

SHREE KARTHIK PAPERS LIMITED



AMOHA

Twenty Fifth Annual Report 2015 - 16

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 : L21012TZ1991PLC003570
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
Coimbatore - 641 037

25th Annual General Meeting

Date : 28th September 2016
Day : Wednesday
Time : 3.00 P.M.
Venue : Sree Annapoorna Kalai
Arangam "Ganga Hall"
R.S. Puram
Coimbatore - 641002
Book Closure Date : 22.09.2016 to 28.09.2016
(Both days inclusive)

Contents

Notice	2
Directors' Report	8
Management Discussion Analysis	14
Report on Corporate Governance	26
Independent Auditor's Report	35
Balance Sheet	41
Statement of Profit and Loss	42
Cash Flow Statement	43
Notes to the financial statements	44

SHREE KARTHIK PAPERS LIMITED

NOTICE

NOTICE is hereby given that the **TWENTY FIFTH** 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 28th September 2016 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 31st March 2016 including the audited Balance Sheet as at 31st March 2016 and the Statement of Profit and Loss Account for the year ending 31st March 2016, together with the Reports of the Directors and the Auditors' Report thereon
2. To appoint a Director in place of Sri M.S. Velu holding DIN No.0168208 who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri Vignesh Velu holding DIN No. 03505424 who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 and 142 and other applicable provisions of the Companies Act 2013 and the rules made thereunder and pursuant to the resolution passed by the members of the Annual General Meeting held on 29th December 2014, the appointment of M/s Giri & Co.,(Firm Registration No. 006702S) Chartered Accountants, Coimbatore as Statutory Auditors of the company to hold office for a period of 3 years until the conclusion of the 26th Annual General Meeting of the company be and is hereby ratified 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."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED THAT, pursuant to the provisions of Section 190, 196, 197, 203 read with Schedule V and all other applicable provisions, if any of the Companies Act 2013 and the Rules made there under including any statutory modifications or re-enactment thereof, for the time being in force, the consent of the company be and is hereby accorded to the appointment of Sri Vignesh Velu holding DIN 03505424 as Whole time Director of the company for a period of five years commencing from 01.09.2016 on such terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the Statement annexed to the notice convening this meeting, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said appointment and/ or remuneration in such manner as may be agreed to by and between the Company.

Terms & Conditions

- 1) Designation: Whole time Director
- 2) Term: 5 years with effect from 01.09.2016
- 3) Salary: The Board of Directors has fixed a remuneration as Rs. 2,00,000 p.m.in the scale of (Rs. 2,00,000-20,000-3,00,000) as CTC (inclusive of all perquisites), with effect from 01.09.2016 pursuant to the provisions of section 196, 197, 203 and Schedule V of the Companies Act, 2013 and the Rules made there under including any statutory modifications or re-enactment thereof, for the time being in force.

"Resolved further that in the event of no profit or inadequacy of profit, the remuneration payable to Sri Vignesh Velu, Whole time Director shall not exceed the limit specified in Section II Part II of Schedule V of the Companies Act 2013 as modified from time

SHREE KARTHIK PAPERS LIMITED

to time or such other limits as may be notified by the Government from time to time as minimum remuneration".

"Resolved further that the Board/ Nomination and Remuneration Committee of Directors of the company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary desirable or expedient for giving effect to this resolution".

"Resolved further that the Board of Directors recommend the resolution set out under the Special Business for the approval of the ensuing Annual General Meeting".

By Order of the Board

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

Place : Coimbatore

Managing Director

Date : 13.08.2016

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. A person can act as a proxy on behalf of member not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or a member.

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 22nd September 2016 to 28th September 2016 (both days inclusive)
4. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice and relevant details pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are annexed hereto
5. Members holding shares in electronic form are hereby informed that bank particulars change of address if any, PAN No. are to be intimated to their respective Depository Participants. The company or its Registrar cannot act on any request directly received from members holding shares in electronic form for any change of bank particulars or address if any.
6. Members holding shares in physical form are requested to send any change in their address, bank details if any, to Registrar and Share Transfer Agent (RTA) , SKDC Consultants Limited, Coimbatore quoting reference of the Folio No.
7. Information as required to be provided pursuant to the requirements of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with regard to the Directors seeking appointment/re-appointment at the AGM is given to the notice.
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 2015-16 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.

