

# SHREE KARTHIK PAPERS LIMITED

No. 25, 50 Feet Road,  
Krishnasamy Nagar, Ramanathapuram,  
COIMBATORE - 641 045

Phone : 0422 - 4217174  
Fax : 0422 - 4217178  
E-mail : shreekarthikpapers@yahoo.com  
CIN : L21012TZ1991PLC003570

Factory :

Puliyangandi, Aliyar Nagar,  
Kottur Village, Pollachi (T.K.)

Telephone : 04253 - 288648

SKPL:2014-15: 1043

07.12.2015

The Manager  
Department of Corporate Service  
BSE, Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400 001

Dear Sirs,

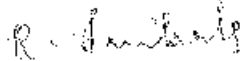
**Sub: Annual Report for the year 2014-15**

We are enclosing herewith Form A duly completed along with 6 copies of our Annual Reports for the year 2014-15 for your records.

Kindly acknowledge receipt.

Thanking you


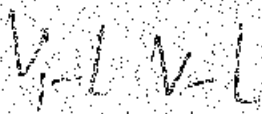

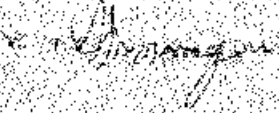
Yours faithfully  
For SHREE KARTHIK PAPERS LTD.,



AUTHORISED SIGNATORY

Encl. as above

**FORM A**  
**Format of covering letter of the Annual Audit report to be filed with**  
**The Stock Exchanges**

1	Name of the company	<b>Shree Karthik Papers Limited</b>
2	Annual financial statements for the year ended	<b>30<sup>th</sup> June 2015</b>
3	Type of Audit observation	<b>No qualification</b>
4	Frequency of observation	<b>Whether appeared first time repetitive/ Since how long period</b>
5	To be signed by	<b>Nil</b>
	CEO/Managing Director	FOR SHREE KARTHIK PAPERS LTD.  MANAGING DIRECTOR
	CFO/DGM (F)/Head of Accounts	
	Auditor of the company	For GIRI & CO., Chartered Accountants FRN / 005702B  R. GIRI Senior Partner A. No. 025459
	Audit Committee Chairman	

**SHREE KARTHIK PAPERS LIMITED**



**AMOHA**

**Twenty Fourth Annual Report 2014 - 15**



# 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**  
**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](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**

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

Date : 30<sup>th</sup> 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)

### Contents

Notice	2
Directors' Report	6
Management Discussion Analysis	11
Report on Corporate Governance	22
Independent Auditor's Report	30
Balance Sheet	34
Statement of Profit and Loss	35
Cash Flow Statement	36
Notes to the financial statements	37

# SHREE KARTHIK PAPERS LIMITED

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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 30<sup>th</sup> 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 30<sup>th</sup> June, 2015 including the audited Balance Sheet as at 30<sup>th</sup> June, 2015 and the Statement of Profit and Loss Account for the year ending 30<sup>th</sup> 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

Place : Coimbatore

Managing Director

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 24<sup>th</sup> December 2015 to 30<sup>th</sup> 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 3<sup>rd</sup> 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.

## SHREE KARTHIK PAPERS LIMITED

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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 2<sup>nd</sup> January 2016. The results declared along with the Scrutinizers report shall be placed on the website of [www.cdsl](http://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](http://www.evotingindia.com).
- (iv) Click on Shareholders.

# SHREE KARTHIK PAPERS LIMITED

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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](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:

## 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 RA0000001 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.



## SHREE KARTHIK PAPERS LIMITED

(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](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.

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

<b>Name</b>	<b>Smt. Selvambal Sengottu Velu</b>
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

# SHREE KARTHIK PAPERS LIMITED

## 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 30<sup>th</sup> 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	-	-
<b>Net Profit/(Loss) after tax</b>	<b>72.41</b>	<b>12.24</b>

### DIVIDEND

The Board of Directors do not recommend to pay a Dividend for the year ended 30<sup>th</sup> 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

# SHREE KARTHIK PAPERS LIMITED

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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.

# SHREE KARTHIK PAPERS LIMITED

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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.

# SHREE KARTHIK PAPERS LIMITED

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## AUDITORS

In accordance with the Companies Act 2013, the Statutory Auditors of the Company, Messrs Giri & Co. (Firm Registration No. 0067025), Chartered Accountants, Coimbatore have been already appointed as Statutory Auditors of the Company for a period of three years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the company at the ensuing Annual General Meeting.

