

Sree Sakthi Paper Mills Limited

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Fourth Annual Report
1994 -95

SREE SAKTHI PAPER MILLS LIMITED

DIRECTORS

Mr. S. Sivathang Pillai (Chairman)
Mr. S. Rajkumar (Managing Director)
Mr. S. Giridhar
Mr. A.S. Unni
Mr. N. Ravindranathan
Mr. S. Subramaniam
Mrs. E. Kamalam
Mr. M.R. Karmachandran
(KSIDC Nominee)

BANKERS

State Bank of India

Report **AUDITORS** nction.com

M/s Balan & Co.
Ernakulam



REGISTERED OFFICE

39/2724 A,
Paliam Road,
Ernakulam.

FACTORIES

KRAFT PAPER UNIT:

Development Area,
Edayar, Alwaye.

DUPLEX BOARD UNIT:

Kanrapilly
Chalakkudy

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SREE SAKTHI PAPER MILLS LIMITED

NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the Fourth Annual General Meeting of the Share holders of the Company will be held at 3.30 P.M. on 30th of September 1995 at Hotel Abad Plaza, M.G. Road, Ernakulam to transact the following Business:

You are requested to attend the Meeting.

AGENDA

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 1995 and the Profit and Loss Account for the Year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri. S. Sivathanu Pillai, who retires by rotation according to Article 83 of the Articles of Association of the Company and who, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri. A. S. Unni, who retires by rotation according to Article 83 of the Articles of Association of the Company and who, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri. N. Ravindranathan, who retires by rotation according to Article 83 of the Articles of Association of the Company and who, being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

6. To declare dividend

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that the Board of Directors of the Company be and is hereby authorised to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of the employees subject to a maximum of Rs. 5,00,000/- (Rupees Five Lacs Only) per annum starting from the Financial Year ending on 31st March 1996."

8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that Sri. S. Subramaniam be appointed as a Director of the Company"

9. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that Smt. E. Kamalam be appointed as a Director of the Company"

Note: A Notice proposing Sri. S. Subramaniam and Smt. E. Kamalam as Directors of the Company has been received from a member of the Company along with two deposits of Rs.500/- each.

By order of the Board
For Sree Sakthi Paper Mills Ltd,

Kochi
02/09/95

Pradeep K. B.
Finance Manager.

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NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and the proxy need not be a member. Proxies in order to be effective must be lodged at Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business under item Nos. 7, 8 & 9 are annexed.
3. The Register of Members and Shares Transfer of the Company will remain closed from September 18th 1995 to September 30th 1995 (both days inclusive).
4. Dividend, if declared, will be paid to those members whose names appear in the Register of Members on 30th September 1995 or to their mandatees.
5. No deduction of Tax at Source will be made from dividend payable to resident individuals / share holders if the dividend amount does not exceed Rs. 2,500/-. Share holders who are individuals and resident in India and who expect that their estimated total income for the year ending on or before 31st March 1996 will be less than the minimum liable to Income Tax but were the amount of dividend is more than Rs. 2,500/- are requested to file Form 15G (in duplicate) as prescribed under Rule 29 (C) of the Income Tax Rules, 1962, so as to reach

the Company on or before 16th September 1995 so that no deduction of Tax from such dividends is made at source.

EXPLANATORY STATEMENTS

ITEM NO. 7

In view of the good performance by the Company and as part of its obligation to the society and for the welfare of the public in general, it is proposed to make donations to deserving causes as a social obligation upto a limit of Rs. 5,00,000/- (Rupees Five Lacs Only) per annum starting from the Financial Year ending 31st March 1996.

No director is interested in the resolution.

ITEM NO. 8

Sri. S. Subramaniam was co-opted as additional director on 03/08/95 and he vacates office at the ensuing Annual General Meeting. Appointment of Sri. S. Subramaniam as director is considered beneficial to the Company. The necessary resolution for his appointment is placed before you for approval.

Sri. S. Sivathanu Pillai, Sri. S. Rajkumar and Sri. S. Girdhar being respectively the father and brothers of Sri. S. Subramaniam are interested in this resolution.

ITEM NO. 9

Smt. E. Kamalam was co-opted as additional director on 03/08/95 and she vacates office at the ensuing Annual General Meeting. Appoint-

SREE SAKTHI PAPER MILLS LIMITED

ment of Smt. E. Kamalam as director is considered beneficial to the Company. The necessary resolution for her appointment is placed before you for approval.

Sri. S. Sivathanu Pillai, Sri. S. Rajkumar and Sri. S. Girdhar being respectively the husband and sons of Smt. E. Kamalam are interested in this resolution.

