

SHREE KARTHIK PAPERS LIMITED



AMOHA

Twenty Fourth Annual Report 2014 - 15

SHREE KARTHIK PAPERS LIMITED

BOARD OF DIRECTORS

Sri M.S. Velu
Chairman & Managing Director
Smt. S.S. Velu
Sri K. Arumugam
Sri P. Kanagavadivelu
Sri P.C. Narendran
Sri Vignesh Velu
Directors

AUDITORS

M/s. Giri & Co.
Chartered Accountants,
Coimbatore

REGISTERED OFFICE

CIN : L2102TZ1991PLC003570
25, 50 Feet Road, Krishnasamy Nagar
Ramanthapuram, Coimbatore-641 045
Phone : 0422 4217174 Fax : 0422 0422 4217178
Email ID : shreekarthikpapers@yahoo.com

REGISTRAR AND SHARE TRANSFER AGENTS

S.K.D.C. Consultants Limited
Kanapathy Towers, III Floor
1391/A-1 Sathy Road, Ganapathy
Coimbatore-641 006

LISTED STOCK EXCHANGE

BSE Limited (Bombay Stock Exchange Limited)
Floor 25, P.J. Towers, Dalal Street
Mumbai-400 001

BANKERS

Axis Bank Limited

24th Annual General Meeting

Date : 30th December 2015
Day : Wednesday
Time : 3.00 P.M.
Venue : Sree Annapoorna Kalai
Arangam "Ganga Hall"
R.S. Puram
Coimbatore - 641002
Book Closure Date : 24.12.2015 to 30.12.2015
(Both days inclusive)

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NOTICE

NOTICE is hereby given that the **TWENTY FOURTH** Annual General Meeting of the Members of **SHREE KARTHIK PAPERS LIMITED** will be held at Sree Annapoorna Kalai Arangam, Ganga Hall, East Arokiasamy Road, R.S. Puram, Coimbatore-641002 on Wednesday, the 30th December, 2015 at 3.00 P.M. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the company for the year ended 30th June, 2015 including the audited Balance Sheet as at 30th June, 2015 and the Statement of Profit and Loss Account for the year ending 30th June, 2015, together with the Reports of the Directors and the Auditors' Report thereon
2. To appoint a Director in place of Smt. Selvambal Sengottu Velu (holding DIN 01740974) who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to section 139(2) and 142(1) of the Companies Act, 2013, the re-appointment of the statutory auditors of the company M/s Giri & Co.,(Firm Registration No. 006702S) Chartered Accountants, Coimbatore be and is hereby ratified by the members of the company for the financial year 2015-16 at such remuneration as may be determined by the Board of Directors of the company in addition to reimbursement of actual conveyance and out of pocket expenses as may be incurred by him during the course of the Audit."

By Order of the Board

(Sd./-) M.S. Velu
Chairman and

Managing Director

Place : Coimbatore

Date : 14.08.2015

DIN : 0168208

NOTES FOR THE MEMBERS' ATTENTION

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 such proxy need not be a member of the company. The instrument appointing proxy should however be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
2. Members/Proxies should bring their attendance slips duly filled in for attending the meeting.
3. The Register of Members and Share Transfer Books of the company will remain closed from 24th December 2015 to 30th December 2015 (both days inclusive)
4. Members are requested to notify change of address, if any, with Pin Code quoting reference to their folio number immediately to the Registrar.
5. Shareholders are requested to note the Company's Registrars and Share Transfer Agents for physical shares. M/s SKDC Consultants Limited (SKDC), Kanapathy Towers 3rd Floor, 1391/1 Sathy Road, Ganapathy, Coimbatore-641 006. SKDC is also having a depository interface of the company with both NSDL and CDSL.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company.
7. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/reappointment.

