



KANCHI KARPOORAM LIMITED

**EIGHTEENTH
ANNUAL REPORT
2010 - 2011**

KANCHI KARPOORAM LIMITED

KANCHI KARPOORAM LIMITED

17.10.2011

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

Dear Shareholder,

Sub: Request for E-mail I.D.

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

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

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

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

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

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

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

With best wishes,

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

Sd/-

SURESH SHAH
Managing Director

KANCHI KARPOORAM LIMITED

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

Date

To

M/s Cameo Corporate Services Private Limited (RTA)

"Subramaniam Building", V Floor,

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

Sub: Request for E-mail ID

Unit: Kanchi Karpooram Limited

Folio Number

Name of First Named Shareholder:

Personal E-mail ID:

Signature of First Named Shareholder:

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

KANCHI KARPOORAM LIMITED

BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

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

REGISTERED OFFICE AND FACTORY

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

REGISTRAR AND SHARE TRANSFER AGENT

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

KANCHI KARPOORAM LIMITED

NOTICE TO SHAREHOLDERS

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

Ordinary Business

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

Special Business

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

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

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

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

Place : Kanchipuram
Date : 17.10.2011

Sd/
SURESH SHAH
Managing Director

KANCHI KARPOORAM LIMITED

NOTES:

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

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

KANCHI KARPOORAM LIMITED

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(1)

Item No.5

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

All the Directors are concerned / interested in the resolution.

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

Place : Kanchipuram
Date : 17.10.2011

Sd/
SURESH SHAH
Managing Director

DIRECTORS' REPORT

Directors' Report to the Members

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

Financial Results

Segment-wise reporting as per Accounting Standards AS-17 is not applicable to your Company, since your Company is engaged in the activity of single segment only.

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

Operations

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

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

Business Analysis and prospects as discussed by your Management

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

Dividend

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

Internal Controls and their Adequacy:

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

Conservation of Energy.

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

Technology

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

Foreign Exchange Earnings & Outgo

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

Fixed Deposits

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

KANCHI KARPOORAM LIMITED

Particulars of Employees

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

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

Directors

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

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

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

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

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

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

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

Auditors

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

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

Auditors Report

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

Directors' Responsibility Statement

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

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

(ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial year and of the Profit or Loss of the Company for the year under review.

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

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

Report on Corporate Governance

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

KANCHI KARPOORAM LIMITED

Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of this Directors' Report.

Compliance Certificate

The Compliance Certificate issued by **Rabi Narayan & Associates, Practising Company Secretaries** for the Year Ended **31.03.2011** is attached here with, forming part of this report.

Dematerialisation 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 our Bankers, Bank of India, Central and State Governments, other statutory bodies for their unstinted and consistent support to the 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

Place : Kanchipuram
Date : 17.10.2011

Sd/
SURESH SHAH
Chairman

KANCHI KARPOORAM LIMITED

ANNEXURE - 1

FORM - A

Form for disclosure of particulars with respect to conservation of energy

		01.04.2010 to 31.03.2011	01.04.2009 to 31.03.2010
A	Power and Fuel Consumption		
1.	Electricity		
	a. Purchase :		
	Unit	5,29,200	5,96,323
	Total Amount (Rs.)	26,19,714	28,16,076
	Rate/Unit (Rs.)	4.95	4.72
	b. Own Generation		
	(i) Through Diesel Generator :		
	Unit	2,37,696	1,22,571
	Unit per lit of diesel oil	13.08	12.92
	Cost / Unit (Rs.)	N.A.	N.A.
	(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.)	25,114	19,949
	Total Amount	7,00,386	5,30,437
	Average rate (Rate per MT) (Rs.)	27,888.27	26,589.65
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.5,00,00,000/-

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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. 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 there under 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 there under 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 Eleven (11) times on 08-04-2010, 30-04-2010, 26-07-2010, 09-08-2010, 19-08-2010, 08-09-2010, 10-11-2010, 23-11-2010, 27-12-2010, 08-01-2011 and 26-02-2011 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 23rd September, 2010 to 30th September, 2010 (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 31-03-2010 was held on 30th September 2010 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 specified in that section.

KANCHI KARPOORAM LIMITED

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 where ever applicable 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 lodgement thereof for transfer/ transmission and there was no allotment of shares during the year under review.
(ii) The Company has declared an Interim dividend of 10% (Re.1/- per Share) and the entire dividend amount was deposited in a separate bank account with HDFC.
(iii) The Company is not required to post warrants to any members of the Company, as no dividend was declared during the financial year.
(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. There was no appointment of additional, alternative or directors to fill casual vacancies during the year under review.
15. The re-appointment of Mr.Suresh Shah, as Managing Director has been made in compliance with the provision of Section 269 read with Schedule XIII to the Act.
16. No appointment of Sole Selling Agents was made during the year under review.
17. The Company has filed compounding application under section 297 of the Act, with Company Law Board, Southern Region Bench for Compounding of offences for the transaction entered with M/s Suresh Industries between 28-06-2007 to 10-06-2008, for which order is awaited. Further the Company has filed application with Regional Director for renewal of Contract under section 297 of the Act, for a period of 3 years from 28th June, 2010 and obtained the approval vide Letter No.2/M 8539/02 dated 20th September, 2010, There were no other instances for the Company to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in the other Firms/Companies to the Board of Director pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued/allotted any shares during the financial year under review.
20. The Company has not bought back any Shares during the financial year under review.
21. There was no redemption of Preference Shares/ debentures during the financial year under review.
22. As explained to us, there were no transactions necessitating the Company to keep in abeyance the rights to dividend and bonus Shares, pending registration of transfer of Shares.
23. The Company has not invited / accepted any deposits, including unsecured loan falling within the preview of Section 58A and 58AA during the financial year.

