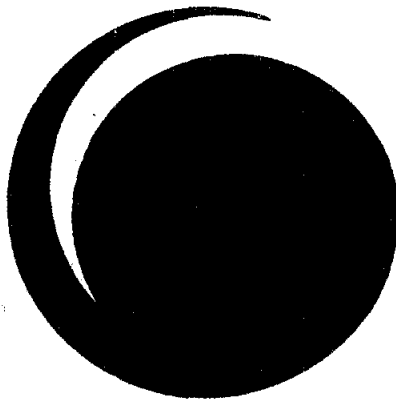


# **SHREE KARTHIK PAPERS LIMITED**



**AKOHA**



**TENTH ANNUAL REPORT 2000 - 2001**

# SHREE KARTHIK PAPERS LIMITED

30.11.2001

Dear Shareholder(s)

## Re : DEPOSITORY SYSTEM FOR SHARE TRANSACTION

We are pleased to inform you that your Company will be signing two Tripartite Agreements shortly with National Securities Depository Limited (NSDL), Central Depository Services (India) Ltd., (CDSL) S.K.D.C. Consultants Ltd., (Connectivity Agent for Depository System) for admitting the Company's fully paid Equity Share under the Depository System.

Please note that the Securities and Exchange Board of India, Mumbai (SEBI) has decided vide circular No. SMDRP/POLICY/CIR-23/2000 dated May 29, 2000 that the trading in the Share of the Company in Dematerialised Form would be compulsory by all investors by **January 02, 2002**.

The Depository System for shares is similar to the functioning of the bank whereby cash can be converted into entries in the passbook and reconverted back to cash by withdrawals at any time option of the account holder. Similarly your Shares can be Dematerialised or Rematerialised. Dematerialisation (DEMAT) and Rematerialisation (REMAT) can be opted for your entire shareholding or part of it.

DEMAT is a process by which physical share certificate held by an investor is taken back by the Company/Connectivity Agent (through Depository Participant) and the same is converted into equivalent number of shares which are credited in the form of electronic holding of the investor. REMAT on the other hand is re-converting electronic entries of shares to physical share certificates.

### Depository Participants (DPs):

DP is a representative of investor who maintains securities of investors in electronic form. DP accepts and processes Dematerialisation (Demat) of Share and Rematerialisation (Remat) of Share requests of investors by interacting with Registrar/Issuer/Depository. Thus, DP is similar to a bank branch as far as individual investor is concerned. Charges vary from DP to DP, the details of which could be obtained from your DP. You may choose DP of your choice.

### Operating Steps :

#### 1. Dematerialisation (DEMAT)

- Investor surrenders certificate(s) for dematerialisation to DP along with Dematerialisation Request Form (DRF). Before dematerialisation it is necessary that concerned shares are held in the name of the investor. If you have got the market delivery of the shares, first you will have to send the same for transfer as in the normal course and after the shares are transferred in your name you can request for dematerialisation of Shares.
- DP intimates NSDL/CDSL of the request through the system.
- DP submits certificate(s) to the Registrar along with a copy of DRF.
- Registrar receives electronic information of Demat request from NSDL/CDSL.
- Registrar does dematerialisation of certificates & updates accounts and informs NSDL/CDSL of completion of Demat.
- NSDL/CDSL updates its accounts and informs DP.
- DP updates its accounts and informs investor.

#### 2. Rematerialisation (REMAT)

- Investor (Beneficial Owner) request DP for remat (RRF)
- DP intimates NSDL/CDSL of the request through the system.
- DP submits request to the Registrar along with a copy of RRF.
- Registrar receives electronic information of Remat request from NSDL/CDSL.
- Registrar updates accounts and prints certificates.
- NSDL/CDSL updates accounts and downloads details to DP.
- DP updates its accounts.
- Registrar despatches certificate(s) to investor.

### Depository System offer following major benefits to the shareholders:

- It eliminates a) transfer objection on account of signature difference of transfer or any other mistake in the Transfer Deed, b) bad deliveries, c) all risks associated with physical certificates such as loss, theft, mutilation and forgery, d) eliminates processing time taken by the Company in effecting transfer.
- It avoids fake certificates being transacted in the market.
- Transfer of shares taken immediately thereby resulting in early settlement and pay out.
- It avoids delay in postal transit and loss/fraudulent interception of certificates in transit.
- It saves cost towards stamp duty of 0.5% payable on the market value of shares and also on postage.
- There is no value loss on sale of odd lot Shares and storage problem of Share Certificate.

Though, you are required to liaise with your DP for your demat and remat request, if you need any further information or clarification, you may contact the undersigned/our Registrar and Transfer Agent.

Thanking you,

Yours faithfully,

For **SHREE KARTHIK PAPERS LIMITED****M.S. VELU**

Chairman and Managing Director

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 Regd. Office: No. 13, A.T.D. Street, Race Course, Coimbatore - 641 018.

## **SHREE KARTHIK PAPERS LIMITED**

### **BOARD OF DIRECTORS**

Sri M.S. Velu, Chairman and Managing Director

Smt. S.S. Velu, Director

Sri K. Palaniswamy, Director

### **AUDITORS**

M/s. Devaiah & Co.

Mysore.

