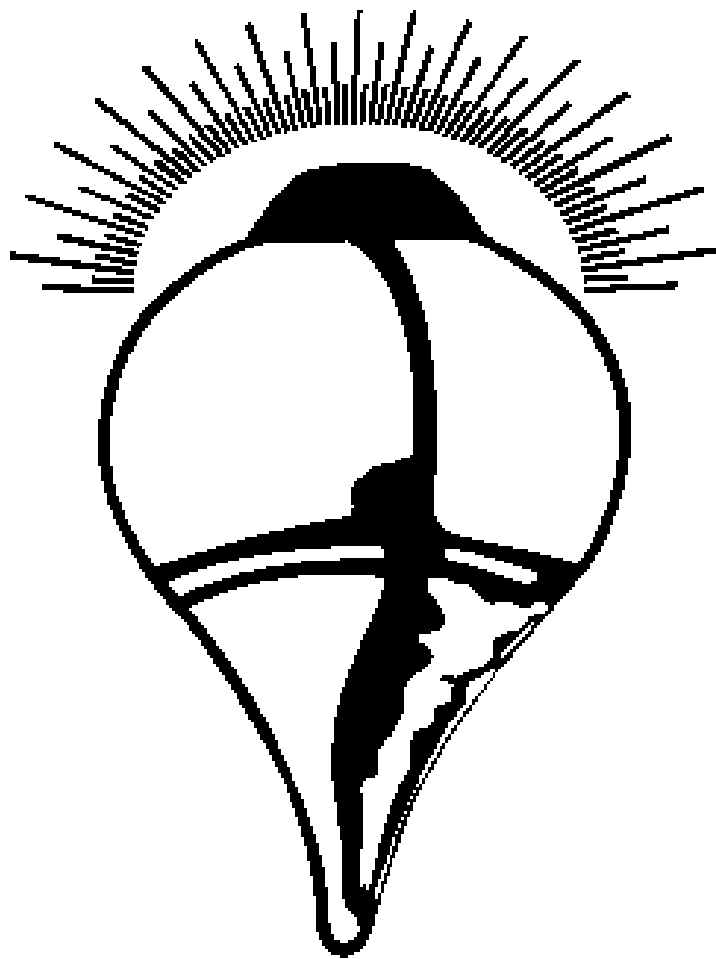
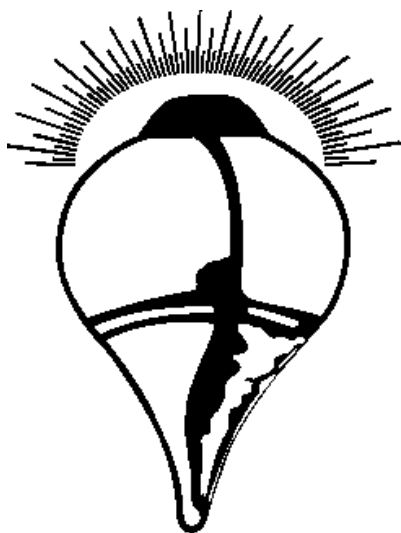


**25<sup>TH</sup>  
ANNUAL REPORT  
2015-16**



**SREE SAKTHI PAPER MILLS LIMITED**





## **BOARD OF DIRECTORS**

Dr. S. Rajkumar (Managing Director)  
Mr. A. Padmanabhan (Director)  
Mr. V V M Rao (Executive Director)  
Mr. S. Subramoniam, Director  
Mr. S. Giridhar, Director  
Mrs. E. Kamalam, Women Director  
Mr. T. S. Anantharaman, Director  
Mr. U. Gururaja Bhat, Independent Director  
Mr. Deveshwer Kumar Kapila, Independent Director  
& Chairman (upto 1-9-2016)  
Dr. A. R. K. Rao, Independent Director (upto 1-9-2016)  
Mr. G. K Ajithkumar, Nominee Director (upto 9-7-2016)  
Mr K. Aravindakshan Nominee Director (from 9-7-2016)

## **COMPANY SECRETARY**

Mr. R. Ponnambalam

## **AUDITORS**

M/s. Balan & Co.  
31/181 D, Anantha, Mahakavi G. Road  
Karikkamuri, Cochin - 682 011

## **BANKERS**

Federal Bank Limited  
IDBI Bank Limited  
Bank of India  
State Bank of Travancore  
Punjab National Bank