KANCHI KARPOORAM LIMITED

24. The amount borrowed by the Company during the financial year ending 31st March 2011 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 Generals Meeting held on March 08, 1995.
25. The Company has not made loans or advances or given guarantees or provided securities to other bodies corporate 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 period under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. The Company has received notice of default under section 159/166/210/220, dated 28/06/2010 from Registrar of Companies, Chennai and subsequently replied to the Registrar of Companies and who had informed that the matter was closed. Apart from the same, 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

Sd/-

Rabi Narayan Pal

C.P.No:3480

Place : Chennai

Date : 17th October, 2011

KANJI KARPOORAM LIMITED

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

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, 2011.

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 09 th April, 2010 created in favour of Bank of India for Rs.6.70 Crores.	A84504786 06-05-2010 No Delay
2	Form-66	Filed under section 383A for the year ended 31-03-2010.	P60866316 23-11-2010 Delay
3	Annual Return/ Form-20B	Filed U/s 159 for the Annual General Meeting held on 30-09-2010 Financial year ended 31.03.2010.	P60867504 23-11-2010 No Delay
4	Balance sheet / Form-23AC & 23ACA	Filed U/s 220(1) for the year ended 31-03-2010.	P60866977 23-11-2010 Delay
5	Form-25C	Filed U/s 269 for Re-appointment of Mr.Suresh Shah, as Managing Director of the company for the period of Three years with effect from 01 st October, 2010 at the annual general meeting held on 30 th September, 2010.	A98868110 23-11-2010 No Delay

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6	Form 23	<p>Filed U/s. 192 for Special Resolutions for</p> <p>1. Re-appointment of Mr.Suresh Shah, as Managing Director of the company for a further period of Three (03) years w.e.f 1st October 2010</p> <p>2. Variation of the terms of Appointment of Mr. Dipesh S Jain, Director (Works) of the Company with effect from 1st October 2010 for the remainder of tenure of his appointment.</p> <p>3. Appointment of Mr.V.M Goal, who is a relative of Directors for holding and continuing to hold an office or place of profit as an employee of the company at the annual general meeting held on 30th September, 2010.</p>	<p>A98867880</p> <p>23-11-2010 No Delay</p>
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Forms and Returns as filed by the Company with the Company Law Board, Southern Region Bench, Chennai during the financial year ending 31.03.2011

1	Petition	Under Section 297 of the Companies Act to get Approval for entering into contract under section 297 between the Company and M/s.Suresh Industries for a period of Three (03) Years.	17/09/2010
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Forms and Returns as filed by the Company with the Regional Directors, Southern Region Bench, Chennai during the financial year ending 31.03.2011

1	Form 24A	Filed U/s 22, 25, 224(3), 224(7) Approval for entering into contract under section 297 between the Company and M/s.Suresh Industries for a period of Three (03) Years.	<p>P87473401</p> <p>21-06-2010 No Delay</p>
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Ministry of Company Affairs : Nil

KANCHI KARPOORAM LIMITED

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

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	11	11	Yes	Nil	Nil
Arun Kumar Shah	Director – Non Executive	11	11	Yes	Nil	Nil
Dipesh S Jain	Director – Executive	11	11	Yes	Nil	Nil

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.

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During the year 2010-11, (11) times on 08-04-2010, 30-04-2010, 26-07-2010, 09-08-2010, 19-08-2010, 08-09-2010, 10-11-2010, 23-11-2010, 27-12-2010, 08-01-2011, 26-02-2011 Board Meetings were held.

All the Directors are related to each other. Equity Shares held by the Director.

Name of the Directors	No. of Equity Shares as on 31 st March 2011
Mr. Suresh Shah	2,67,300
Mr. Arun Kumar Shah	38,500
Mr. 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 Eighteenth Annual General Meeting to the Shareholders of the Company.

3. Audit Committee

Section 292-A of the Companies Act, 1956 is not applicable to the Company. The Company is in the process of appointment of Independent Directors and once the same is done, the Audit Committee will be formed as required under the Listing Agreement.

4. Remuneration Committee

Remuneration of Whole-time Directors are decided and approved by the Board of Directors subject to the approval of the Shareholders. No remuneration is paid to the Non-Executive Director.

Executive Director

The Company has a Managing Director and Executive Director. There was a revision of salaries, w.e.f. 01.10.2010 during the year under review, in respect of Mr.Suresh Shah, Managing Director, who hold the office till 30.09.2013 and in respect of Mr.Dipesh S Jain, Director (Works) who holds the office till 30.09.2013 respectively as per Point Nos.4 & 5 of the Special Business approved at the previous Annual General Meeting of the Company held on 30th September 2010.

5. Details of Annual Remuneration to Executive Directors

a. Executive Directors Particulars	Mr. Suresh Shah Managing Director Rs.	Mr. Dipesh S. Jain Director (Works) Rs.
Salary	8,40,000	7,14,000
Contribution to P.F.	9,360	9,360
Rent Free Accommodation	—	—
Leave Travel Allowance	—	—
Other Perquisites	1,52,741	42,000
Total	10,02,101	765,360

b) Non-Executive Director: No Remuneration is paid.

