b) Closing Stock	50,125,477	67,363,867
(c) Change in Inventory	17,238,390	(27,453,260)
Note 20: Employee Benefits Expense		
(a) Salaries and wages	12,243,425	10,020,765
(b) Contributions to provident and other funds	1,140,895	1,381,151
(c) Staff welfare expenses	842,785	652,825
Total	14,227,105	12,054,741
Note 21: Financial Costs		
(a) Interest expense on Cash Credit and others	10,846,331	7,315,956
(b) Bank Charges	3,779,986	2,131,174
Total	14,626,317	9,447,130
Note 22: Other Expenses		
Consumption of stores and spare parts	790,998	371,857
Power and fuel	25,080,222	20,852,230
Rent	1,270,246	790,087
Repairs and maintenance - Machinery	4,785,877	4,812,476
Repairs and maintenance - Building	195,336	497,966
Repairs and maintenance - Others	2,018,142	1,924,731
General Expenses	825,572	1,575,688
Insurance	588,022	699,247
Rates and taxes	439,658	445,855
Communication expenses	440,971	449,689
Travelling and conveyance	374,939	690,411
Printing and stationery	351,937	271,420
Selling Expenses	4,851,615	4,779,808
Donations and contributions	191,100	346,125
Legal and professional Charges	2,250,203	1,977,000
Payments to auditors	319,000	206,500
Net loss on foreign currency transactions and translation	9,478,950	-
Loss on fixed assets sold	32,783	5,002
Total	54,285,572	40,696,092

**NOTE 23: SIGNIFICANT ACCOUNTING POLICIES****a. ACCOUNTING CONCEPTS :**

The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with Accounting principles generally accepted in India and comply with the accounting standards notified by the Central Government of India, under the Companies (Accounting Standards) rules 2006 and relevant provisions of the Companies Act, 1956.

b. REVENUE RECOGNITION :

Sale of Finished Goods is recognized upon despatch of goods. Sales are accounted net of Excise Duty, returns, Sales Tax and freight

Interest income is recognized using time proportion method.

c. FIXED ASSETS :

Fixed Assets are stated at cost less depreciation. The assets are depreciated under straight line method. Depreciation is provided in accordance with Schedule XIV of the Companies Act, 1956.

d. INVENTORIES :

Inventories are valued at lower of cost and net realisable value. Cost includes all costs of purchase, conversion cost and other costs incurred in bringing the inventories to their present location and condition. The inventories are valued at First-in-First-out (FIFO) method.

e. EMPLOYEE RETIRMENT BENEFITS :

Contribution payable by the Company under defined contribution scheme towards Retirement Benefits in the form of Provident Fund for the year are charged to Profit & Loss account.

Gratuity Liability is funded and the appropriate accrual of Liability for the year is Charged to Profit and Loss based on actuarial valuation

Provision towards Leave encashment is made based on actuarial valuation and is funded with Life Insurance Corporation of India

f. FOREIGN CURRENCY TRANSACTIONS :

Foreign Currency transactions are accounted on the basis of exchange rates prevailing on the transaction date and gain or loss on settlement is recognised in the Profit and Loss Account.

Foreign Currency Assets and Liabilities outstanding at the end of the year are being converted at the closing rates. The exchange gain / loss is adjusted to Revenue.

g. PRELIMINARY EXPENSES :

Preliminary expenses are written off equally over a period of ten years.

h. TAXATION :

Income tax expense comprises current tax and deferred tax charge or credit. The deferred tax asset and deferred tax liability are calculated by applying tax rate applicable and tax laws that have been enacted or subsequently enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisations, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realisation.



