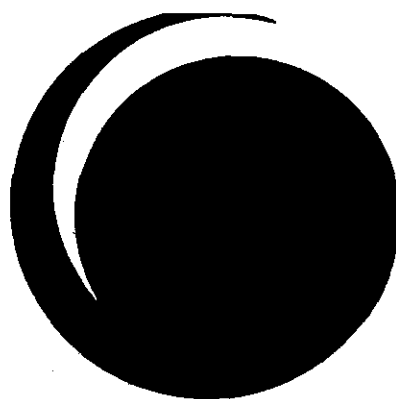


SHREE KARTHIK PAPERS LIMITED



Report **AMOHA** Junction.com

Eighth ANNUAL REPORT - 1998-99

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

AUDITORS :

M/S. DEVAIAH & CO.

FINANCIAL INSTITUTION AND BANKERS :

INDUSTRIAL DEVELOPMENT BANK OF INDIA
THE SOUTH INDIAN BANK LIMITED
THE CATHOLIC SYRIAN BANK LIMITED

REGISTERED OFFICE :

No. 13, A.T.D. STREET,
RACE COURSE,
COIMBATORE - 641 018.

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 Eighth Annual General Meeting of SHREE KARTHIK PAPERS LIMITED will be held on Thursday the 30th September, 1999 at 11.00 a.m. at Annapoorna Ganga Hall at 47, East Arokiyasamy 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, 1999 and the Balance Sheet as on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Dr. K. Arumugam, who retires by rotation and being eligible offers himself for reappointment.
3. 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.

PLACE : COIMBATORE
DATE : 28-08-99

For and on behalf of the Board
M.S. VELU
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 30.09.99 to 05.10.99 (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 Eighth Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 1999.

1. FINANCIAL HIGHLIGHTS

The financial results are summarised hereunder :

	31.3.99 (Rs. in lakhs)	31.3.98 (Rs. in lakhs)
Gross Income	379.80	618.30
Profit/(Loss) before Interest & Depreciation	(96.90)	(22.12)
Finance Charges	225.75	212.52
Profit/(Loss) before Depreciation	(322.66)	(234.64)
Profit/(Loss) after Depreciation	(378.15)	(344.43)
Provision for Taxation	—	—
Prior Period Adjustments	11.22	(7.34)
Net Profit/(Loss)	(366.93)	(351.77)

2. DIVIDEND

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

3. 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 for the past 4 years.

The market for printing and writing paper has shown some signs of improvement and the prospects are expected to be better from the second half of current year onwards.

4. SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985 :

The Company has been declared as a Sick Company in terms of Sec. 8 (1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 by Honourable Board for Industrial Financial Reconstruction at its hearing held on 26th July, 1999. The Honourable BIFR also has appointed Industrial Development Bank of India, Mumbai as the Operating Agency to formulate a Rehabilitation Scheme. The matter is being pursued by the Company.

5. CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNING AN 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.

6. DIRECTORS

Mr. V. Jayanathan, IDBI, Nominee has ceased to be a "Nominee Director" with effect from 31st July, 1999. The Directors wish to take on record the valuable services rendered by Mr. V. Jayanathan during his tenure of office as a Director.

Dr. K. Arumugam retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-election.

7. AUDITORS

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

8. EMPLOYEES RELATIONS

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

9. PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956

None of the employees are in receipt of remuneration exceeding Rs. 6,00,000/-per annum or Rs. 50,000/-per month.

10. ACKNOWLEDGEMENT

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

For and on behalf of the Board

M.S. VELU

CHAIRMAN AND MANAGING DIRECTOR

PLACE : COIMBATORE

DATE : 28-08-1999

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 per unit of Production as prescribed in Form A :

A. Power & Fuel Consumption :	31.03.1999	31.03.1998
1. Electricity :		
a. Purchased :		
Units	30,89,472	35,74,368
Total amount (Rs.)	1,04,12,890	1,02,20,054
Rate per unit (Rs.)	3.37	2.86
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)	2,790	4,318
Amount (Rs.)	24,89,271	43,12,322
5. Consumption per unit of Production.		
Electricity-units per tonne	1,177.84	777.71
Others-Units per tonne	1.06	0.94

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 STATUORY AUDITORS OBSERVATIONS

- Regarding, Non-provision of Gratuity liability the management is of the opinion that item 1 (f) of Schedule 15 Notes on Accounts is self explanatory.
- Regarding, observation made by the Auditors in their report on Income Tax - TDS Liability, a sum of Rs. 1,71, 768/- has been paid and arrangement have been made to clear the balance dues.
- Regarding, observation made by the Auditor on Provident Fund Liability a sum of Rs. 1,05,893/- has been paid and the balance will be paid shortly.

PLACE : COIMBATORE
DATE : 28-08-1999

For and on behalf of the Board
M.S. VELU
CHAIRMAN AND MANAGING DIRECTOR