KANCHI KARPOORAM LIMITED

6. Shareholders Grievance / Share Transfer Committee

The Share Transfer Committee of the Board oversees redressal of Shareholder and Investors complaints like Transfer of Shares, Transmission of Shares, etc.

7. Composition and Attendance of Share Transfer Committee Meeting

The Shareholders Transfer Committee consists of Mr. Suresh Shah, Mr. Arun Kumar Shah and Mr. Dipesh S Jain where Mr. Arun Kumar Shah is the Chairman of the Committee and they met at regular intervals. Mr. Murugasamy .K is the Compliance Officer of the Committee.

No. of STC Meeting held was 8 times (15.04.2010, 19.05.2010, 08.09.2010, 22.10.2010, 14.02.2011, 28.02.2011, 15.03.2011, 30.03.2011) during the financial year 2010-11.

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 to handle all shares related works. No complaint of any material nature was received during the year under review.

There are no valid requests pending for Share Transfers as at 31st March, 2011.

8. a) Venue and Time of the Last Three Annual General Meetings

Year	Date	Time	Venue
2006 - 07	31.12.2007	11.00 A.M.	Hotel Baboo Surya, No.85, East Raja Street, Kanchipuram - 631 501
2007 - 09	30.06.2009	11.00 A.M.	M.M.Hotels, No.65/66, Nellukara Street, Kanchipuram 631 501
2009 - 10	30.09.2010	11.00 A.M.	M.M.Hotels, No.65/66, Nellukara Street, Kanchipuram 631 501

All the Resolutions including the Special Resolutions as set out in the respective Notices were passed by the shareholders. No Extra Ordinary General Meeting was held during the financial year. There is no proposal to put any Resolution through Postal Ballot.

9. Disclosures

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

None of the transactions with any of the related parties were in conflict with the interests of the Company.

10. 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.**

11. 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.

12. CEO / CFO 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, 2011 at its Meeting held on **17th October, 2011.**

Details of Non-compliance 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 the last three years

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

Means of Communication

The Quarterly and Half-yearly financial results are generally published in the National and Regional Newspapers.

All material information about the Company is promptly sent through facsimile to the concerned Stock Exchanges where the Company's shares are listed and released to the Press for information of the public at large. **Management Discussion and Analysis forms part of this Annual Report and is provided elsewhere in this Report.**

General Shareholders' Information

- a) **Annual General Meeting is proposed to be held on 30.11.2011 at 11.00 A.M.**
- b) Tentative calendar of events for the Financial Year 2011-12 is given below:-
 - i) Financial Results for the Quarter Ending 30th June 2011 - **Last week of August 2011.**
 - ii) Financial Results for the Quarter Ending 30th September 2011 - **Last week of November 2011.**
 - iii) Financial Results for the Quarter Ending 31st December 2011 - **Last week of February 2012.**
 - iv) Financial Results for the Quarter Ending 31st March 2012 - **Last week of May 2012.**
- c) **Book Closure: From 24th November, 2011 to 30th November, 2011 (Both Days inclusive).**

KANCHI KARPOORAM LIMITED

- d) The Equity Shares of the Company are listed in:-
- 1) The Madras Stock Exchange Limited, Chennai (Regional Stock Exchange).
 - 2) The Delhi Stock Exchange Association Limited, New Delhi.
 - 3) The Ahmedabad Stock Exchange Limited, Ahmedabad.
- e) The Listing Fees for the Year 2011-12 has been paid to all the Stock Exchanges where the Company's Shares are listed.
- f) The Company has appointed M/s. Cameo Corporate Services Limited as its Registrar and Share Transfer Agent for both Electronic & Physical Share Transfers.
- g) As required under the Listing Agreement, the Company has allotted a specific email-id for the convenience of Shareholders i.e. investorcare@kanchikarpooram.com

13. 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.

14. Registrar And Share Transfer Agent : M/s. Cameo Corporate Services Limited,
"Subramanian Building"
No.1, Club House Road,
Chennai 600 002.
Tel.No. 28460390 (6 Lines)
Fax No.28460129.
E-mail: investor@cameoindia.com

15. Distribution of Shareholding as on 31st March, 2011

Category	No.of shares (Physical & Electronic)	Percentage (%)
Indian Promoter	12,96,500	31.30
Mutual Fund	35,600	0.86
Private Bodies Corporate	2,42,900	5.86
NRIs	4,30,500	10.39
Indian Public	21,36,700	51.59
Total	41,42,200	100.00

Legal Proceedings:

There is no Legal Proceeding pending against the Company.

The Company has not issued any GDRs/ADRs/ Warrants/Convertible Instruments.

16. Plant Location:

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

17. Address for Correspondence :

Registered Office & Factory
Parandur Road, Enathur Village,
Karaipettai Post, Kanchipuram.
Tamil Nadu. Pin code - 631 552.
Tel. / Fax No.044-27294904 / 044-27294930
E-Mail Id: info@kanchikarpooram.com

KANCHI KARPOORAM LIMITED

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The management of Kanchi Karpooram Limited presents its analysis covering performance of the company for the year 2010-2011 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. A Government body has estimated the annual consumption as 7500 metric ton with 2% increase every year. Thus 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.3862.90 lakhs** as compared to 2948.30 lakhs and has profit after tax **Rs.102.83 lakhs** as compared to Rs.96.53 lakhs 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
Kanchi Karpooram Limited
Sd/-

Date : 17.10.2011
Place : Kanchipuram

SURESH SHAH
Managing Director

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, 2011, 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 to the following:

- (a) The Company is yet to constitute Audit Committee, Shareholders' / Investors' Grievances Committee and Remuneration Committee as required under Clause 49 of the Listing Agreement.**
- (b) In view of the fact that no Shareholders' / Investors' Grievances Committee is constituted, we are unable to comment whether any investor grievance is pending for a period exceeding one month.**

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

Place : Chennai

Date : 17.10.2011

M.No.11072

KANCHI KARPOORAM LIMITED

REPORT OF THE AUDITORS

To

**The Shareholders of
Kanchi Karpooram Limited
Kanchipuram**

1. We have audited the attached Balance Sheet of Kanchi Karpooram Limited as at 31st March 2011 and also the Profit and Loss Account 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, Profit and loss account 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, Profit and loss account 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.

