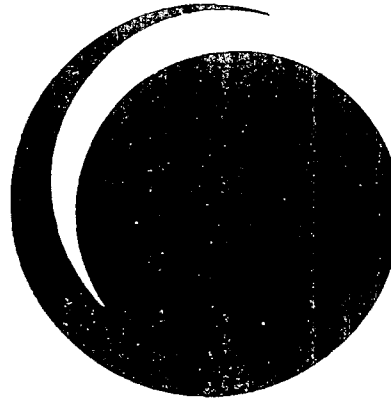


SHREE KARTHIK PAPERS LIMITED

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



AMOHA

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Sixth Annual Report – 1996-97



SHREE KARTHIK PAPERS LIMITED

BOARD OF DIRECTORS :

1. SRI. M.S.VELU - CHAIRMAN AND MANAGING DIRECTOR
2. SMT. S.S.VELU - DIRECTOR
3. DR. K. ARUMUGAM - DIRECTOR
4. SRI. K. PALANISWAMY - DIRECTOR
5. SRI. R. RAMASWAMY - DIRECTOR
6. SRI. V. JAYANANTHAN - DIRECTOR (NOMINEE OF IDBI)

AUDITORS :

M/S. DEVAIAH & CO.

BANKERS :

THE SOUTH INDIAN BANK LIMITED
THE CATHOLIC SYRIAN BANK LIMITED

REGISTERED OFFICE :

T. M. HOUSE
92, T. V. SAMY ROAD (W)
R. S. PURAM
COIMBATORE - 641 002.

FACTORY :

PULIYANGANDI,
ALIYAR NAGAR (P.O.),
KOTTUR VILLAGE,
POLLACHI TALUK,
COIMBATORE DISTRICT,
PIN - 642 101.

Shree Karthik Papers Limited**NOTICE TO MEMBERS**

Notice is hereby given that the Sixth Annual General Meeting of SHREE KARTHIK PAPERS LIMITED will be held on Monday the 29th December, 1997 at 11 a.m. at Annapoorna Kalaingarangam, 47, East Arokiasamy Road, R.S. Puram, Coimbatore - 641 002 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 1997 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. K. Ramaswamy, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Mrs. S.S. Velu, who retires by rotation and being eligible offers herself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

For and on behalf of the Board

PLACE : COIMBATORE

M.S. VELU

DATE : 26-11-97

CHAIRMAN AND MANAGING DIRECTOR

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Register of Members and Share Transfer Registers will remain closed from 21.11.97 to 3.12.97 (both days inclusive)
3. The instrument appointing proxy in order to be effective should be lodged with the Registered Office of the Company not less than 48 hours before the meeting. A blank Proxy Form is sent herewith.
4. Members are requested to notify immediately any change in their address.
5. Members are requested to quote their Folio Number in all their correspondence.
6. Members desiring any information with regard to Accounts are requested to write to the Company atleast 10 days before the meeting, so as to enable the management to keep the information ready.

DIRECTORS' REPORT

To The Members

Your Directors are pleased to present the Sixth Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 1997.

1. FINANCIAL HIGHLIGHTS

The financial results are summarised hereunder :

	31.3.97 (Rs. in lakhs)	31.3.96 (Rs. in lakhs)
Gross Income	846.66	1056.08
Profit before Interest & Depreciation	70.74	184.66
Finance Charges	196.51	173.86
Profit before Depreciation	(136.52)	10.80
Profit after Depreciation	(244.62)	(94.11)
Provision for Taxation	—	—
Net Profit/Loss	(244.62)	(94.11)

2. DIVIDEND

The Board of Directors do not recommend payment of Dividend for the year under review in view of accumulated losses.

3. FUTURE OUTLOOK

The market for the company's product was seriously affected due to the import policy of the Government and the virtual dumping of printing/writing paper and newsprint by Foreign Manufacturers which greatly depressed the prices in the Indian Market.

Eventhough imposition of anti-dumping duty was recommended by the designated authority, the Government of India have yet to act on the recommendations. An improvement in the market demand and prices may be expected only during 1998-99.

4. CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :

The required details in accordance with Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure I forming part of the report.

5. DIRECTORS

Mrs. S.S. Velu and Mr. K. Ramaswamy retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reelection.