## EMPLOYEES RELATIONS

The Directors would like to place on record the cordial relations enjoyed with the employees by the company.

## ACKNOWLEDGEMENTS

Your Directors record with a deep sense of gratitude to the working capital bankers for the excellent support and cooperation rendered by them to the company. Your Directors are thankful to its valuable customers, esteemed stakeholders and business associates for their continued support and the confidence reposed in the Company and its Management.

For and on behalf of the  
Board of Directors  
(Sd./-) M.S. Velu  
Chairman and  
Managing Director  
DIN : 0168208

Place : Coimbatore

Date : 14.08.2015

# SHREE KARTHIK PAPERS LIMITED

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## ANNEXURE 1

INFORMATION PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF BOARD OF DIRECTORS) RULES, 1988, FORMING PART OF THE REPORT OF THE DIRECTORS

The Company is implementing adequate measures for reduction of consumption of energy. Total energy consumption and consumption per unit of production in Form A

### CONSERVATION OF ENERGY

		For the years ended on 30 <sup>th</sup> June	30.06.2015	30.06.2014
<b>A Power and Fuel Consumption</b>				
1	<b>Electricity</b>			
A	Purchased	KWHr	65,57,016	59,31,768
	Total amount	Rs.	4,84,22,892	3,53,90,536
	Rate per Unit	Rs.P.	6.35	5.50
B	Generation for captive usage	KWHr		
	Through Diesel/Generator		Nil	Nil
	Through Steam/Generator		Nil	Nil
2	<b>Furnace Oil</b>		Nil	Nil
3	Fuel : DOB and Saw Dust			
	Quantity (in tones)		9026.93	9747.88
	Amount (Rs.)		2,08,99,419	2,06,221,807
4	<b>Consumption per unit of Production</b>			
A	Electricity units per ton		518.63	568.50
B	Others DOB units per ton		0.71	0.93

### B Technology Absorption

Indigenous and upgraded technology alone are used

### C Foreign Exchange Earnings and Outgo

A	Steps are being taken to explore the possibility of exporting of writing and printing papers.			
B	Total Foreign Exchange earned and used excluding capital goods Component and spares.	Earned Used	Nil Nil	Nil Nil

# SHREE KARTHIK PAPERS LIMITED

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## Annexure-2

### Management's Discussion and Analysis

#### 1. Industry structure and Developments

Paper industry is one among the high priority industries. The five year plan period 2012-17 concentrates on accelerating growth for Paper Industry. The continuous demand for increase in paper will require a considerable increase in supply from indigenous producers. Out of total paper mills in India, two thirds of the Mills use waste paper, agricultural wastes like straw dust, as their primary fibre source. The non availability of natural resources will automatically increase the demand of product from industries using Recycled/waste paper as their raw material.

#### 2. Opportunities and Threads

The growth rate of recycled paper industry is assumed to increase by 10% per year. There are good growth opportunities and increase in demand. The excise duty has increased from Nil duty to 6.18% and this is one of the major burden on the industry. The major raw materials procurement from Mills using waste paper industry is from unrecognized sector. This account is for around 95% of total raw materials procurement. This affects continuous supply of raw material to the industry.

#### 3. Outlook

The trend in consumption of papers and notebooks and eco friendly papers are increasing continuously. It will result in good demand for the industrial product.

#### 4. Risk and concerns

- a. Non availability of raw materials in a continuous manner
- b. Frequent power cuts and power fluctuation
- c. Expansion of production capacity requires heavy capital investment.

#### 5. Internal control

Internal control systems are designed to provide adequate financial control and accounting control and to implement accounting standards.

#### 6. Material Development in Human Resources/ Industrial Relations Front including number of employees employed

Cordial relations have been maintained in the company. The company had 61 no. of employees as on June 2015.

#### 7. Caution

The views and statements expressed or implied in the Management discussion and analysis are based on available information, experience and our own assessment.