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8. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form to enable the Company to serve documents in electronic
9. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email ids are registered with the company/Depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report is being sent in the permitted mode.
10. The cutoff date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be 23.12.2015.
11. The Board has appointed Sri. S. Rengasamy, Practising Company Secretary, Coimbatore-641036 as Scrutinizer for conducting the e-voting process and ballot at AGM.
12. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The results of the voting on the resolutions shall be announced by the Chairman on 2nd January 2016. The results declared along with the Scrutinizers report shall be placed on the website of www.cdsl and communicated to BSE Limited.
13. The results of voting shall be declared at the Registered Office of the Company within 3 days of the conclusion of the Annual General Meeting by the chairman of the meeting.
14. **Voting through electronic means**
In compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 24th Annual

General Meeting scheduled to be held on Wednesday, the 30th December 2015 at 3.00 p.m. by electronic means and the business may be transacted through remote e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the remote e-voting facilities as per instructions below.

The Members, who have not voted through remote e-voting and present at the AGM in person or proxy, can vote through the ballot at the AGM.

Kindly note that members can opt for only one mode of voting i.e., either by through remote e-voting or by ballot at the AGM .

In case of Members casting their vote by remote e-voting, then voting done through remote e-voting shall prevail. A member present at the AGM and voted by remote e-voting will not be permitted to vote at the AGM by Ballot.

Votes cast by members who hold shares on the cut off date Viz. 23.12.2015 alone will be counted.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on December 27, 2015 (10:00 am) and ends on December 29, 2015 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of December 23, 2015). may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.

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- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

PAN

Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company are requested to use the first two letters of their name and the 8 digits of the folio number/ demat account number in the PAN field.
- In case the Folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Folio Number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details OR Date of Birth (DOB)

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

- If both the details are not recorded with the depository or company please enter the demat id / folio number in

the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN relevant to Shree Karthik Papers Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) **Note for Non – Individual Shareholders and Custodians**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board
(Sd./-) M.S. Velu
Chairman and
Managing Director
DIN : 0168208

Place : Coimbatore

Date : 14.08.2015

Details of Director seeking re-appointment on rotational basis in the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name	Smt. Selvambal Sengottu Velu
Date of Birth	15.07.1952
Date of Appointment	18.12.1991
Expertise in functional areas	General Management
No. of shares held	42,56,580
List of Directorships held in other Companies	Shree Ganesh Gears Private Limited

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DIRECTORS' REPORT

Dear Shareholders,

The Directors of your company take pleasure in presenting you the **Twenty Fourth** Annual Report and the Audited Accounts for the year ended 30th June 2015.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	30.06.2015	30.06.2014
Gross Income	3647.31	3247.26
Profit before Interest and Depreciation	343.65	243.04
Financial Charges	195.81	183.51
Profit /(Loss) before Depreciation	147.84	59.53
Profit /(Loss) after Depreciation	72.41	12.24
Exceptional Items		—
Extraordinary Items		
Current Tax		
Deferred Tax	-	-
Net Profit/(Loss) after tax	72.41	12.24

DIVIDEND

The Board of Directors do not recommend to pay a Dividend for the year ended 30th June 2015 in view of the accumulated losses.

FUTURE OUTLOOK

1. Newsprint is being imported at "Nil" duty at very low rates due to dumping by foreign manufacturers and this has depressed the demand and prices of newsprint manufactured by Indian Paper Mills, thereby also affecting the demand of writing and printing paper as newsprint capacities are being diverted to writing and printing paper manufacture.
2. The installed capacity for writing and printing paper has increased significantly in the last four years, thereby affecting the demand as well as prices of the paper manufactured by your company.
3. Measures are being taken to save costs and rationalize operations, they are likely to yield positive results.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2015 was Rs. 9,55,50,000/-. During the year under

review, the Company has not issued any further shares.

EXTRACTS OF ANNUAL RETURN

As per requirements of provisions of the Companies Act, 2013, the extract of annual return in the prescribed Form MGT9 is annexed hereto as Annexure 3 forming part of the report.

