

# **SHREE KARTHIK PAPERS LIMITED**



Report Junction.com

**AMOHA**

**TWELFTH ANNUAL REPORT 2002-2003**

## SHREE KARTHIK PAPERS LIMITED

### BOARD OF DIRECTORS

Mr M.S. Velu, Chairman and Managing Director  
Mrs S.S. Velu, Executive Director  
Mr K. Arumugham  
Mr P. Kanagavadivelu  
Mr P.C. Narendran

### 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

### REGISTRARS AND SHARE TRANSFER AGENTS

S K D C Consultants Limited,  
P B No.2979  
11, Seth Narayandoss Lay out, Street No.1,  
Coimbatore 641 012

### STOCK EXCHANGES IN WHICH THE COMPANY SHARES ARE LISTED

The Coimbatore Stock Exchange Limited  
Stock Exchange Building,  
Trichy Road,  
Coimbatore 641 005

The Mumbai Stock Exchange  
Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
Mumbai 400 001

## SHREE KARTHIK PAPERS LIMITED

### NOTICE OF THE 12TH ANNUAL GENERAL MEETING 2002 - 2003

Notice is hereby given that the Twelfth Annual General Meeting of Shree Karthik Papers Limited will be held at the Annapoorna Kalaiaragam, "GANGA HALL" 47, East Arokiasamy Road, R S Puram, Coimbatore 641 002 on Tuesday, the 30th Day of December 2003 at 11.00 am to transact the following business.

#### ORDINARY BUSINESS

1. To adopt the Profit and Loss Account of the Company for the year ended 31st March 2003 and the Balance Sheet as at that date with the reports of the Directors and the Auditors of the Company.
2. To appoint a Director in the place of Mr K Arumugham, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following as an ordinary resolution:

Resolved that Mr P Kanagavadivelu who was co-opted as an additional Director under Section 260 of the Companies Act 1956 be and is hereby appointed as a Director of the Company.

5. To consider and if thought fit to pass with or without modification the following as an ordinary resolution:

Resolved that Mr P C Narendran who was co-opted as an additional Director under Section 260 of the Companies Act 1956 be and is hereby appointed as a Director of the Company.

6. To consider and if thought fit to pass with or without modification the following as an ordinary resolution

Resolved that Mr M S Velu be and is hereby reappointed as Managing Director of the Company for a term of five years and he shall not be entitled to any remuneration.

Place : Coimbatore  
Date : 1.12.2003

For and on behalf of the Board  
**M.S. VELU**  
Chairman and Managing Director

## SHREE KARTHIK PAPERS LIMITED

### 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. The instrument of proxy to be effective must be lodged at the Registered Office of the company not later than 48 hours before the time fixed for the meeting.
3. Members are requested to notify any change in their address to the company's share transfer agents M/s. SKDC Consultants Ltd, No. 11, S N Layout, Coimbatore 641 012
4. Members/proxies should bring their Annual Report copy and attendance slip sent herewith duly filled in for attending the meeting.
5. The Register of Members and Share transfer Books of the Company will remain closed from 26th December to 30th December 2003 (both days inclusive)

### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT 1956

#### Item No.4

Mr P. Kanagavadivelu was appointed by the Board on 24.2.2003 as an Additional Director of the Company.

The Board strongly feels that his experience and contacts will be of high benefit to the Company.

A Notice under Section 257 of the Companies Act 1956 has been duly received by the Company proposing the appointment of Mr P. Kanagavadivelu.

Under Section 260 of the Companies Act Mr P. Kanagavadivelu is retiring at this Annual General Meeting and eligible for appointment by the shareholders.

The Board recommends that this resolution may be passed.

The Directors are interested in this resolution.

## **SHREE KARTHIK PAPERS LIMITED**

### **Item No.5**

Mr P.C. Narendran was appointed by the Board on 24.2.2003 as an Additional Director of the Company.

The Board strongly feels that his experience and contacts will be of high benefit to the Company.

A Notice under Section 257 of the Companies Act 1956 has been duly received by the Company proposing the appointment of Mr P. C. Narendran.

Under Section 260 of the Companies Act Mr P.C. Narendran is retiring at this Annual General Meeting and eligible for appointment by the shareholders.

The Board recommends that this resolution may be passed.

The Directors are interested in this resolution.

### **Item No.6**

The term of appointment of Mr M. S. Velu as Managing Director concluded during the close of the financial year under review. He was reappointed by the Board as Managing Director of the Company during the financial year under review for a period of five years without any remuneration. Now the resolution is placed before the members for their approval.

The Board recommends that this resolution may be passed.

The Directors are interested in this resolution.