# SHREE KARTHIK PAPERS LIMITED

**ANNEXURE-3**  
**FORM NO. MGT-9**

## EXTRACT OF ANNUAL RETURN

**as on the financial year ended 31<sup>st</sup> March 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	<b>L2102TZ1991PLC003570</b>
ii)	Registration Date	18.12.1991
iii)	Name of the Company	<b>Shree Karthik Papers Limited</b>
iv)	Category of the Company Sub-Category of the Company	Company having Share Capital Limited by Shares
v)	Address of the Registered office and contact details	25, 50 Feet Road, Krishnaswamy Nagar Ramanathapuram, Coimbatore-641045 Phone: 0422 – 4217174 Fax.No: 0422 – 4217178 Email.Id :shreekarthikpapers@yahoo.com
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>M/s. SKDC Consultants Ltd</b> 3 <sup>rd</sup> Floor. Kanapati Towers Ganapathy, Coimbatore 641 006 Phone: 0422 – 2539835, 6 & 6549995 Fax No. 0422 – 2539837 Mail: info@skdc-consultants.com Website: www.skdc-consultants.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Paper and Paper Boards	996611940	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any Holding, Subsidiary or Associate Companies



# SHREE KARTHIK PAPERS LIMITED

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
1. Indian									
a. Individual/HUF	13988200	ó	13988200	73.20	13988200	ó	13988200	73.20	
b. Central/State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c. Bodies Corporate	253500	ó	253500	1.32	253500	ó	253500	1.32	1.32
d. Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e. Any other specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub total	14241700	ó	14241700	74.52	14241700	Nil	14241700	74.52	Nil
<b>2. Foreign</b>									
a. NRI.Indls.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Other Indls.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c. Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d. Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e. Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total share holding of Promoters	14241700	ó	14241700	74.52	14241700	Nil	14241700	74.52	Nil
<b>B. Public</b>									
1. Institutions									
a. Mutual Funds	Nil	25900	25900	0.13	Nil	25900	25900	0.13	Nil
b. Banks/FI	1022100	Nil	1022100	5.35	1022100	Nil	1022100	5.35	Nil
c. CentralGovt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d. State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e. Venture capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f. Insurance companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g. FIIs	Nil	95100	95100	0.50	Nil	95100	95100	0.50	Nil
h. Foreign venture capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i. others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub total	1022100	121000	1143100	5.98	1022100	121000	1143100	5.98	

# SHREE KARTHIK PAPERS LIMITED

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non - Institutions									
a. Bodies Corporate									
i. Indian									
ii. Overseas	55697	425600	481297	2.52	55697	425600	481297	2.52	Nil
b. Individuals									
i. Indl.s/holding Up to 1 lac	139652	1414400	1554052	8.13	139652	1414400	1554052	8.13	Nil
ii. Indl.s/holding In excess of 1 lac	1008435	577800	1586235	8.30	1008435	577800	1586235	8.30	Nil
c. Others	Nil	103616	103616	0.55	Nil	103616	103616	0.55	Nil
Sub total	1203784	2521416	3725200	19.50	1203784	2521416	3725200	19.50	Nil
Total A + B	16479584	2642416	19110000	100.00	16479584	2642416	19110000	100.00	
Shares held by custodians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand total	16479584	2642416	19110000	100.00	16479584	2642416	19110000	100.00	

### ii) Shareholding of Promoter-

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M.S.Velu	9719120	50.86	Nil	9719120	50.86	Nil	Nil
2	Selvambal S. Velu	4256580	22.27	Nil	4256580	22.27	Nil	Nil
3	Karthik Velu	6400	0.03	Nil	6400	0.03	Nil	Nil
4	Vignesh Velu	6100	0.03	Nil	6100	0.03	Nil	Nil
5	Shree Ganesh Gears P Ltd.	253500	1.33	Nil	253500	1.33	Nil	Nil
	Total	14241700	74.52	Nil	14241700	74.52	Nil	74.52

## SHREE KARTHIK PAPERS LIMITED

### iii) Change in Promoters' Shareholding

S. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	14241700	74.52	—	—
Date wise increase/ decrease In promoters' shareholding during the year (specifying the reason for increase/decrease (eg. Allotment/ transfer/bonus/sweat equity etc). Allotment made on 31.03.2015 on preferential basis to raise funds for the WC requirements	—	—		
At the end of the year	—	—	14241700	74.52