## **REGISTERED OFFICE**

57/2993, "Sree Kailas" Paliam Road  
Ernakulam, Cochin - 682 016, Kerala  
Tel: 0484-3002000, 2373230, 2371085, 2380497  
Fax: 0484-2370395  
E-mail: secretary@sreekailas.com  
Web: www.sreekailas.com

## **FACTORIES**

### **Kraft Paper Unit 1 and 2**

Industrial Development Area  
Muppathadom, Edyar, Aluva - 683 102  
Tel: 0484-3002100, 2540622, 2555451  
Fax: 0484-2555835

### **Duplex Board unit (closed- October2014)**

Kanjirapilly, Pariyaram  
Chalakydy, Thrissur - 680 721

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## FINANCIAL HIGHLIGHTS (8 YEARS)

(Rs. in Lakhs)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Sales (Gross)	14416.14	14753.18	19081.81	20837.99	21766.94	21554.41	16405.45	10698.82
Sales (Net)	13708.63	14152.04	18292.83	19792.31	20505.57	20306.81	15559.57	10140.09
Total Income	13928.84	14312.82	18356.74	19837.31	20565.49	20443.01	15660.39	10212.02
Profit before tax	483.66	706.96	1052.75	1023.57	702.9	143.26	(1528.71)	(1762.88)
Profit after tax	331.79	464.43	701.33	660.33	469.12	116.08	(1178.14)	(1694.95)
Earnings Per Share (Rs.)	2.02	2.83	4.27	4.02	2.85	0.71	(7.97)	(11.14)
Dividend Rate (%)	15.00	18.00	21.00	21	15	6	0	0
Reserve & Retained Earnings	1887.90	2010.77	2309.61	2568.79	2749.47	2750.18	1509.61	(185.33)
Share Capital	1643.62	1643.62	1643.62	1643.62	1643.62	1643.62	2643.62	2643.62
Shareholders' Funds	3531.52	3654.39	3953.24	4212.41	4393.09	4393.08	4253.23	2458.29
Fixed Assets(Gross Block)	6543.26	6918.93	7748.46	10357.61	10838.2	10985.32	11182.37	9192.51
Fixed Assets (Net Block)	4772.94	4826.66	5287.67	7472.88	7451.11	7145.04	5835.68	5502.81



## NOTICE

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting of the Company will be held on Friday 30<sup>th</sup> December, 2016 at 2.00 p.m, at Hotel Abad Plaza M.G.Road, Ernakulam, Cochin - 35 to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended on 31<sup>st</sup> March, 2016 and the Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A. Padmanabhan (DIN- 00037472), Director, who retires by rotation in accordance with section 152 of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. S. Subramoniam (DIN-01790968) Director, who retires by rotation in accordance with section 152 of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

#### 4. Appointment of Auditors

To re appoint auditors of the Company to hold office from the conclusion of this AGM to the conclusion of the twenty sixth AGM and to fix their remuneration and to pass the following resolution thereof.

**"RESOLVED THAT**, pursuant to the provisions of Section 139 of the Companies Act, 2013 and other applicable provisions of the Act, if any and the Rules framed thereunder, as amended from time to time, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s Balan & Co, Chartered Accountants (ICAI Firm Regn. No.000340S) be and is hereby re-appointed as auditors of the Company, to hold office for a period of one (1) year, from the conclusion of this AGM to the conclusion of twenty sixth AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS

#### 5. Appointment of Mr. Venkata Mangeswara Rao Varrey (DIN 03630043) Additional Director and as a Wholetime Director and fixing his remuneration

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

**"RESOLVED THAT**, Mr. Venkata Mangeswara Rao Varrey (DIN 03630043), who was appointed as an additional director of the company by the board of directors with effect from 17<sup>th</sup> October 2015, in terms of section 161(1) of the companies of the companies Act, 2013 and Article 82 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the company has not received any notice in writing from a member proposing his candidature for the office of Director, be and is hereby not appointed as the Director of the Company.