NOTE 24. OTHER NOTES

a. Contingent Liabilities not provided for :

In respect of :

Letter of Credits outstanding as on 31.03.2012 NIL (P.Y. Rs.NIL)

b. Related Party Disclosure:-

1. List of Related Parties with whom control exists:

a. Shri. Suresh V Shah Managing Director

b. Shri. Arun V Shah

c. Shri. Dipesh S. Jain Whole Time Director

2. Description of relationship - Presumption of significant influence

c. Related Party Transactions							
Sl No	Name	Nature of Relation	Nature of Transaction	Total Amount (Previous Year)		Amount Outstanding on 31.03.2012 (Previous Year)	
1	Suresh Shah	Director	Remuneration Including Contribution to Provident Fund and other perquisites	1,190,360	(PY.Rs 9,46,731/-)	NIL	NIL
2	Dipesh Jain	Director	Remuneration Including Contribution to Provident Fund and other perquisites	1,046,360	(PY.Rs 8,20,731/-)	NIL	NIL
3	Dipesh Jain	Director	Interest	58,139	(PY.Rs 5,597/-)	NIL	(PY Rs. 500000/-)
4	Mukhesh Goal	Relative	Consultancy Charges	550,000	(PY.Rs 5,01,107/-)	NIL	NIL
5	Mukhesh Goal(HUF)	Relative	Interest	86,847	(PY.Rs 18,200/-)	NIL	(PY.Rs.600000/-)
6	A.Soniya	Relative	Interest	61,768	NIL	NIL	NIL
7	Kavitha Jain	Relative	Interest	79,300	(PY.Rs 18200/-)	NIL	(PY.Rs.600000/-)
8	Pushpa S.Jain	Relative	Interest	23,337	NIL	NIL	NIL
9	Shantha V.Jain	Relative	Interest	24,808	NIL	NIL	NIL
10	Varshaa M	Relative	Interest	14,571	NIL	NIL	NIL
11	Suresh Industries	reference 1	Interest	4,993,378	(PY.Rs 65,13,781/-)	518,456	(PY.Rs.648408/-)
12	Pushpa S.Jain	Relative	Rent	42,000	(PY.Rs 126000/-)	NIL	NIL
Reference 1: Property Concern where Director is a Proprietor							

d. Particulars	As On 31.03.2012	As On 31.03.2011
Number of shares at the beginning and at the end of the Year	4142200	4142200
Face Value per share	Rs. 10/-	Rs. 10/-
Profit after Tax [Rs.in lakhs]	(36.40)	102.83
Basic and Diluted Earnings Per share [Rs.]		
Before Exceptional items	(0.88)	2.48
After Exceptional items	(0.88)	2.48

The Company is engaged in Single business of Camphor and allied products and in single geographical segment and hence "Segment Reporting" is not applicable.



e. Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
Remuneration	1896000	1554000
Contribution to PF	18720	18720
Other Perquisites	423261	194741
Total	2337981	1767461

f. Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
Statutory Audit and Tax Audit	300,000	200,000
Others	19,000	6,500
Total	319,000	206,500

Confirmation of Balances have not been received from Debtors, Creditors, Loans & Advances, Deposits and other Liabilities

Figures have been rounded off to the nearest rupee and the figures for the previous year have been regrouped and reclassified wherever necessary, to confirm to current period's classification.

g. Value of Raw Materials & Component Parts Consumed (In Rs)		
Particulars	For the year Ended 31.03.2012	For the year Ended 31.03.2011
Imported :		
-Oleo Pine Resin	33369538	23651922
-Commercial Alpha Pinene	217323996	163265658
-Gum Turpentine	60818112	79557476
-Other Raw Materials Imported	16714871	18829092
Local :		
Other Materials (Indigenous)	53593572	37359178
Total	381820090	322663326

h. Production Details		
Product	Year Ending 31-03-2012	Year Ending 31-03-2011
	12 Months Actual Production (Kgs)	12 Months Actual Production (Kgs)
Gum Rosin	242903	205798
Turpentine	49365	43463
Camphor	1320255	947950
Sodium Acetate Trihydrate	1212625	957850
Dipentene (Litres)	879798	830092



i. Opening & Closing Stock of Finished Goods					
Product	UOM	For the Year Ended 31.3.2012		For the Year Ended 31.3.2011	
		Opening Stock	Closing Stock	Opening Stock	Closing Stock
Gum Rosin	kgs	1200	8843	1000	1200
Camphor	kgs	102060	7840	85780	102060
Turpentine	kgs	0	6850	0	0
Sodium Acetate Trihydrate	kgs	27750	29325	34200	27750
Dipentine	Liters	10269	26131	32651	10269