### (iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRS)

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Industrial Development Bank of India Ltd.	10,00,000	5.23	10,00,000	5.23
2	K. Sundaram Sharma	2,54,800	1.33	2,54,800	1.33
3	Sathya Kanagavadivel	1,95,400	1.02	1,95,400	1.02
4	K.T. Karthirvel	1,95,400	1.02	1,95,400	1.02
5	R. Uma shankar	2,05,400	1.07	2,05,400	1.07
6	U.D. Shanti	1,95,400	1.02	1,95,400	1.02
	Total	20,46,400	10.69	20,46,400	10.69

# SHREE KARTHIK PAPERS LIMITED

## v) Shareholding of Directors and Key Managerial Personnel

S. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No change during the year			
	Date wise increase/ decrease in promoters' shareholding during the year (specifying the reason for increase/decrease (eg. Allotment/ transfer/bonus/sweat equity etc). Allotment made on 31.03.2015 on preferential basis to raise funds for the WC requirements	No change during the year			
	At the end of the year (or on the date of separation, if separated during the year)	No change during the year			

## V. INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	2218.38	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	2218.38	-	2218.38
<b>Change in Indebtedness during the financial year</b>				
● Addition	189.02	-	-	-
● Reduction	-	264.36	-	-
<b>Net Change Addition/Reduction</b>	189.02	(264.36)	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	189.02	1954.02	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	189.02	1954.02	-	2143.04

# SHREE KARTHIK PAPERS LIMITED

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and CFO

		Rs. in lacs
Sl	Particulars	Total
1	Gross Salary	24.00
	a Salary as per provisions contained in sec.17(1) of the Income tax Act 1961	-
	b Value of perquisites u/s 17(2) of the Income Tax Act 1961	-
	c Profit in lieu of salary u/s 17(3) of Income tax Act 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	CommissionAs % of ProfitOthers specify	-
5	Others pl. specify	—
	<b>Total - A</b>	<b>24.00</b>
	Ceiling limit as per the Companies Act	84.00

### B. Remuneration to Other Directors

Sl	Particulars	
1	<b>Independent Directors</b>	
	Fee for attending Board/ Committee meetings	
	Commission	Nil
	Others, please specify	Nil
	Total	Nil
2	<b>Other Non Executive Directors</b>	Nil
	Fee for attending Board/ Committee meetings	Nil
	Commission	Nil
	Others, please specify	Nil
	<b>Total B</b>	Nil
	<b>Total Managerial Remuneration (A+B)</b>	<b>24.00</b>

### C. Remuneration to Key Managerial Personnel other than MD/WTD

		Rs. in lacs
Sl	Particulars	
1	Gross Salary	10.80
	a Salary as per provisions contained in sec.17(1) of the Income tax Act 1961	
	b Value of perquisites u/s 17(2) of the Income Tax Act 1961	
	c Profit in lieu of salary u/s 17(3) of Income tax Act 1961	
2	Stock Option	
3	Sweat Equity	
4	CommissionAs % of ProfitOthers specify	
5	Others pl. specify	
	Total C	10.80

# SHREE KARTHIK PAPERS LIMITED

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b> Penalty Punishment Compounding					
	NONE				
<b>B. DIRECTORS</b> Penalty Punishment Compounding					
	NONE				
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding					
	NONE				

# SHREE KARTHIK PAPERS LIMITED

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## ANNEXURE 4

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 30<sup>th</sup> JUNE 2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members  
Shree Karthik Papers Limited  
25, 50 Feet Road  
Krishnaswamy Nagar, Ramanathapuram  
Coimbatore-641045

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shree Karthik Papers Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Shree Karthik Papers Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 30<sup>th</sup> June 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Prime Urban Development India Limited ("the Company") for the financial year ended on 30<sup>th</sup> June 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vi) Employees Provident Fund and Miscellaneous Provisions Act 1952

## SHREE KARTHIK PAPERS LIMITED

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vii) Environment Protection Act 1986 and other environmental laws

viii) Factories Act 1948

ix) Income Tax Act 1961 and Indirect Tax Laws

x) Indian Stamp Act 1999

xi) Payment of Gratuity Act 1972 and other laws applicable to the company

Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 (SEBI Act) were not applicable to the company during the financial year under my report.

i) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999

ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008

iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009 and

iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under report, the company has not undertaken event/action having a major bearing on the company's affair in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to the above.

I further report that during the audit period, there were no instances of



## SHREE KARTHIK PAPERS LIMITED

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- (i) Public issue /Right issue / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations.