6. AUDITORS

M/s. Deviah & Co., Chartered Accountants, will retire at the ensuing Annual General Meeting and they have given their consent for reappointment.

7. EMPLOYEES RELATIONS

The Directors would like to place on record the cordial relations enjoyed with the employees by the Company.

8. PARTICULARS OF EMPLOYEES

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended is furnished in the Annexure II forming part of the report.

9. PROJECTIONS Vs. PERFORMANCE :

In accordance with the Clause 43 of the Listing Agreement, the following particulars are given for the financial year ended 31.3.97.

	(Rs. in Lakhs)	
Particulars	Projections	Actuals
Turnover	1694.00	835.64
Other Income	—	1.28
Profit / (Loss) after Tax	119.00	(244.62)
Dividend (%)	10	NIL

10. ACKNOWLEDGEMENT

The Directors acknowledge the co-operation, support and assistance rendered by the Industrial Development Bank of India, The South Indian Bank Ltd., The Catholic Syrian Bank Ltd., the customers, Suppliers and the Employees of the Company.

PLACE : COIMBATORE
DATE : 26-11-97

FOR AND ON BEHALF OF THE BOARD
M.S. VELU
CHAIRMAN AND MANAGING DIRECTOR

Shree Karthik Papers Limited**ANNEXURE TO DIRECTORS' REPORT**

Information pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988.

A. Conservation of Energy

The Company is implementing adequate measures for reduction of Consumption of Energy.

Total energy consumption and consumption per unit of Production as prescribed in Form A:

A. Power & Fuel Consumption:	<u>31.03.1997</u>	<u>31.03.1996</u>
1. Electricity:		
a. Purchased:		
Units	46,66,571	56,38,154
Total amount (Rs.)	92,88,260	85,75,529
Rate per unit (Rs.)	1.99	1.52
b. Own Generator:		
i. Through Diesel Generator	- NIL -	- NIL -
ii. Through Steam Turbo/Generator	- NIL -	- NIL -
2. Coal	- NIL -	- NIL -
3. Furnace Oil	- NIL -	- NIL -
4. Others: DOB and Saw Dust		
Quantity (In Tonnes)	3,671	3,537
Amount (Rs.)	37,70,392	34,30,565
5. Consumption per unit of Production.		
Electricity-units per tonne.	969.37	1,070.87
Others - Units per tonne	0.76	0.67

B. Technology Absorption

Indigenous and upgraded Technology alone used

C. Foreign Exchange Earnings and Outgo

a. Steps are being taken to explore the possibility of exporting of Writing and Printing Paper.			
b. Total Foreign Exchange earned & used.	Earned	Nil	Nil
excluding capital goods, component & spares	Used	Nil	Nil

ADDENDUM TO DIRECTORS' REPORT - REPLIES TO THE STATUTORY AUDITORS OBSERVATIONS

- Regarding, observation made by the Auditor in his report on gratuity liability, the management is of the opinion that item 1 (g) of Schedule 15 Notes on Accounts is self explanatory.
- Regarding, observation made by the Auditor in their report on Income Tax - TDS Liability, item 18 of Schedule 15 Notes on Accounts, arrangement have been made to clear the dues.
- Regarding, observation made by the Auditor on Sales Tax liability, item 18 of Schedule 15 Notes on Accounts, the same has since been paid.

FOR AND ON BEHALF OF THE BOARD OF THE DIRECTORS

PLACE : COIMBATORE

DATE : 26-11-1997

M.S. VELU

CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE TO DIRECTOR'S REPORT

Statement appended to Director's Report pursuant to Sec. 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31st March, 1997.

Sl. No.	Name	Age Yrs.	Designation Nature of Duties	Remuneration (Perks)	Qualification	Experience years	Date of commencement of Employment	Last Employment before joining the Company
1.	Sri. M.S. Velu	53	Managing Director	Rs,87,530	B.E. (Hons.)	27	1.10.95	—

Managing Director is entitled for a salary of Rs. 50,000/- per month. The same will be paid and accounted whenever company's financial position permits.

Note :

1. Nature of Employment of the above employee is contractual.
2. The above employee is related to Director Smt. S.S. Velu.

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