KANCHI KARPOORAM LIMITED

- e) On the basis of written representations received from the Directors, as on 31.03.2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of Sub section (1) of Section 274 of the Companies Act 1956.
- f) **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 Accumuiated iosses is not ascertainable.**

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 31th March 2011;
- ii) In the case of Profit and Loss account of the Profit 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 : 17.10.2011

KANCHI KARPOORAM LIMITED

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) No Physical verification of fixed assets was carried during the year by the management; accordingly we are unable to offer our comment in regard to the discrepancies if any on Physical verification.
- (c) Substantial parts of the fixed assets have not been sold during the year under review affecting Going concern.
- ii. (a) The stocks 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.

KANCHI KARPOORAM LIMITED

- 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. The Central Government has not prescribed the Maintenance of Cost records under section 209(1)(d) of the companies act, 1956 for any of the products of the company.
- 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.
 - (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 31.03.2011 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.

KANCHI KARPOORAM LIMITED

- 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 : 17.10.2011

**BALANCE SHEET,
PROFIT AND LOSS ACCOUNT
WITH SCHEDULES**

KANCHI KARPOORAM LIMITED

BALANCE SHEET AS AT 31.03.2011

Sources of Funds	Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Shareholders Funds :			
Share Capital	1	4,14,22,000	4,14,22,000
Reserves & Surplus	2	1,03,37,880	48,85,317
Loan Funds:			
Secured Loans	3	7,26,25,902	3,38,22,402
Unsecured Loans	4	86,85,599	1,50,49,720
Deferred Tax Liability		50,70,983	89,35,873
	Total	13,81,42,364	10,41,15,312
Application of Fund :			
Fixed Assets:			
Gross Block	5	12,12,16,177	11,52,94,631
Less : Depreciation		8,09,09,670	6,98,72,011
Net Block		4,03,06,507	4,54,22,620
Deferred Tax Asset		—	—
Current Assets, Loans & Advances:			
Inventories	6	9,75,34,336	6,36,19,652
Sundry Debtors	7	2,94,93,888	1,47,46,463
Cash & Bank Balances	8	98,47,600	56,76,277
Loans & Advances	9	1,91,80,331	1,54,95,426
		15,60,56,155	9,95,37,818
Less : Current Liabilities & Provisions	10	5,82,20,298	4,08,45,125
Net Current Assets		9,78,35,857	5,86,92,693
	Total	13,81,42,364	10,41,15,312

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

Sd/-

Suresh Shah

Managing Director

Sd/-

Arun Kumar Shah

Director

Place : Chennai

Date : 17.10.2011

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

Chartered Accountants.

FRN 004137S

Sd/-

A.S. RAMANATHAN

Partner

M.No.11072

KANCHI KARPOORAM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31.03.2011

Particulars	Schedule	For the Year Ended 31.03.2011 Rs.	For the Year Ended 31.03.2010 Rs.
Income :			
Gross Sales		41,90,98,789	31,50,69,067
Less - Excise Duty		3,76,64,951	2,44,14,558
Net Sales		38,14,33,838	29,06,54,509
Other Income	11	21,56,427	41,75,459
Increase / (Decrease in Stock)	12	2,74,53,260	1,03,88,354
Expenditure:			
Materials Consumed	13	32,26,63,326	20,94,58,257
Administrative & Other Expenses	14	5,27,50,833	5,65,13,768
Interest	15	94,47,130	59,27,719
Depreciation	5	1,10,56,914	99,42,784
Profit / (Loss) Before Taxation		1,51,25,322	2,33,75,795
Less : Provision for Taxation			
Current Tax		85,00,000	42,00,000
Deferred Tax		(38,64,890)	96,40,086
Provision for Taxation relating to earlier years		2,07,481	(1,17,511)
Profit / (Loss) After Tax		1,02,82,731	96,53,220
(Profit) Brought Forward from Previous year		8,11,317	(88,41,903)
Profit Available for Appropriation		1,10,94,048	-
Appropriation			
Dividend – Interim		41,42,200	-
Dividend Distribution Tax		6,87,968	-
Transferred to General Reserve		10,00,000	-
Surplus Carried to Balance Sheet		52,63,880	8,11,317
Basic and Diluted Earnings per Share Before and After Exceptional Items (Rs.)		2.48	2.33

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

Sd/-

Suresh Shah

Managing Director

Sd/-

Arun Kumar Shah

Director

Place : Chennai

Date : 17.10.2011

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

Chartered Accountants.