Place : Coimbatore  
Date : 14.08.2015

S. Rengasamy  
FCS 3871  
COP No.9901

List of documents verified:

1. Memorandum and Articles of Association of the Company
2. Annual Report for the Financial Year ended 30<sup>th</sup> June 2015
3. Minutes of the meeting of the Board of Directors, Audit Committee, Stakeholders Grievance Committee, Nomination and Remuneration Committee, Special Committee along with the Attendance Register held during the financial year under report.
4. Minutes of the General Body Meeting held during the financial year under report
5. Statutory Registers viz. Register of Directors, KMP, Register of Directors shareholding,
6. Register of loans, guarantees and security and acquisition made by the company
7. Agenda papers submitted to all the Directors for the Board Meetings and Committee Meetings.
8. Declarations received from the Directors of the company pursuant to the provisions of Section 184 of the Companies Act 2013.
9. Intimations received from the Directors under the Prohibition of Insider Trading Code
10. E-Forms filed by the company from time to time under applicable provisions of the Companies Act 2013 and attachment thereof during the financial year under report

Intimations/documents/reports/returns filed with the Stock Exchange pursuant to the provisions of the Listing Agreement during the financial year under report.

# SHREE KARTHIK PAPERS LIMITED

## REPORT ON CORPORATE GOVERNANCE

Your company reports total compliance of the mandatory provisions of the Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchanges. Furnished below is a Report on the implementation thereof.

### A. Mandatory Requirements

#### I. Company's Philosophy on Code of Corporate Governance

Your company firmly believes in good Corporate Governance and envisages the attainment of transparency in all matters of Management of the company and in reporting to the shareholders and all others concerned.

Your company has complied with the requirements of the Corporate Governance Code the disclosure requirements of which are given below:

#### II. Board of Directors

##### a. Board Meetings

The Board meets at least once every quarter to review the quarterly results and where expediency demands, additional meetings are held. The Board apprised and informed of all the important information relating to the business of the company including those listed in Annexure 1A of Clause 49 of the Listing Agreement.

##### b. Number of Board Meetings held during the year

Five Board Meetings were held during the year 2014-15 and the gap between two consecutive meetings did not exceed four months. The dates on which the Board Meetings held were 30.08.2014, 31.10.2014, 29.12.2014, 09.02.2015 and 14.05.2015.

##### c. Directors attendance record at the Board Meetings and the last AGM

Name of Director	Category	No. of Board Meetings attended	Attended at the last AGM
Sri M.S. Velu	Chairman & Managing Director	5	Present
Smt. S.S. Velu	Director	5	Present
Sri K. Arumugam	Independent Non Executive	5	Present
Sri P.Kanagavadivelu	Independent Non Executive	5	Present
Sri P.C. Narendran	Independent Non Executive	5	Present
Sri Vignesh Velu	Executive Director	5	Present

##### d. Number of other Companies or Committees the Director of the Company is a Director/Member Chairman

Name of Director	No. of Directorship in Other companies	
	Chairman	Member
Shri M.S. Velu	1	
Smt. S.S. Velu	Nil	1
Shri K. Arumugam	Nil	Nil
Shri P. Kanagavadivelu	Nil	Nil
Shri P.C. Narendran	Nil	Nil
Shri Vignesh Velu	Nil	1

## SHREE KARTHIK PAPERS LIMITED

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The Company did not have any pecuniary relationship with any of the Non-Executive Directors during the year 2014-15

### e. **Information supplied to the Board**

Among others, information supplied includes

- A. review of annual operating plans of business, capital budgets
- B. quarterly results of the company and its operating divisions or business segments
- C. minutes of meeting of Audit Committee and other Committees
- D. materially important show cause, demand, prosecution and penalty notices
- E. fatal or serious accidents or dangerous occurrences
- F. any materially significant problems
- G. non compliance of any regulatory or statutory provisions or listing requirements as well as shareholder services
- H. details of any joint venture or collaboration agreement
- I. transactions that involve substantial payment towards goodwill, brand equity or intellectual property

### f. **Independent Directors**

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act 2013 and Rules made there under and meet with requirement of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A format letter of appointment to Independent Director as provided in Companies Act 2013 and the Listing Agreement has been issued.

## III. **Committees of the Board**

### **Audit Committee**

The Audit Committee comprises of Sri K. Arumugam as its Chairman and Sri P. Kanagavadivelu and Sri C.P. Narendran as its members.