By order of the Board
For Sree Sakthi Paper Mills Ltd

Kochi
02/09/95

Pradeep K.B
Finance Manager

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DIRECTORS' REPORT

7 The Directors have pleasure in presenting to you the Annual Report together with the Audited Accounts for the year ending 31st March, 1995

FINANCIAL RESULTS

	94-95 (Rs. Lakhs)	93-94 (Rs. Lakhs)
Sales (Net)	1108.53	684.35
Operating profit	295.28	190.39
Interest and Finance charges	60.10	48.84
Depreciation	23.10	16.59
Profit before tax	212.08	127.16
Provision for tax	14.79	28.60
Profit after tax which is apportioned as follows:	197.29	98.36
Proposed Dividend	23.64	10.50
General Reserve	40.00	9.60
Balance carried forward to Profit and Loss account	133.65	78.06

DIVIDEND

An interim dividend of 30% was declared by the Board during the Financial Year 1994-1995 considering the good performance achieved by the Company. The Directors after reviewing the expansion plans and the need to conserve resources recommend that no further dividend be paid for the Financial Year 1994-95 and that the interim dividend of 30% be confirmed.

PRODUCTION

During fiscal 94-95, your Company achieved a production of 10,376 Tonnes as against 6,702 Tonnes produced during the previous year. The increase of 55% in production was on account of additional investment in Plant and Machinery to the tune of about Rs. 80 Lakhs and the performance of the employees of the Company.

OUTLOOK

During the current financial year demand for your Company's products is likely to improve and your Company is gearing itself up to increase production to match the demand.

Your Board is aware that a number of new units manufacturing Kraft Paper are being set up in and around Kerala. When these projects are commissioned, your Board expects that there would be a slight slump in the market for Kraft Paper. But since your Company has got very good tie ups with its dealers and since significant portion of the production is consumed by associated concerns manufacturing Cartons and Paper Cones, the slump in the market is not going to affect your company adversely.

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DUPLEX BOARD PROJECT

In the last years Directors' Report, you were informed that your company was embarking on a diversification project to manufacture Duplex Boards. The project is at an advanced stage of implementation and is expected to commence commercial production by the second half of September, 1995.

RAW MATERIAL SCARCITY

Last Financial Year witnessed a steady increase in the price of waste paper along with an emerging scarcity in availability. This was essentially because (a) Number of paper mills using waste paper as raw material are being set up in and around Kerala and (b) U.S.A. and countries in the middle east which were the main suppliers of waste paper have now started to recycle waste paper themselves, thus reducing the supply of waste paper. Due to these factors the supply of waste paper could get even more scarce and many small paper mills will be forced to stop production due to the non-availability of waste paper.

As your Board is fully seized with the situation arising out of the emerging shortage of waste paper, it is proposed to promote a separate Company to set up a pulping plant at Edayar to supply processed pulp to Edayar and Chalakudy projects.

DIRECTORS

Sri. S. Sivathanu Pillai, Sri. A.S. Unni and Sri. N. Ravindranathan retire on rotation as per the Articles of Association of the Company, they being eligible offer themselves for re-appointment. The Board has co-opted additional directors, Sri. S. Subramaniam and Smt. E. Kamalam on 3rd of August '95 and they will hold office till the ensuing A.G.M.

AUDITORS

M/s. Balan & Co., Chartered Accountants, the present Auditors of the Company retire and are eligible for re-appointment.

FOREIGN EXCHANGE EARNINGS AND OUT-GO.

The Company had no foreign exchange earnings during the year. The outgo was solely for purchase of raw materials amounting to Rs. 72.37 Lacs.

CONSERVATION OF ENERGY.

The Report on Energy Audit conducted by Confederation of Indian Industry has been received by the Company and steps are being taken to implement the suggestions made by them.

ANNEXURES

Particulars of employees as required under Section 217 (2-A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 and particulars as required under Section 217(1)(e) are annexed.

ACKNOWLEDGMENT

The Directors gratefully acknowledge the continued support and assistance given by the State Government, K.S.I.D.C., K.F.C., S.B.I., S.B.I.C.A.P., I.D.B.I., S.B.H. and K.S.E.B. The Directors also thank the employees of the Company, shareholders and customers for their co-operation and confidence reposed in the Company.

BY AND ON BEHALF OF
THE BOARD OF DIRECTORS

Kochi
02/09/95

S. Sivathanu Pillai
Chairman

SREE SAKTHI PAPER MILLS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

FORM- 'A'

(See Rule 2)

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

A. Power and Fuel Consumption

	Current Year	Previous Year
1. Electricity		
a. Purchased		
Unit	45,57,292	33,75,807
Total amount	21,86,887	17,93,196
Rate/Unit	0.48	0.53
b. Own Generation	-	-
2. Coal	-	-
3. Furnace Oil	-	-
4. Others/Internal generation	-	-

B. Consumption per unit of production

Electricity (kwh)	439	503
Furnace Oil	-	-
Coal	-	-
Others	-	-