FRN 004137S

Sd/-

A.S. RAMANATHAN

Partner

M.No.11072

KANCHI KARPOORAM LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule 1		
Share Capital :		
Authorised		
50,00,000 Equity Shares of Rs.10/- Each	5,00,00,000	5,00,00,000
Issued, Subscribed & Paid-up		
41,42,200 (41,42,200) Equity Shares of Rs.10/- Each , Fully Paid-up	4,14,22,000	4,14,22,000
	<u>4,14,22,000</u>	<u>4,14,22,000</u>
Schedule : 2		
Reserves & Surplus		
Capital Reserve :		
State Government Subsidy	40,74,000	40,74,000
Profit & Loss account		
Profit & Loss account	52,63,880	8,11,317
General Reserve	10,00,000	-
Total	<u>1,03,37,880</u>	<u>48,85,317</u>
Schedule : 3		
Secured Loans :		
i. From Banks (Bank of India) (See Note 1 Below)		
a. Cash Credit Account	4,15,16,274	2,17,46,703
b. Buyer's Credit loans from Bank of India	3,03,20,848	1,05,62,368
Total - A	<u>7,18,37,122</u>	<u>3,23,09,071</u>
ii. From Banks / Non-Banking Financial Companies (See Note 2 Below)		
a. Hire Purchase Loan	7,88,780	15,13,331
Total - B	<u>7,88,780</u>	<u>15,13,331</u>
Total (A+B)	<u>7,26,25,902</u>	<u>3,38,22,402</u>
<p>Note 1 : 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.</p> <p>Note 2 : Secured by Assets on Hire Purchase Agreements.</p>		
Schedule : 4		
UNSECURED LOANS :		
Interest Free Sales Tax Loan	86,85,599	1,50,49,720
Total	<u>86,85,599</u>	<u>1,50,49,720</u>

FIXED ASSETS SCHEDULE FOR THE PERIOD OF 01-04-2010 TO 31-03-2011

SCHEDULE - 5

Figure in Rs.

Particulars	Gross Block				Depreciation				Net Block		
	Balance as on 01.04.2010 Rs.	Additions Rs.	Deletions Rs.	Balance as on 31.03.2011	Upto 01.04.2010	On Opening Balance	On Additions	Depreciation for the Year	Adjustments	As on 31.03.2011	As on 31.03.2010
Land	8,12,918	0	0	8,12,918	0	0	0	0	0	0	8,12,918
Buildings	2,16,44,506	0	0	2,16,44,506	84,21,934	7,22,927	0	7,22,927	0	91,44,861	1,32,22,572
Plant & Machinery	7,93,28,662	54,18,638	0	8,47,47,300	5,37,54,301	82,02,584	7,01,504	89,04,087	0	6,26,58,388	2,55,74,361
Electrical Installations	62,86,433	1,15,527	0	64,01,960	43,92,656	6,50,017	7,284	6,57,301	0	50,49,957	18,93,777
Lab Equipments	4,21,581	0	0	4,21,581	2,01,361	43,591	0	43,591	0	2,44,952	2,20,220
Vehicles	38,00,158	0	42,753	37,57,405	9,09,043	3,61,015	0	3,61,015	19,251	12,50,807	28,91,115
Air Conditioners	4,05,091	99,359	0	5,04,450	1,90,637	19,242	4,254	23,496	0	2,14,133	2,14,454
Office Equipments	3,44,162	2,21,431	0	5,65,593	1,95,277	16,348	10,338	26,686	0	2,21,963	1,48,885
Computers	13,91,339	90,768	0	14,82,107	11,27,607	2,25,536	10,563	2,36,099	0	13,63,706	2,63,732
Furniture	7,71,592	18,575	0	7,90,167	6,42,284	48,842	18,575	67,417	0	7,09,701	1,29,308
Software	88,189	0	0	88,189	36,911	14,295	0	14,295	0	51,206	51,278
Total	11,52,94,631	59,64,298	42,753	12,12,16,176	6,98,72,011	1,03,04,397	7,52,517	1,10,56,913	19,251	8,09,09,673	4,54,22,620
Previous Year	11,04,43,825	52,09,461	3,58,655	11,52,94,631	6,00,31,259	98,00,234	1,42,549	99,42,783	1,02,030	6,98,72,011	5,04,12,567

KANCHI KARPOORAM LIMITED

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule : 6		
INVENTORIES :		
(As Certified by the Managing Director)		
1. Raw Materials (Including Materials under Clearance)	2,88,64,492	2,20,37,375
2. Work-in-Process	3,75,81,833	1,85,89,330
3. Finished Goods	2,97,82,034	2,13,21,277
4. Stores, Fuel & Packing Materials	13,05,977	16,71,670
Total	9,75,34,336	6,36,19,652
Schedule : 7		
TRADE DEBTORS :		
(Unsecured, Considered Good)		
Debts Outstanding for a period :		
Exceeding Six Months	22,531	5,06,137
Less than Six Months	2,94,71,357	1,42,40,325
Total	2,94,93,888	1,47,46,462
Schedule : 8		
CASH & BANK BALANCES :		
Cash on Hand	2,18,413	5,29,913
Balance with Scheduled Banks		
In current Accounts	18,49,535	2,04,906
In deposit Accounts	77,79,652	49,41,459
(Including Interest Accrued)		
Total	98,47,600	56,76,278
Schedule : 9		
LOANS & ADVANCES :		
(Unsecured - Considered Good)		
Advances Recoverable in Cash or in kind (or) for value to be received	1,76,55,066	1,27,53,118
Deposits	15,25,265	27,42,308
Total	1,91,80,331	1,54,95,426
Schedule : 10		
CURRENT LIABILITIES & PROVISIONS :		
Current Liabilities		
Sundry Creditors	2,96,73,332	2,55,09,537
Other Liabilities	2,00,46,966	1,09,49,371
Provisions		
For Taxation	85,00,000	42,00,000
For Leave Encashment	-	1,65,000
For Gratuity	-	21,217
Total	5,82,20,298	4,08,45,125