NUMBER OF MEETINGS OF THE BOARD

Details of number of meetings of Board of Directors and committees thereof and the attendance of the Directors in such meetings are provided under the Corporate Governance Report. The provisions of the Companies Act 2013 and listing agreement were adhered to while considering the time gap between two meetings.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 134 (5) of the Companies Act, 2013, your Directors wish to confirm that –

- i. In the preparation of the annual accounts, the applicable Accounting Standards have been followed.
- ii The Accounting Policies adopted are consistently followed and the judgments and

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estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit/(Loss) of the Company for the year.

- iii The Directors have taken proper and sufficient care as warranted for the maintenance of adequate accounting records in accordance with the provisions of this Act in safeguarding the assets of the Company and for preventing/detecting any incidence of frauds and other irregularities.
- iv The Annual Accounts have been prepared on a going concern basis.
- v. The Directors had laid down internal financial controls to be followed by the company and that such internal controls are adequate and were operating effectively
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NOMINATION AND REMUNERATION COMMITTEE POLICY

As per the requirements of the provisions of the Companies Act, 2013, a Nomination and Remuneration Committee of directors was formed by the Board of Directors consisting of: 1. Sri K. Arumugam, Chairman (Non-Executive - Independent) 2. Sri P. Kanagavadivelu, Member (Non-Executive - Independent) 3. Sri P.C. Narendran, Member (Non-Executive - Independent) The said committee has been empowered and authorised to exercise widest power as entrusted under the provisions of Section 178 of the Companies Act, 2013. The Company has a policy on directors' appointment and remuneration including criteria for determining qualification, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the

requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own Performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders committee. The Board of Directors expressed their satisfaction with the evaluation process.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS WITH RELATED PARTY

All the transactions of the company with related parties are at arm's length and have taken place in the ordinary course of business.

MATERIAL CHANGES

There is no material change or commitments after closure of the financial year till the date of this report.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company has adopted appropriate standards for good Corporate Governance. All the mandatory provisions of Corporate Governance as prescribed under the amended Listing Agreements of the Stock Exchange, with which the Company is listed, are complied with. Report on Corporate Governance with Management Discussion and Analysis as required under the Listing Agreements with the Stock Exchange forms part of the Annual Report.

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In terms of sub-clause (v) of Clause 49 of Listing Agreement, certificate of the CEO, *inter alia*, confirming the correctness of the financial statements, adequacy of the internal control measures and reporting of matters to the Audit Committee in terms of the said Clause is also annexed as part of the said Report. A certificate from the auditors to this effect is annexed as part of the Corporate Governance Report.

RISK MANAGEMENT

The Company follows a comprehensive and integrated risk appraisal, mitigation and management process. The risk management process of the company is being periodically reviewed for improvement. None of the identified risk elements have any threat on the sustainability of the business.

MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the Companies Act 2013, the details of the Management analysis and data are given in Annexure 2

DIRECTORS

In accordance with the Companies Act, 2013, Smt. Selvambal Sengottu Velu is due to retire by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.

RE-APPOINTMENT OF INDEPENDENT DIRECTOR

There was no incidence of re-appointment of Independent Director.

RESIGNATION OF DIRECTOR:

There was no incidence of resignation of Director.

SECRETARIAL AUDIT CERTIFICATE

Pursuant to the provisions of Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed the Company Secretary in practice to undertake the Secretarial Audit of the company. The Report of the Secretarial Audit Report is annexed herewith as Annexure 4.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO

The required details in accordance with section 134(m) of the Companies Act 2013 read with the Companies (Disclosure of particulars in the Report of Directors) Rules 1988 are given in Annexure-1 forming part of the report.

PUBLIC DEPOSITS

The company has not accepted Fixed Deposits from the public during the year under review.

LISTING PARTICULARS

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd., Mumbai. The company has paid the listing fees to Bombay Stock Exchange up to 2015-16.

DEPOSITORY SYSTEM

As the members are aware, your company's shares are tradable compulsorily in electronic form and your company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialization of the Company's shares on either of the Depositories as aforesaid.

RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Act and the Listing Agreement. The disclosure is being made as a matter of prudence.

All Related Party Transactions are presented to the Audit Committee and the Board and obtained approval for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of the transactions.