**"RESOLVED FURTHER THAT** pursuant to the to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act 2013 and the rules made thereunder (including any statutory modification(s) or re-enacted thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the company, be and is hereby accorded to the appointment of Mr. Venkata Mangeswara Rao Varrey (DIN 03630043), as Wholetime director of the company designated as "Director-Operations" for a period of One (1) year effective from 25.11.2015 – 24.11.2016, on the terms and conditions of appointment and remuneration as detailed in the Explanatory Statement to this item annexed to this notice as per section 102 of the Companies Act 2013, and the Board of Directors be and is hereby authorized to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, and the Board of Directors be and is hereby authorized to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Venkata Mangeswara Rao Varrey (DIN 03630043).

#### 6. Approval for related party transactions

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force), the consent of the Company be and is hereby accorded to enter into the related party transactions by the Company with the respective related parties and for the maximum amounts per annum for the financial year 2016-17 as mentioned herein below:



Particulars of Parties	Nature of Transaction	Annual Amount Rs. Lacs
Dr. S .Rajkumar	Lease Building – Rent	9.25
S. Subramoniam	Lease Building – Rent	1.78
A. Padmanabhan	Lease Building – Rent	0.30
A. Ganesh	Lease Building – Rent	2.95
Shri Kailash Logistics Limited	Lease Building – Rent	11.25
Shri Kailash Logistics Limited	Freight Services	126.54
Sree Sakthi Constructions and Infrastructure Limited	Civil Works	NIL
Maharaj Continental Trades Limited	Commission	60.00
Sree Giri Packagings Limited	Purchase/Sale of Raw Materials	1200.00
Verizon Industrial Aids Limited	Purchase of Raw Materials	260.00
Carto Packs	Purchase of Raw Materials	NIL
Carto Packs	Sale of Paper	80.00

**7. To re-appoint Dr. S. Rajkumar (DIN 01790870) as Managing Director.**

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

**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company, be and is hereby accorded to the re- appointment of Dr. S. Rajkumar (holding DIN 01790870) as Managing Director of the Company for a period of One (1) year effective from 14<sup>th</sup> August 2016 to 13<sup>th</sup> August 2017, on the terms and conditions including remuneration and perquisites as approved by the Board of Directors at their meeting held on 14<sup>th</sup> August 2016 and as detailed in the Explanatory Statement to this item annexed to this notice as per section 102 of the Companies Act, 2013, and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Dr. S. Rajkumar (holding DIN 01790870)."

**By order of the Board of Directors  
For Sree Sakthi Paper Mills Limited**

Sd/-

Cochin -16  
12<sup>th</sup> November 2016

R. Ponnambalam  
Company Secretary

**NOTES:**

- 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.**
- The instrument appointing proxy (duly completed, stamped and signed) in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the 25<sup>th</sup> Annual General Meeting of the Company.
- Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of Board Resolution on the letterhead of the Company, signed by one of the Directors or Company Secretary or any other authorized signatory and / or duly notarized Power of Attorney, authorizing their repreives to attend and vote on their behalf at the Meeting.
- With effect from 1st April 2014, inter alia, provisions of Section 149 of Companies Act, 2013 has been brought into force. In terms of the said section read with section 152 (6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Profile of directors seeking re-appointment as stipulated in terms of Clause 49 of the listing agreement with the stock exchanges is provided in the report on corporate governance, which forms an integral part of this annual report.
- The Register of Members and Share Transfer books of the Company will remain closed from 23-12-2016 to 30-12-2016 (both days inclusive).**



6. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 am to 5.30pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
7. Shareholders are requested to bring their copy of the Annual Report to the meeting.
8. Members/Proxies should fill the attendance slip for attending the Meeting.
9. Members who hold shares in dematerialized form are required to write their client ID and DPID numbers, and those who hold shares in physical form are requested to write their Folio number in attendance slip for attending the meeting.
10. The information on the Directors appointment or reappointment is provided as per Clause 49 of the Listing Agreement and is given in the Corporate Governance Section of this Annual Report.
11. Under the provisions of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. Unclaimed/unpaid dividend amount relating to Financial year 2007-08 have been transferred to the 'investor Education and Protection Fund' established by the Central Government. Unclaimed/unpaid dividend amount for Financial year 2008-09 is being transferred to Central Government account Those members who have not encashed their dividend warrants for the financial year 2009-10 onwards may lodge a claim with the Company immediately especially relating to the year 2009-10 as the unpaid dividend for the said year is due to be remitted into I.E.P Fund by 12<sup>th</sup> March 2017.
12. Copies of the Annual Report 2016 are being sent by electronic mode only to all the members whose email addresses 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 addresses, physical copies of the Annual Report 2015 are being sent by the permitted mode.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company / M/s. Bigshare Services Pvt. Ltd
14. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / M/s. Bigshare Services Pvt. Ltd.
15. A Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to Special Business to be transacted at the meeting is annexed hereto.
- 16. Information and other instructions relating to e-voting are as under:**
  - (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
  - (ii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - (iii) The Company has engaged the services of Central Depository Services India Limited ("CDSL") as the Agency to provide e-voting facility.
  - (iv) The Board of Directors of the Company has appointed M/s Lakshmmi Subramanian & Associates, as Scrutinizer to scrutinize the Venue Voting and remote e-voting process in a fair and transparent manner and they has communicated their willingness to be appointed and will be available for same purpose.
  - (v) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 23/12/2016
  - (vi) A person, whose name is recorded in the register of members or in the register of





