

# ***SHREE KARTHIK PAPERS LIMITED***



**AMOHA**

**Twenty Sixth Annual Report 2016 - 17**



# SHREE KARTHIK PAPERS LIMITED

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## BOARD OF DIRECTORS

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

## 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](mailto: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

### 26<sup>th</sup> Annual General Meeting

Date : 20<sup>th</sup> September 2017  
Day : Wednesday  
Time : 4.00 P.M.  
Venue : Sree Annapoorna Kalai  
Arangam "Ganga Hall"  
R.S. Puram  
Coimbatore - 641002  
Book Closure Date : 14.09.2017 to 20.09.2017  
(Both days inclusive)

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## NOTICE

NOTICE is hereby given that the TWENTY SIXTH 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 20th September 2017 at 4.00 P.M. to transact the following business:

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements viz. Statement of Profit and Loss Account, Cash Flow Statement for the year ended 31st March 2017, Balance Sheet as on that date, the Reports of the Directors and the Auditors' Report thereon
2. To appoint a Director in place of Smt. Selvambal Sengottu Velu holding DIN No. 01740974 who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint the Auditors of the company and to fix the remuneration 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, if any read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. Kalyan Srinath B, Partner M/s. K S P V & Co., Chartered Accountants, No.32, Subramaniam Road, Opp. B2 Police Station, R S Puram, Coimbatore - 641 002., (Firm Registration No. 015520S) Chartered Accountants, Coimbatore be and are hereby appointed as Statutory Auditors of the company in place of M/s. Giri & Co., (Firm Registration No. 006702S) Chartered Accountants, Coimbatore, the retiring Statutory Auditors and to hold office for a period of 5 years from the conclusion of this 26th Annual General Meeting till the conclusion of the 31st Annual General Meeting to be held during the year 2022 subject to ratification by the members at every Annual General Meeting on a remuneration to be decided by the Board

of Directors in consultation with the Auditors.

FURTHER RESOLVED that the Board of Directors of the company be and are hereby authorized for and on behalf of the company to file all necessary forms with the Registrar of Companies and to take all necessary steps and to do all such acts, deeds, matters and things which may be deemed necessary for giving effect to the above Resolution".

### SPECIAL BUSINESS

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

"RESOLVED THAT, the consent of the members be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any of the Companies Act 2013 to the Board of Directors of the company to pledge, mortgage and/ or charge in all or any part of the movable or immovable properties of the company and the whole or part of the undertaking of the company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the company and the whole of the undertaking of the company together with power to take over the management of the business or concern of the company in certain events to or in favour of Banks, Financial Institutions to secure the amount borrowed by the company or any third party from time to time for the due payment of the principal together with interest, charges, costs, expenses and all other monies payable by the company or any third party in respect of such borrowings and to sell or otherwise dispose off the whole or substantially the whole of the undertaking of the company where the company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s)/ interest on such terms and conditions at such time(s) and in such form and manner and with such ranking as to priority as the Board in its absolute discretion thinks fit provided that the

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maximum limit of the obligations secured by such security interest created by the company or such sell or substantial interest/ undertaking does not exceed Rs.12,75,00,000 (Rupees Twelve crores and seventy five lakhs only) at one time.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolution.

"RESOLVED FURTHER THAT the mortgage/ charge created/ to be created/ or agreements/ documents/ executed/ to be executed and all acts done in terms of the above resolution by and with authority of the Board of Directors be and are hereby confirmed and ratified".

"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".

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 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company

(apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 25.00 crores (rupees twenty five crores only) over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give 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

Date : 30.05.2017

Managing Director

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

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need not be a member of the company. Pursuant to provisions of Section 105 of the Companies Act, 2013, 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.

2. Corporate members intending to send their authorized representative(s) to attend the AGM pursuant to Section 113 of the Companies Act 2013 are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the AGM

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.

3. Members/Proxies should bring their attendance slips duly filled in for attending the meeting
4. The Register of Members and Share Transfer Books of the company will remain closed from 14th September 2017 to 20th September 2017 (both days inclusive)
5. 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
6. 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.

7. Members holding shares in physical form are requested to send any change in their address, bank details, share transfers/transmissions, duplicate certificate if any, to Registrar and Share Transfer Agent (RTA), S.K.D.C. Consultants Limited, Coimbatore quoting reference of the Folio No.
8. 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.
9. 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
10. Electronic copy of the Annual Report for 2016-17 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.
11. Investors are required to provide a copy of their PAN No. for effecting share transfers, transmission and transposition in their favour.
12. Members are requested to note that the venue of the 26th Annual General Meeting is "Sree Annapoorna Kalai Arangam, Ganga Hall, East Arokiasamy Road, R.S. Puram, Coimbatore-641002 on 20th September 2017.
13. The cut off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be 13th September 2017.
14. The Board has appointed Sri. S. Rengasamy Practising Company Secretary, Coimbatore

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641036 as Scrutinizer for conducting the e-voting process and ballot at AGM.

15. 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 22nd September 2017. The results declared along with the Scrutinizer's report shall be placed on the website of [www.cdsl](http://www.cdsl) and also shall be communicated to BSE Limited.
16. 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.
17. **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, as amended by the Companies (Management and Administration) Amendment Rules 2015 and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 26th Annual General Meeting scheduled to be held on Wednesday, the 20th September 2017 at 4.00 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. .13.09.2017 alone will be counted.

### **The instructions for shareholders voting electronically are as under:**

- (i) The e-voting period begins on 17.09.2017 at 10.00 A.M. and ends on 19.09.2017 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 13th September 2017 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](http://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](http://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:

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### 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 "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.
- (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 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### Details of Directors seeking Appointment and Re-appointment

#### Re-appointment of Selvambal Sengottu Velu

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

Smt. Selvambal, 67 years of age, the Non-Executive Director of the company. She is having an experience of 25 years of experience in general management of affairs of the company. She was appointed on the Board of Directors of the company on 18.12.1991. During the year 2016-17, she attended all the Board Meetings of the company. Her appointment is liable to retire by rotation.

She is also a Director in Shree Ganesh Gears Private Limited and Shree Vignesh Wind Mill Private Limited.. She holds 4256580 equity shares in the company.

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

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

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

#### Item No. 4 and 5

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto Rs.25.00 crores (Rupees Twenty five Crores only).

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Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting.

The Board recommends these resolutions for the approval of the members as Special Resolutions. The Company has got credit facilities/loan sanctioned for Rs. 12,75,00,000/- ( Rupees Twelve Crores and seventy five lakhs only ) by Kotak Mahindra Bank Ltd. and Created Mortgage /charge

in favour of Kotak Mahindra Bank Ltd. for expanding business operations of the Company, The Board Proposes to ratify the same.

The Board recommends the resolution as set out at item No. 4 and 5 of the notice for your approval.

None of the Directors or Key Managerial Personnel of the company or 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.

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

Place : Coimbatore  
Date : 30.05.2017