The Audit Committee is responsible for reviewing a wide range of financial matters including the quarterly and annual accounts before their submission to the Board and monitoring the controls that are in force to ensure the integrity of the financial information reported to the shareholders. The Audit Committee advises the Board on the appointment of Statutory and Internal Auditors and on their remuneration, both for audit and non-audit work and discusses the nature and scope of their audit. The Committee is also responsible for implementing the recommendations of the Board arising from its review of the internal control and risk assessment report. The terms of reference to the Audit Committee include the areas specified under sub clauses D & E of Clause 49 II and Disclosures under Clause 49IV(A) of the Listing Agreement. The Audit Committee has been granted powers as prescribed under Clause 49II(C). Thus, the terms of reference of the Audit Committee are wide enough to cover matters specified below:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

## SHREE KARTHIK PAPERS LIMITED

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2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (v) of section 134 of the Companies Act, 2013
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditors independence and performance and effectiveness of audit process
8. Approval or any subsequent modification of transactions of the company with related parties
9. Scrutiny of inter-corporate loans and investments
10. Valuation of undertakings or assets of the company wherever it is necessary
11. Evaluation of internal financial controls and risk management systems
12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control system
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

## SHREE KARTHIK PAPERS LIMITED

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism, in case the same is brought to force.
19. Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee met 5 times during the year 2014-15 on 30.08.2014, 31.10.2014, 29.12.2014, 09.02.2015 and 14.05.2015.

The Company has complied with the requirements of Clause 49 II A as regards the composition of the Audit Committee and the details of meetings attended by the Directors are given below:

Names of Members	Category	Number of meetings attended
Shri K.Arumugam	Independent, Non-Executive	5
Shri P.Kangavadivelu	Independent, Non-Executive	5
Shri P.C. Narendran	Independent, Non-Executive	5

### Stakeholders Relationship Grievance Committee

The Stakeholders' Grievance Committee is constituted to address and redress investors complaints such as transfer of shares, non-receipt of annual accounts, non-receipt of dividend warrants and to ensure expeditious share transfer process. The Committee comprises of Sri K. Arumugam as the Chairman, Sri M.S. Velu and Smt. S.S. Velu as its members. The Director Sri Vignesh Velu acts as the Secretary of the Committee.

The Committee met five times during the year 2014-15 on 30.08.2014, 31.10.2014, 29.12.2014, 09.02.2015 and 14.05.2015.

No investor grievance remained unattended/pending fore more than 15 days and no request for share transfers and dematerialization received during the financial year was pending for more than 15 days.

The Composition of the Stakeholders Grievance Committee and details of the meetings attended by the Directors are as under:

Names of Members	Category	Number of meetings attended
Shri. K. Arumugam Committee Chairman	Independent, Non-Executive	5
Shri. M.S. Velu	Non-Independent, Non-Executive	5
Smt. S.S. Velu	Non-Independent, Non-Executive	5

# SHREE KARTHIK PAPERS LIMITED

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## **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises three Independent Non-Executive Directors viz. Sri K. Arumugam as its Chairman, Sri P. Kanagavadivelu and Sri C.P. Narendran as its members. The Committee is responsible for recommending the contract terms, remuneration and other benefits for Company's Managing/Whole time Directors.

## **Remuneration Policy**

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to Whole-time Directors. Salary is paid within the range approved by the shareholders. Effective 1<sup>st</sup> April each year, annual increments as recommended by the Nomination and Remuneration Committee are approved by the Board of Directors.

## **Remuneration of Directors, sitting fees, salary and perquisites**

Remuneration payable to the managerial personnel is approved by the members at the General Meeting of the company. Remuneration consists of a fixed salary, perquisites, contribution to Provident fund. Commission is calculated on the net profits of the company.

## **Performance evaluation**

Pursuant to the provisions of the Companies Act 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the company. The performance of the Independent Directors was carried out by the entire Board. The performance of the Chairman and Non-Executive Directors was carried out by Independent Directors. The Board also carried out the annual performance of the other Committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

The Board of Directors decides the remuneration of Non-Executive Directors which is present "Nil"

## **IV. 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.

The Board has approved a policy for Related Party Transactions and implemented the Policy with effect from 01.03.2015. The policy is uploaded on the company's website.