KANCHI KARPOORAM LIMITED

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule : 11		
OTHER INCOME :		
Interest Received (TDS Rs.42,445 P.Y. Rs.70,016)	4,28,915	3,76,444
Miscellaneous Income	-	5,11,420
Sale of Scrap	7,72,664	7,61,355
Exchange Gain	9,54,848	25,26,240
TOTAL	21,56,427	41,75,459
Schedule : 12		
INCREASE / DECREASE IN STOCK :		
Increase in Stock :		
Opening Stock :		
Work-in-Process	1,85,89,330	1,54,57,766
Finished Goods	2,13,21,277	1,40,64,487
A	3,99,10,607	2,95,22,253
Closing Stock :		
Work -in-Process	3,75,81,833	1,85,89,330
Finished Goods	2,97,82,034	2,13,21,277
B	6,73,63,867	3,99,10,607
Increase / (Decrease) in Stock	C = (B) - (A)	2,74,53,260
C	2,74,53,260	1,03,88,354
Schedule : 13		
MATERIALS CONSUMED :		
Opening Stock of Raw Materials	1,34,40,690	47,72,279
Add : Purchases	33,10,33,844	21,81,26,668
Less : Closing Stock of Raw Materials	(2,18,11,208)	(1,34,40,690)
Materials Consumed	32,26,63,326	20,94,58,257

KANCHI KARPOORAM LIMITED

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule : 14		
ADMINISTRATIVE & OTHER EXPENSES :		
Stores Consumed	3,71,857	3,76,094
Auditor's Remuneration	2,06,500	2,71,499
Donations	3,46,125	22,201
Salaries & Wages	1,08,18,605	1,78,57,946
Employer's Contribution to Welfare Funds	12,36,136	8,34,951
General Expenses	35,52,688	27,96,832
Insurance	6,99,247	5,11,853
Communication Expenses	4,49,689	4,63,559
Power & Fuel	2,08,52,230	1,79,62,590
Printing & Stationery	2,71,420	1,93,743
Rates & Taxes	4,45,855	10,44,202
Rent	7,90,087	6,28,158
Repairs & Maintenance Building	4,97,966	11,80,573
Repairs & Maintenance Plant & Machinery	48,12,476	36,02,818
Repairs & Maintenance Others	19,24,731	15,74,229
Selling Expenses	47,79,808	67,16,852
Loss on Sale of Asset	5,002	81,625
Travelling & Conveyance	6,90,411	3,94,043
Total	5,27,50,833	5,65,13,768
 Schedule : 15		
FINANCE CHARGES :		
Interest paid on Cash Credit and Others	73,15,956	47,42,948
Bank Charges	21,31,174	11,84,771
Total	94,47,130	59,27,719

Schedule : 16

1. SIGNIFICANT ACCOUNTING POLICIES:

a. Accounting Concepts

The accounts are prepared under historical cost convention and mercantile system of accounting is followed.

b. Revenue Recognition

Income & Expenditure are accounted on accrual basis.

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 Retirement Benefits

Contribution payable by the Company under defined contribution scheme towards retirement gratuity liability is provided and funded with Life Insurance Corporation of India.

Provision towards Leave Encashment is made based on Actuarial Valuation.

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 expenses comprise 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.

KANCHI KARPOORAM LIMITED

Schedule 17:

1. Notes forming part of Balance Sheet as at 31st March 2011 and Profit & Loss Account for the Year Ended 31st March, 2011.
2. **CONTINGENT LIABILITIES NOT PROVIDED FOR :**
In respect of :
Bank Guarantee towards power tariff concession Rs.NIL (P. Y. Rs.11.93 Lakhs)
3. Letters of Credits outstanding as on 31.03.2011 Rs.NIL (P. Y. Rs.18.79 lakhs)
4. **RELATED PARTY DISCLOSURE :**
 - a. List of Related Parties where control exists :
 1. Mr. Suresh Shah
 2. Mr. Arun Kumar Shah
 3. Mr. Dipesh S Jain
 - b. Transaction between Related Parties :
 - i. Description of Relationship with Presumption of significant influence
 - ii. Transaction Details :

Sl. No.	Name	Description of transactions and the amount during the period 12 months (Previous Year)	Amount Outstanding as on 31.03.2011 (Previous Year)	Other Transaction
1.	Suresh Shah	Remuneration paid Rs.8,40,000/- (Rs.7,20,000/-)		
2.	Dipesh S Jain	Remuneration paid Rs.7,14,000/- (Rs.5,34,000/-)		
3.	Dipesh S Jain	Interest paid Rs.5597/- (Rs.NIL)		
4.	Suresh Industries	Sale of Camphor made During the period Rs.65,13,781/-(Rs.60,16,117/-)	Rs.6,48,408/- (Dr. Balance) (Rs.18,89,921/-)	
5.	Pushpa S Jain	House Rent towards Director's Accommodation Rs.1,26,000/- (Rs. 1,26,000/-)		
6.	Mukesh V.Goal	Consultancy charges Rs.5,01,107/- (Rs. 3,29,090/-)		
7.	Mukesh Goal (HUF)	Interest paid Rs.18,200/- (Rs.NIL)	Rs.6,00,000/-	
8.	Kavitha Jain	Interest paid Rs.18,200/- (Rs.NIL)	Rs.6,00,000/-	

5. COMPUTATION OF EARNINGS PER SHARE

	As on 31.03.2011	As on 31.03.2010
Number of shares at the beginning and at the end of the year	41,42,200	41,42,200
Face value per share	Rs. 10/-	Rs. 10/-
Profit after Tax (Rs. in lakhs)	102.83	96.53
Basic and Diluted Earnings per Share (Rs.)		
Before Exceptional Items	2.48	2.33
After Exceptional Items	2.48	2.33

6. The Company is engaged in single business and in a single geographical segment and hence "Segment Reporting" is not applicable.