j. Value of Imported /Indigenous Raw Materials/Components/Stores and Spares Consumed					in Rs
	31.03.2012 (In Rs.)	%	31.03.2011 (In Rs.)	%	
Imported Landed Cost	328226518	85.96%	285304148	88.42%	
Indigenous	53593572	14.04%	37359178	11.58%	
	381820090	100.00%	322663326	100.00%	
Stores, Spares & Tools					
Imported Landed Cost	-	-	-	-	
Indigenous	790998	100.00%	371857	100.00%	
	790998	100%	371,857.00	100%	

k. Expenditure in Foreign Currency During the Year : in Rs

Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
Foreign Travel Expenditure (in Rs.)	70781	83060
Subscription (in Rs.)	33082	15593
Others	Nil	88496
Value of Imports CIF Basis :		
Raw Materials	322849800	273312585
Value of Exports FOB Basis :	37717939	21430478

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

(Pursuant to Clause 32 of the Listing Agreement)

	01.04.2011 TO 31.03.2012		01.04.2010 TO 31.03.2011	
A . Cash Flow Operating Activities				
Net Profit/Loss before direct tax extra - ordinary items		(4,331,031)		15,125,322
Adjustments for:				
Depreciation	11,326,840		11,056,914	
Interest paid	14,626,317		9,447,130	
Interest received	(957,289)		(428,915)	
Profit/Loss on sale of assets (net)	32,783	25,028,651	5,002	20,080,131
Operating Profit / (Loss)before Working Capital changes		20,697,620		35,205,453
Adjustments for:				
Inventories	(18,143,144)		(33,914,684)	
Trade Receivable and Loans & Advances	(20,326,521)		(18,432,331)	
Trade & Other Payables	16,933,894		13,075,173	
Interest Paid on Working Capital Advance	(14,626,317)		(9,447,130)	
Direct taxes paid	(8,400,000)		(4,407,486)	
Working Capital Advance	47,563,312	3,001,224	39,528,051	(13,598,407)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		23,698,844		21,607,046
B.CASH FLOW FROM INVESTING ACTIVITIES				
Interest received	957,289		428,915	
(Increase)/ Decrease in Deposits	(7,775,400)		(4,378,745)	
Purchase of Fixed Assets	(7,791,096)		(5,964,298)	
Sale of Fixed Assets	59,905		18,500	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(14,549,302)		(9,895,628)
C.CASH FLOW FROM FINANCING ACTIVITIES:				
Increase/Decrease in H P	17,075		(724,551)	
Increase/Decrease in Unsecured Loan	(8,685,599)		(6,364,121)	
Payments of Dividend	-		(4,142,200)	
Payments of Divident Distribution Tax	-		(687,968)	
NETCASH FLOW FROM FINANCING ACTIVITIES (C)		(8,668,524)		(11,918,840)
NET INCREASE IN CASH AND CASH EQUIVALENTS		481,018		(207,422)
Cash and Cash equivalents at the beginning		527,397		734,819
Cash and Cash equivalents at the close		1,008,416		527,397
		481,019		(207,422)

For and on behalf of the Board, of **KANCHI KARPOORAM LTD.**

Sd/-

Place: Chennai

Suresh Shah

Date : 28.08.2012

Managing Director

We have examined the attached Cash Flow Statement of M/s.Kanchi Karpooram Limited, Kanchipuram-631552 for the Year ended 31.03.2012. The said statement is in accordance with the requirements of listing agreement executed with the concerned Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company, covered by our report of even date, to the members of the Company.

Vide our Report of even date attached,
For **R.SUBRAMANIAN AND COMPANY**

Chartered Accountants.

FRN 004137S

Sd/-

Place: Chennai

A.S.RAMANATHAN (Partner)

Date : 28.08.2012

M.No.11072



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI PART (IV) OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No.