### **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.

### **REGISTRAR & TRANSFER AGENT**

S.K.D.C. Consultants Limited

P B No: 2979

11, Seth Narayandoss Layout, Street No. 1

Coimbatore - 641 012

Tel : (0422) 499856 / 494704

Fax : (0422) 499574

E-Mail: info@skdc-consultant.com

Report



ReportJunction.com

## SHREE KARTHIK PAPERS LIMITED

### NOTICE

Notice is hereby given that the Tenth Annual General Meeting of SHREE KARTHIK PAPERS LIMITED will be held on Monday the 31st December 2001 at 11 a.m. at Annapoorna Kalaarangam, "GANGA HALL", 47, East Arokiasamy Road, R.S.Puram, Coimbatore 641 002 to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account of the Company for the period ended 31st March 2001 and the Balance Sheet as on that date and the Reports of the Directors and Auditors.
2. To appoint Director in place of Sri K Arumugam who retires in the ensuring Annual General Meeting 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.

Coimbatore  
30th November 2001

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

### NOTES:

1. A member who is entitled to attend and vote 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. Proxies in order to be effective must be deposited at the Registered Office of the Company at, "RAAVI" no: (Old 13) 17, A T D Street, Race Course, Coimbatore 641 018 not less than 48 hours before holding the meeting.
3. Members are requested to intimate their change of address if any, to the Company's Security Transfer Agents M/s S K D C Consultantants Ltd., P B No.2979, No.11, Seth Narayandoss Layout, Street No.1, (West Power House Road), Coimbatore-641 012 quoting their respective folio numbers.
4. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

## DIRECTORS REPORT

To  
The Members,

Your Directors are pleased to present the Tenth Annual Report together with the Audited Statements of Accounts for the year ended 31st March 2001.

### 1. FINANCIAL HIGHLIGHTS

The financial results are summarised hereunder:

	<b>31.03.2001</b> (Rs.in lakhs)	31.3.2000
Gross Income	<b>756.58</b>	337.63
Profit before interest & Depreciation	<b>(121.15)</b>	(99.44)
Finance Charges	<b>347.28</b>	277.11
Profit/(loss) before Depreciation	<b>(468.43)</b>	(376.55)
Profit/(loss) after Depreciation	<b>(529.43)</b>	(432.17)
Provision Taxation	—	
Prior Period Adjustments	<b>4.36</b>	1.33
Net Profit/Loss	<b>(533.79)</b>	(433.50)

### 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 problems the Company faced during the preceding years are still continuing and we are slowly coming out of the problems.

Your Company is planning for going in for the manufacture of news print additionally which gives more value addition and by product mix, your Company expects better results, in the coming years.

### 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. 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. Narayana 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 Narayana Rao has submitted the revised report taking into consideration the New Print production also.

## SHREE KARTHIK PAPERS LIMITED

Accordingly, a rehabilitation proposal was submitted. But in the meantime your Company wanted to settle the liabilities under One Time Settlement and the proposal are under consideration.

### 6. DIRECTORS

Sri K Arumugam who was appointed as director during the month of September, 2001 will hold the office till the Annual General Meeting and being eligible offer himself for re-election.

Your Directors place on record the appreciation of the services of Mr.K Palaniswamy, who passed away during the year under review.

### 7. AUDITORS:

M/s. Devaiah & Co., Chartered Accountants, will retire at the ensuing Annual General Meeting and are eligible for reappointment

### 8. CHANGE OF SHARE TRANSFER AGENTS:

Your Company has entered into an agreement with M/s S K D C Consultants Limited, No.11, Street no I, S N Layout, Tatabad, Coimbatore 641 012 as our new Share Transfer Agents and they will operate from 01.12.2001.

### 9. EMPLOYEES RELATIONS

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

### 10. INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

A. Information pursuant to Section 217(2A) of the Companies Act 1956 read with the Companies (particulars of Employees) Rules 1975 as ammended and forming part of Directors' Report for the year ended is furnished in the Annexure I forming part of the report.

B. Information pursuant to Section 217(2AA) of the Companies Act 1956 as ammended and forming part of Directors' Report for the year ended is furnished in the Annexure II forming part of the report.

### 11. ACKNOWLEDGEMENT:

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

Place : Coimbatore  
Date : 30.11.2001

For and on behalf of the board  
**Sd/- M.S. VELU**  
Chairman and Managing Director

**ANNEXURE I - 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:

<b>A. Power &amp; Fuel Consumption:</b>	<b>31.03.2001</b>	<b>31.03.2000</b>
1. Electricity :		
a) Purchased:		
Units	<b>30,66,880</b>	- 17,16,072
Total Amount (Rs.)	<b>1,34,63,050</b>	85,87,957
Rate per Unit (Rs.)	<b>4.39</b>	5.00
b) Own Generator:		
i. Through Diesel Generator	<b>Nil</b>	Nil
ii. Through Steam turbo/Generator	<b>Nil</b>	Nil
2. Coal Nil	<b>Nil</b>	
3. Furnace Oil	<b>Nil</b>	Nil
4. Others: DOB and Saw Dust		
Quantity (In Tonnes)	<b>4,314.862</b>	1987.617
Amount (Rs.)	<b>41,01,313</b>	24,59,187
5. Consumption Per Unit of Production:		
Electricity-Units per tonne	<b>756.69</b>	837.93
Others-Units per tonne	<b>1.06</b>	1.03

**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			
ii. Total Foreign Exchange earned and used	Earned	<b>Nil</b>	Nil
excluding capital goods component and spares	Used	<b>Nil</b>	Nil