# SHREE KARTHIK PAPERS LIMITED

## DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY

Dear Shareholders,

The Directors of your company take pleasure in presenting you the 12th Annual Report along with the Audited Accounts for the year ended 30th June 2003

### FINANCIAL RESULTS

The financial results are summarized hereunder:

	30.6.2003	30.6.2002
	(Rs in lakhs)	
Gross Income	574.76	1142.35
Loss before interest & Depreciation	119.96	97.73
Finance charges	444.12	528.08
Loss before Depreciation	564.08	625.81
Loss after Depreciation	649.38	715.15
Prior Period adjustments	(156.40)	(4.10)
Net Loss	492.98	711.05

### DIVIDEND

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

### FUTURE OUTLOOK

The Company is slowly coming out of the problems and the capacity utilization and consequently the production and sales are expected to improve significantly from the year 2003-2004 onwards.

Your Company is planning for going in for the manufacture of news print additionally by adding a rewinder machine. This will result in diversification of the product range and will help the company to increase the turnover and improve the profitability.

### DIRECTORS

During the year under review the Company has appointed two Additional Directors viz, Mr P. Kanagavadivelu and Mr P.C. Narendran under Section 260 of the Companies Act 1956. They are retiring at the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment.

### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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.

## SHREE KARTHIK PAPERS LIMITED

### DIRECTORS RESPONSIBILITY STATEMENT

The Responsibility statement as required under Section 217(2AA) of the Companies Act 1956, is as follows.

All applicable accounting standards have been followed in the preparation of annual accounts. Further consistent accounting policies have been applied and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30.6.2003 and of the profit of the Company for the year as at that date. Adequate accounting records have been maintained as required under the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. Further the Annual Accounts have been prepared on a going concern basis.

### CORPORATE GOVERNANCE

As per the schedule of implementation suggested by the Stock Exchanges, your Company is required to comply with the code of Corporate governance. Pursuant to clause 49 of the listing agreement, a report on the corporate governance and a certificate from the Auditors of the Company is given in the annexure.

### AUDITORS

M/s. Devaiah & Co, Chartered Accountants, Mysore the Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re appointment.

### PARTICULARS OF EMPLOYEES

There are no employees who are in receipt of remuneration of more than Rs 24,00,000/- per annum when employed throughout the year and Rs.2,00,000/- per month when employed for a part of the year.

### EMPLOYEES RELATIONS

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

### 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 : 1.12.2003

For and on behalf of the Board  
**M.S. VELU**  
Chairman and Managing Director

# SHREE KARTHIK PAPERS LIMITED

## ANNEXURE 1

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:	30.6.2003	30.6.2002
1. Electricity		
a. Purchased:		
Units	36,89,696	48,72,941
Total amount (Rs)	1,80,64,645	2,18,57,227
Rate per unit (Rs)	4.89	4.48
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)	1910.700	6056.822
Amount (Rs)	19,56,711	65,48,836
5. Consumption Per unit of Production:		
Electricity Units per tonne	867.55	884.86
Others DOB Units per tonne	0.45	1.10

### 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 and used excluding capital goods component and spares	Earned	Nil	Nil
	Used	Nil	Nil



# SHREE KARTHIK PAPERS LIMITED

## ANNEXURE 2

### REPORT ON CORPORATE GOVERNANCE

#### A. CORPORATE GOVERNANCE

Company's philosophy on code of Governance

Your company believes that good Corporate Governance is essential to achieve long term corporate goals, enhance Share holders value, maintain transparency, accountability and comply statutory regulations.

The Company believes that by adhering to its philosophy it can attain better growth in business.

#### B. BOARD OF DIRECTORS

1. The Composition of the Board is as follows

Sl.No	Directors	Executive/Non Executive	Directorship held Public / Private	
1.	Mr M.S. Velu	Executive	---	2
2.	Mrs S.S. Velu	Executive	---	2
3.	Mr. K. Arumugham	Non Executive/independent	---	---
4.	Mr P. Kanagavadivelu	Non Executive/independent	---	---
5.	Mr P.C. Narendran	Non Executive/independent	---	---

2. Attendance of Directors at Board Meetings and Annual General Meeting.

Seven Board Meetings were held during the year on 25.7.2002, 31.7.2002, 24.12.2002, 24.2.2003, 1.3.2003, 29.3.2003 and 28.4.2003

Name of Director	No. of Board Meetings held	Attended	Last AGM attended
Mr M. S. Velu	7	7	Yes
Mrs S.S. Velu	7	7	Yes
Mr K. Arumugham	7	5	Yes
Mr P. Kanagavadivelu	7	3	---
Mr P.C. Narendran	7	3	---