2	2	1	0	9
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State Code

1	8
---	---

Balance Sheet Date

3	1
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0	3
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2	0	1	2
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Date Month Year

II. Capital raised during the year (Amount in Lakhs)

Public Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Rights Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Bonus Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Private Placement

			N	I	L				
--	--	--	---	---	---	--	--	--	--

III. Position of Mobilisation and Deployment of funds (Amount in Lakhs)

Total Liabilities

		2	3	9	4	.	6	0
--	--	---	---	---	---	---	---	---

Total Assets

		2	3	9	4	.	6	0
--	--	---	---	---	---	---	---	---

Source of Funds

Paid up Capital

		4	1	4	.	2	2
--	--	---	---	---	---	---	---

Reserves and surplus

		0	6	6	.	9	7
--	--	---	---	---	---	---	---

Secured Loan

		1	2	0	2	.	6	2
--	--	---	---	---	---	---	---	---

Unsecured Loan

			0	0	.	0	0
--	--	--	---	---	---	---	---

Application of Funds

Net Fixed Assets

		3	6	6	.	7	8
--	--	---	---	---	---	---	---

Investments

						N	I	L
--	--	--	--	--	--	---	---	---

Net Current Assets

		1	4	1	.	7	8
--	--	---	---	---	---	---	---

Miscellaneous Expenditure

						N	I	L
--	--	--	--	--	--	---	---	---

Profit / Loss

(3	6	.	4	0)
---	---	---	---	---	---	---

IV. Performance of the Company (Amount in Lakhs)

Total Income

4	8	9	1	.	9	3
---	---	---	---	---	---	---

Total Expenditure

4	9	2	8	.	3	4
---	---	---	---	---	---	---

Profit / Loss

(3	6	.	4	0)
---	---	---	---	---	---	---

Earnings per Share in Rs.

(0	.	8	8)
---	---	---	---	---	---

Dividend Rate (%)

			0	0	0
--	--	--	---	---	---

V. Generic Names of Principal Products / Services of the Company

Item Code Nos

3	8	0	6	3	0	0	0		
---	---	---	---	---	---	---	---	--	--

3	8	0	6	2	0	0	0		
---	---	---	---	---	---	---	---	--	--

1	3	0	1	9	0	2	9		
---	---	---	---	---	---	---	---	--	--

2	9	0	6	1	4	0	0		
---	---	---	---	---	---	---	---	--	--

Product Description

E	a	s	t	e	r		G	u	m
---	---	---	---	---	---	--	---	---	---

R	e	s	i	n		A	c	i	d	s
---	---	---	---	---	--	---	---	---	---	---

T	u	r	p	e	n	t	i	n	e
---	---	---	---	---	---	---	---	---	---

C	a	m	p	h	o	r			
---	---	---	---	---	---	---	--	--	--





Kanchi Karpooram Limited

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

PROXY FORM

DP ID No.	
Client ID No.	

Folio No.*	
No. of shares	

I / We Name(s) in Full..... Father / Husband's Name
 Address as registered with the Company
 being a Member(s) of Kanchi Karpooram Limited
 do hereby appoint of in the district of
 (or) failing him of in the
 district of as my / our proxy and to vote for me / us on my / our behalf at the **19th Annual General Meeting** of the Company scheduled to be held on **Saturday, the 29th September, 2012 at 11.00 A.M.** at **M.M. Hotels, No.65/66, Nellukara Street, Kanchipuram – 631 501** and at any adjournment thereof.

Signed by the said this day of 2012



* is applicable for investor holding shares in physical form

Note: The Proxy Form duly completed must be deposited so as to reach the Registered Office of the Company not less than 48 Hours before the time for holding the aforesaid Meeting.

Signature



Kanchi Karpooram Limited

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP BEFORE YOU COME TO THE MEETING AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the Member attending

Father / Husband's Name.....

Address as registered with the Company

I hereby record my presence at the **19th Annual General Meeting** of the Company to be held on **Saturday, the 29th September, 2012 at 11.00 A.M.** at **M.M. Hotels, No.65/66, Nellukara Street, Kanchipuram – 631 501** and at any adjournment thereof.

DP ID No.	
Client ID No.	
Registered Folio No*	
No. of Shares	

_____ Member's / Proxy's Signature

* is applicable for investor holding shares in physical form.



Book - Post

To

If undelivered, Please return to:

KANCHI KARPOORAM LIMITED

Chennai Office: No.1, Barnaby Avenue, Barnaby Road,
Kilpauk, Chennai - 600 010, Tamil Nadu.