7. MANAGERIAL REMUNERATION: (MINIMUM)

Included in Administrative and Other Expenses:

	For 01.04.2010 to 31.03.2011 (Rs.)	For 1.04.2009 to 31.03.2010 (Rs.)
Remuneration	15,54,000	12,54,000
Contribution to PF	18,720	18,720
Other Perquisites	1,94,741	1,76,852
Total	17,67,461	14,49,572

8. Auditor's Remuneration :

Statutory and Tax Audit Fee	2,00,000	2,25,000
Certification Fee	6,500	46,499
	2,06,500	2,71,499

9. Balance Confirmation

Confirmations of Balance have not been received from Debtors, Creditors, Loans & Advances, Deposits and other Liabilities.

10. Deferred Tax Liability / (Asset) at the year end comprise timing differences on account of :

Particulars	As at 31.03.2011	As at 31.03.2010
Deferred Tax Liability on account of Depreciation (A)	52,83,958	90,92,455
Deferred Tax Assets	-	-
On account of Unabsorbed Losses	-	0
On account of other timing differences	2,12,974	1,56,582
Total Deferred Tax Assets (B)	2,12,974	1,56,582
Net Deferred Tax Liability (Asset)	(A-B) 50,70,983	89,35,873

11. 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 year's classification.

12. There is no amount to be transferred to Investor Education and Protection Fund Account as at 31st March, 2011.

KANCHI KARPOORAM LIMITED

13. Information required by paragraphs 4, 4A, 4C & 4D of Schedule VI to the Companies Act, 1956.

a. Capacities and Production

	31-03-2011			31-03-2010		
	Licenced Capacity	Installed* Capacity	12 Months Actual Production (Kgs.)	Licenced Capacity	Installed* Capacity	12 Months Actual Production (Kgs.)
Gum Rosin	3600 MT	3840 MT	205798	3600 MT	3840 MT	280565
Turpentine	1200 MT		43463	1200 MT		71040
Camphor	1000 MT	1000 MT	947950	1000 MT	1000 MT	965760
Sodium Acetate Trihydrate			957850			895250
Dipentine (Litres)			830092			685126

*as certified by Management

b. Turnover (excluding Excise Duty & Sales Tax)

	For the year Ended 31.03.2011		For the year Ended 31.03.2010	
	(Kgs.)	Amount(Rs.)	(Kgs.)	Amount(Rs.)
Gum Rosin #	163353	1,92,09,019	192625	99,91,798
Camphor	931670	26,98,14,593	939990	21,34,90,678
Sodium Acetate Trihydrate	964300	1,26,58,700	882850	93,99,070
Dipentine (Litres)	792494	5,23,93,386	498202	3,47,37,414
Others	-	2,73,58,140	-	2,30,35,549
		38,14,33,838		29,06,54,509

includes 20,700 Kgs of Highseas Sales

c. Opening & Closing Stock of Finished Goods

		For the year Ended 31.03.2011		For the year Ended 31.03.2010	
		Opening Stock	Closing Stock	Opening Stock	Closing Stock
# Gum Rosin	Kgs.	1,000	1,200	1,000	1,000
Camphor	Kgs.	85,780	1,02,060	60,010	85,780
* Turpentine	Kgs.	0	0	0	0
Sodium Acetate Trihydrate	Kgs.	34,200	27,750	21,800	34,200
## Dipentine	Litres	32,651	10,269	0	8,729
#	Net of Captive Consumption of 62,945 Kgs		(Previous year-2009-2010 - 87,940 Kgs)		
##	Net of Captive Consumption of 50,983 Kgs		(Previous year-2009-2010 - 95,310 Kgs)		
*	Net of Captive Consumption of 43,463 Kgs		(Previous year-2009-2010 - 52,040 Kgs)		

KANCHI KARPOORAM LIMITED

d. Raw Materials & Component Parts Consumed

(Imported)	For the year Ended 31.03.2011		For the year Ended 31.03.2010	
	Qty. (M.T.)	Amount (Rs.)	Qty. (M.T.)	Amount (Rs.)
Oleo Pine Resin	348.802	2,36,51,922	390.823	1,26,35,703
Commercial Alpha Pinene (Cyclo Terpene)	1,068.260	16,32,65,658	1230.17	12,37,49,018
Gum Turpentine	683.695	7,95,57,476	273.087	2,18,93,153
Others Raw Materials	-	1,88,29,092	-	1,23,18,044
Other Materials (Indigenous)	-	3,73,59,178	-	3,88,62,339
		32,26,63,326		20,94,58,257

e. Value of Imports CIF Basis:	31.03.2011 (Rs.)	31.03.2010 (Rs.)
Raw Materials	27,33,12,585	16,62,90,337

f. Value of Exports on FOB Basis :	31.03.2011 (Rs.)	31.03.2010 (Rs.)
	2,14,30,478	-

g. Expenditure in Foreign Currency During the Year:

	For the year Ended 31.03.2011	For the year Ended 31.03.2010
Foreign Travel Expenditure (in Rs.)	83060	36675
Subscription (in Rs.)	15593	27975
Others	88496	0

h. Value of Imported / Indigenous Raw Materials / Components / Stores and Spares Consumed

	31.03.2011 (Rs.)	%	31.03.2010 (Rs.)	%
Imported Landed Cost	28,53,04,148	88.42	17,05,95,918	81.00
Indigenous	3,73,59,178	11.58	3,88,62,339	19.00
	32,26,63,326	100.00	20,94,58,257	100.00

Stores, Spares & Tools

	31.03.2011 (Rs.)	%	31.03.2010 (Rs.)	%
Imported Landed cost	-	-	-	-
Indigenous	3,71,857	100.00	3,76,094.00	100.00
	3,71,857.00	100.00	3,76,094.00	100.00

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

Sd/-

Suresh Shah

Managing Director

Sd/-

Arun Kumar Shah

Director

Place : Chennai

Date : 17.10.2011

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

Chartered Accountants.

FRN 004137S

Sd/-

A.S. RAMANATHAN

Partner

M.No.11072

KANCHI KARPOORAM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH '11 (Pursuant to Clause 32 of the Listing Agreement)

	1.04.2010 to 31.03.2011		1.04.2009 to 31.03.2010	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / Loss before direct tax and extra - ordinary items		1,51,25,322		2,33,75,795
Adjustments for :				
Depreciation	1,10,56,914		99,42,784	
Interest paid / Financial Charges	94,47,130		59,27,719	
Interest Received	(4,28,915)		(3,76,444)	
Profit / Loss on sale of assets (net)	5,002	2,00,80,131	81,625	1,55,75,684
Operating Profit / (Loss) before Working Capital Changes		3,52,05,453		3,89,51,479
Adjustments for:				
Inventories	(3,39,14,684)		(2,73,78,460)	
Trade Receivables and Loans & Advances	(1,84,32,331)		(92,24,446)	
Trade & Other Payables	1,30,75,173		1,13,53,126	
Interest Paid on Working Capital Advances	(94,47,130)		(59,27,719)	
Direct taxes paid	(44,07,486)		(8,36,489)	
Working Capital Advance	3,95,28,051	(1,35,98,407)	36,92,325	(2,83,21,663)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		2,16,07,046		1,06,29,816
B. CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	4,28,915		3,76,444	
Purchase of Fixed Assets	(59,64,298)		(52,09,461)	
Sale of Fixed Assets	18,500	(55,16,883)	1,75,000	(46,58,017)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(55,16,883)		(46,58,017)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Decrease in Term Loan / H P	(7,24,551)		1,30,086	
Decrease in Unsecured Loan	(63,64,121)		(58,57,599)	
Payment of Dividend	(41,42,200)		0	
Payment of Dividend Distribution Tax	(6,87,968)		0	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		(1,19,18,840)		(57,27,513)
NET INCREASE IN CASH AND CASH EQUIVALENTS		41,71,323		2,44,286
Cash and Cash equivalents at the beginning		56,76,277		54,31,993
Cash and Cash equivalents at the close		98,47,600		56,76,277
		41,71,323		2,44,284

This is the Cash Flow Statement referred to in our Report of even date

We have examined the attached Cash Flow Statement of M/s.Kanchi Karpooram Limited, Kanchipuram-631552 for the Year ended 31.03.2011. 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.

Place : Chennai
Date : 17.10.2011

KANCHI KARPOORAM LIMITED

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
---	---	---	---	---

State Code

1	8
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	1
---	---	---	---

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

		1	3	8	1	.	4	2
--	--	---	---	---	---	---	---	---

Total Assets

		1	3	8	1	.	4	2
--	--	---	---	---	---	---	---	---

Source of Funds

Paid up Capital

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

Reserves and surplus

		1	0	3	.	3	8
--	--	---	---	---	---	---	---

Secured Loan

		7	2	6	.	2	6
--	--	---	---	---	---	---	---

Unsecured Loan

		8	6	.	8	6
--	--	---	---	---	---	---

Application of Funds

Net Fixed Assets

		4	0	3	.	0	6
--	--	---	---	---	---	---	---

Investments

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

Net Current Assets

		9	7	8	.	3	6
--	--	---	---	---	---	---	---

Miscellaneous Expenditure

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

Profit / Loss

		1	5	1	.	2	5
--	--	---	---	---	---	---	---

IV. Performance of the Company (Amount in Lakhs)

Total Income

4	1	1	0	.	4	3
---	---	---	---	---	---	---

Total Expenditure

3	9	5	9	.	1	8
---	---	---	---	---	---	---

Profit / Loss

		1	5	1	.	2	5
--	--	---	---	---	---	---	---

Earnings per Share in Rs.

		2	.	4	8
--	--	---	---	---	---

Dividend Rate (%)

				0	1	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

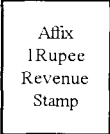
DP ID No.	
Client ID No.	

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 **18th Annual General Meeting** of the Company scheduled to be held on **Wednesday, the 30th November, 2011 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 2011

* 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 **18th Annual General Meeting** of the Company to be held on **Wednesday, the 30th November, 2011 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.

KANCHI KARPOORAM LIMITED

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