beneficial owners maintained by the depositories as on the cut-off date, i.e. 23/12/2016 only shall be entitled to avail the facility of remote e-voting / Venue Voting.

- (vii) The voting period begins on 27/12/2016 at 09.00 AM and ends on 29/12/2016 at 05.00 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 23/12/2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (viii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (ix) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.sreekailas.com](http://www.sreekailas.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com). The results shall simultaneously be communicated to the Stock Exchanges.

- (x) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30 Deember , 2016.

**(xi) Instructions and other information relating to remote e-voting:**

- a) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- b) Click on Shareholders.
- c) Now Enter your User ID
  - i. For CDSL: 16 digits beneficiary ID,
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d) Next enter the Image Verification as displayed and Click on Login.
- e) 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.
- f) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>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.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank</li> </ul>

- g) After entering these details appropriately, click on "SUBMIT" tab.
- h) 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.

- i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.





- j) On successful login, the system will prompt you to select the E-Voting Sequence Number for Sree Sakthi Paper Mills Limited.
  - k) 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.
  - l) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - m) 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.
  - n) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - o) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
  - p) 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.
- www.evotingindia.com and register themselves as Corporates.
  - b) 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).
  - c) 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.
  - d) 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.
  - e) 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.
  - f) 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) / Toll Free No: 18002005533.

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

- a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to

**By order of the Board of Directors  
For Sree Sakthi Paper Mills Limited**

Sd/-  
Ponnambalam  
Company Secretary  
Cochin -16  
12th November 2016

**(IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)**

<b>Name of Director</b>	<b>Date of Birth</b>	<b>Date of Appointment</b>	<b>Share holding in the Co. (Nos.)</b>
Mr. S Subramoniam	28.05.1957	03.08.1995	333944
<b>Qualification</b> Graduation			
<b>Experience</b> More than 27 years experience in cement and transport business. He is in the Board of the Company since 1995			
<b>Details of Directorship in other companies</b> Sree Sakthi Paper Mills Ltd, Sree Sakthi Constructions & Infrastructure Ltd, Shri Kailash Logistics Ltd, Sree Kailash Palchuram Hydro Power Limited, Sree Adisakthi Mukkuttathode Hydro Power Limited and Jalashaayi Alamparathode Hydro Power Limited.			
<b>Status in other Board Committees of the company</b> Project Finance Committee Member			
<b>Relationships between directors inter-se</b> Son of Ms. E Kamalam & Brother of Dr. Rajkumar, Mr. S Giridhar, Directors of the Company			

<b>Name of Director</b>	<b>Date of Birth</b>	<b>Date of Appointment</b>	<b>Share holding in the Co. (Nos.)</b>
Mr. A Padmanabhan	26.06.1948	25.06.2009	15866
<b>Qualification</b> BE Degree			
<b>Experience</b> More than 16 years. He joined the Company as president Operations in July 2006 and co-opted as Director of the company and appointed as Whole Time Director (Operations) from June 2009. He improved the production considerably to achieve the targets			
<b>Details of Directorship in other companies</b> Sree Sakthi Constructions & Infrastructure Ltd, Shri Kailash Logistics Ltd, Sree Kashyapa Surya Energy Equipments (P) Ltd, Shree Sakthi Industrial Park Ltd.			
<b>Status in other Board Committees of the company</b> NIL			
<b>Relationships between directors inter-se</b> Brother in Law of Mr. Rajkumar Managing Director of the Company			