SHREE KARTHIK PAPERS LIMITED

10. The cut off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be 21st September 2016.
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 shall, after scrutinising the votes cast at the AGM and through Remote e-voting not later than 2 (two) days from the conclusion of the AGM make a consolidated Scrutinizer's report and submit the same to the Chairman. The results of the voting on the resolutions shall be announced by the Chairman on 30th September 2016. The results declared along with the Scrutinizers report shall be placed on the website of www.cdsl and also shall be communicated to BSE Limited.
13. The results of voting shall be declared at the Registered Office of the Company within 2 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 25th Annual General Meeting scheduled to be held on Wednesday, the 28th September 2016 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. .21.09.2016 alone will be counted.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25.09.2016 at 10.00 A.M. and ends on 27.09.2016 at 5.00 P.M. 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 21st September 2016 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.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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.

SHREE KARTHIK PAPERS LIMITED

- (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/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence 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 sequence 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
- (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 for the relevant <Company Name> 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.
- (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) Shareholders can also cast their vote using CDSL's mobile app m-Voting

SHREE KARTHIK PAPERS LIMITED

available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) 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.

(xxi) 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.

Details of Directors seeking Appointment and Re-appointment

Re-appointment of Sri M.S. Velu

In terms of Section 152(6) of the Companies Act 2013, Sri M.S. Velu shall retire by rotation at the forth coming Annual General Meeting and being eligible offers himself for re-appointment.

Sri M.S. Velu, 73 years of age, the Non-Executive Chairman of the company, holds Bachelor Degree with Honours in Electrical Engineering. He is having an experience of 25 years in general management of affairs of the company. He was appointed on the Board of Directors of the company on 18.12.1991. During the year 2015-16, he attended all the Board Meetings of the company. His appointment is liable to retire by rotation.

He is also a Director in Shree Ganesh Gears Private Limited and Shree Vignesh Wind Mill Private Limited. He is also a member of the Stakeholders Relationship Committee. He holds 9719120 equity shares in the company.

Smt. S.S. Velu and Sri Vignesh Velu are related to Sri M.S. Velu.

The Board recommends the resolution as set out at item No. 2 of the notice for your approval.

Re-appointment of Sri Vignesh Velu

For the details of Sri Vignesh Velu, please refer to the statement in respect of the Special Business set out at item No. 5 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act 2013.

The Board recommends the resolution set out at item No. 3 of the Notice for your approval.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No.5

Sri Vignesh Velu, aged about 33 years is having 8 years experience in general management of affairs of the company. He was appointed on the Board of Directors of the company on 01.04.2011. During the year 2015-16, he attended all the Board Meetings of the company.

SHREE KARTHIK PAPERS LIMITED

He is also a Director in Shree Ganesh Gears Private Limited and Shree Vignesh Wind Mill Private Limited. He holds 6100 equity shares in the company.

Subject to the approval of the shareholders, the Board of Directors at their meeting held on 13th August 2016 have appointed him as a Whole time Director for a period of five years with effect from 01.09.2016 and fixed the remuneration payable to him as set out in the text of the resolution. The proposed appointment, remuneration and perquisites conform to the requirement of Schedule V to the Companies Act 2013, requires the appointment and remuneration to be approved by a resolution of the shareholders in General Meeting.

Smt. S.S. Velu and Sri M.S. Velu are related to Sri Vignesh Velu.

None of the Directors or Key Managerial Personnel of the company or their relatives except Sri M.S. Velu and Smt. S.S. Velu and their relatives are in any way concerned or interested financially or otherwise in this resolution.

The explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act 2013 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Board recommends the resolution set out at item No. 5 of the Notice for your approval.

By Order of the Board

(Sd./-) M.S. Velu

Chairman and

Managing Director

Place : Coimbatore

Date : 13.08.2016

DIN : 0168208

SHREE KARTHIK PAPERS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your company take pleasure in presenting you the Twenty Fifth Annual Report and the Audited Accounts for the year ended 31st March 2016.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	31.03.2016 (9 months)	30.06.2015
Revenue from operations	2634.76	3647.31
Other Income	12.67	13.42
Total Income	2647.43	3660.73
Profit from operations before Finance cost,		
Depreciation and Amortization Expenses and Exceptional items	341.85	343.64
Less: Finance Cost	89.51	195.81
Depreciation	67.07	75.42
Profit/(Loss) before Exceptional items and tax	185.27	72.41
Exceptional items	—	—
Profit/(Loss) before Tax	185.27	72.41
Less: Current tax	—	—
Deferred Tax	—	—
Mat	—	—
Profit/(Loss) after tax	185.27	72.41

DIVIDEND

Your Directors do not recommend to pay a Dividend for the year ended 31st March 2016.

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, 2016 was Rs. 9,55,50,000/-. During the year under review, the Company has not issued any further shares.

PUBLIC DEPOSITS

Your company has not been accepting any deposits from the public and hence there are no unpaid/unclaimed deposits nor there is any default in repayment thereof.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 4 (Four) times during the financial year 2015-16. 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.