## **V. Management**

### **a. Management Discussion and Analysis**

The Directors Report includes details of Management Discussion and Analysis of business of the company. As required under Clause 49(V) of the Listing Agreement, the CEO certification of the Financial Statement and the Internal Control System for financial reporting is enclosed to this report.

# SHREE KARTHIK PAPERS LIMITED

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## b. Disclosures by the Management to the Board

All details relating to financial and commercial transactions where Directors may have pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor do they vote on such matters.

## VI. GENERAL BODY MEETINGS

### General Body Meetings during last three years

Financial Year	Date	Time	Venue
2011-12	31.12.2012	3.00 P.M.	Sree Annapoorna Kalaiaragam, R.S. Puram, Coimbatore
2012-13	29.12.2013	3.00 P.M.	Sree Annapoorna Kalaiaragam, R.S. Puram, Coimbatore
2013-14	29.12.2014	3.00 P.M.	Sree Annapoorna Kalaiaragam, R.S. Puram, Coimbatore

## VII. Disclosures

There are no materially significant party transactions that would have potential conflict with interests of the company at large.

## VIII. Means of Communication

The Company is publishing quarterly un-audited financial results in Trinity Mirror ( English ) and Makkal kural (Tamil regularly).

## IX. The profile of Directors retiring by rotation eligible for re-appointment

Smt. Selvambal Sengottu Velu is due to retire by rotation and being eligible, offers herself for re-appointment.

## X. General Shareholders' Information

### Annual General Meeting:

**Date of Book Closure** : 24.12.2015 to 30.12.2015 (both days inclusive)  
**Day & Date** : 30<sup>th</sup> December 2015  
**Time** : 3:00 P.M.  
**Venue** : Sree Annapoorna Kalai Aragam, 75 East Arokiasamy Road, R.S.Puram, Coimbatore-641002

**Listing on Stock Exchanges** : The Company is listed on BSE Limited. The annual listing fee has been paid upto 2014-15 and there is no outstanding payment towards the Exchange as on date.

**Stock Code** : BSE Limited – 516106

### Financial Calendar (tentative)

First Quarter Results: Fourth week of November, 2015  
Second Quarter/Half-Yearly Results: Fourth week of January, 2016  
Third Quarter Results: Fourth week of May, 2016

# SHREE KARTHIK PAPERS LIMITED

## XI. Registrar and Transfer Agents

M/s. S.K.D.C. Consultants Limited

Kanapathy Towers 3<sup>rd</sup> Floor, 139/1A-1 Sathy Road, Ganapathy, Coimbatore 641 006, Tamilnadu

Phones:(0422)2539835, Fax:(0422) 2539837 Email address: info@skdc-consultants.com

## XII. Share transfer system

The Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are in order. The share transfers are approved by the Share Transfer Committee.

## XIII. Dematerialization of Shares and Liquidity

86.57% (1,65,43,800 equity shares) of the Company's paid-up Equity capital has been dematerialized up to 30<sup>th</sup> June 2015. Trading in Equity Shares is permitted only in dematerialized form as notified by SEBI. The volumes traded in stock exchanges not high.

## XIII. Shareholding Pattern as on 30<sup>th</sup> June 2015

Description of Investors	Number of shares held	Percentage of holding
Promoters	14241700	74.52
Mutual Funds, Banks, Financial Institutions & Insurance Companies	1048000	5.49
Foreign Institutional Investors	95100	0.50
NRI and OCBs		
Private Corporate Bodies	484111	2.53
Indian Public	3241089	16.96
Total	19110000	100.00

## XIV. Distribution of Shareholding as on 30.06.2015

In Value	No. of share holders	%	Amount	%
Upto 5000	5484	95.94	4549985	4.76
5001 - 10000	79	1.38	610770	0.64
10001 - 20000	53	0.93	771070	0.81
20001 - 30000	41	0.72	1041500	1.09
30001 - 40000	13	0.23	452500	0.47
40001 - 50000	11	0.19	521750	0.55
50001 - 100000	10	0.17	743750	0.78
100001 and above	25	0.44	86858675	90.90
<b>Total</b>	<b>5716</b>	<b>100.00</b>	<b>95550000</b>	<b>100.00</b>

## XV. Plant Location

Puliyangandi Aliyar Nagar,  
Kottur Village, Pollachi Taluk

## XVI. Address for Correspondence

No.25, 50 Ft Road  
Krishnasamy Nagar  
Ramanathapuram  
Coimbatore-641045



# SHREE KARTHIK PAPERS LIMITED

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## Declaration by the CEO under Clause 49 of the Listing Agreement

As per the revised clause 49 of the Listing Agreement with the Stock Exchange, the Board of Directors of the company has laid down the code of conduct for the Directors and the senior management personnel. The Annual Report of the company shall contain a declaration to this effect signed by CEO of the company.

