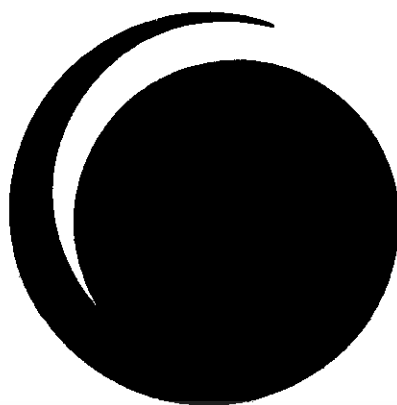


# SHREE KARTHIK PAPERS LIMITED



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**NINETH ANNUAL REPORT – 1999-2000**

## 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.

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## Shree Karthik Papers Limited

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### NOTICE TO MEMBERS

Notice is hereby given that the Ninth Annual General Meeting of SHREE KARTHIK PAPERS LIMITED will be held on Saturday the 30th December, 2000 at 11 a.m. at Annapoorna Kalaiaragam," GANGA HALL", 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 period ended 31st March, 2000 and the Balance Sheet as on that date and the Reports of the Directors and Auditors.
2. To appoint Director in place of Mrs. S S Velu who retires by rotation and being eligible offers herself 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 : 18-11-2000

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 vot instead of himself and the proxy need not be a member of the Company.
2. Register of Members and Share Transfer Registeers will remain closed from 29.12.2000 to 05.01.2001 (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 Ninth Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2000.

**1. FINANCIAL HIGHLIGHTS**

The financial results are summarised hereunder :

	31.3.2000 (Rs. in lakhs)	31.3.1999 (Rs. in lakhs)
Gross Income	337.63	379.80
Profit/(Loss) before Interest & Depreciation	(99.44)	(96.90)
Finance Charges	277.11	225.75
Profit/(Loss) before Depreciation	(376.55)	(322.66)
Profit/(Loss) after Depreciation	(432.17)	(378.15)
Provision for Taxation	—	—
Prior Period Adjustments	1.33	11.22
Net Profit/(Loss)	(433.50)	(366.93)

**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 is still continuing.

However, due to the increase in Dollars rate, import becomes dearer and your Company expects that there will be improvement in the future years.

Your Company is planning for going in for the manufacture of newsprint additionally, which gives more value addition and by product mix, your Company expects better result and with the improvement made in quality.

**4. 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.

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

The Industrial Development Bank of India, who was appointed as the Operating Agency as per the Board for Industrial Financial Reconstruction (BIFR), has appointed Mr. Narayanan Rao to study your Company's viability for running the industry and he has submitted the report to IDBI. As per Company's request, Mr. Narayanan Rao has submitted the revised report taking into consideration the New Print production also. Accordingly, a rehabilitation proposal is under finalisation by the Company and same will be submitted to IDBI shortly.

**6. DIRECTORS**

Mrs. S.S. Velu retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves 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**

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.

**10. ACKNOWLEDGEMENT**

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

PLACE: COIMBATORE

DATE : 18.11.2000

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 per unit of Production as prescribed in Form A :

A. Power & Fuel Consumption :	<b>31.03.2000</b>	31.03.1999
1. Electricity :		
a. Purchased :		
Units	<b>17,16,072</b>	30,89,472
Total amount (Rs.)	<b>85,87,957</b>	1,04,12,890
Rate per unit (Rs.)	<b>5.00</b>	3.37
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)	<b>1987.617</b>	2,790.00
Amount (Rs.)	<b>24,59,187</b>	24,89,271
5. Consumption per unit of Production.		
Electricity-units per tonne	<b>837.93</b>	1,177.84
Others-Units per tonne	<b>1.03</b>	1.06

#### 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

PLACE: COIMBATORE  
DATE : 18-11-2000

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