I hereby declare that

1. Code of conduct adopted by the Board was circulated to the members of the Board and senior management personnel of the company.
2. All members of the Board and Senior Management Personnel of the company have complied with all provisions of the code of conduct.

Place : Coimbatore

Date : 14.08.2015

For and on behalf of the Board

(Sd./-) M.S. Velu

Chairman & Managing Director & CEO

## Certificate of Compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement

### AUDITORS' CERTIFICATE

The Members of  
M/s. Shree Karthik Papers Limited  
Coimbatore

We have reviewed the implementation of Corporate Governance procedures by M/s. Shree Karthik Papers Limited (the company) during the year ended 30th June 2015 with the relevant records and documents maintained by the company, furnished to us for our review and the report of Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company in ensuring the compliance of conditions of Corporate Governance as stipulated in the above mentioned clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

We have conducted our review on the basis of the relevant records and documents maintained by the company and furnished to us for the review and the information and explanations given to us by the company.

Based on such review, in our opinion, the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Giri & Co.  
Chartered Accountants

(Sd./-) **R. Giri**

Senior Partner

Membership Number : 25458

Place : Coimbatore

Date : 14.08.2015

# SHREE KARTHIK PAPERS LIMITED

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## INDEPENDENT AUDITOR'S REPORT

**To the Members of M/s. SHREE KARTHIK PAPERS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s. SHREE KARTHIK PAPERS LIMITED** ("the company"), which comprise the Balance Sheet as at June 30, 2015, and the statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the financial statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriateness in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# SHREE KARTHIK PAPERS LIMITED

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## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India:

- (a) in the case of the Balance sheet, of the state of affairs of the Company as at June 30, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date

## Report on Other Legal and Regulatory Requirements

1. As required by the companies(Auditor's Report) Order, 2015 (the Order) issued by the Central Government of India in terms of Sub Section (11) of Section.143 of the Companies Act 2013, we give in the annexure a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent Applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet and the statement of Profit and loss and the cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on June 30, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :
    - i. The Company does not have any pending litigations which would impact its financial position
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
    - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

For Giri & Co.  
Chartered Accountants

(Sd./-) **R. Giri** BCom FCA FCMA BL  
Senior Partner  
Membership Number : 25458

Place : Coimbatore  
Date : 14.08.2015

# SHREE KARTHIK PAPERS LIMITED

## ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of **M/S. SHREE KARTHIK PAPERS LIMITED** ('the Company') for the year ended June 30, 2015. We report that:

- i) In respect of Fixed Assets :
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b) As per the information and explanations given to us, fixed assets have been physically verified by the Management at reasonable intervals, and No discrepancies were noticed on such Verification.
- ii) In respect of Inventories :
  - a) As per the information and explanation given to us, the inventories have been physically verified by the management at reasonable intervals during the year.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of it's business.
  - c) The Company is maintaining proper records of inventories. No material discrepancies were noticed on physical verification of inventory.
- iii) a) According to the information and explanations given to us, the Company has not granted loans, unsecured, from or to Companies, firm or other parties, listed in the Register maintained Under Section 189 Of the Companies Act,2013 ('the Act'),but the Company has taken loans, unsecured, from the parties, listed in the Register maintained Under Section 189 Of the Companies Act,2013 ('the Act'), the terms and Conditions are not prima facie prejudicial to the interest of the Company and the terms of arrangements do not Stipulate and repayment Schedule and the loans are repayable on demand.

During the year the company has financial transactions with the Directors as detailed below:

Name of the Directors	Balance as on 01.07.2014	Balance as on 30.06.2015
M.S. Velu Managing Director	Rs.15,93,19,850/-	Rs.13,61,01,378/-
S.S. Velu Director	Rs.2,12,42,544/-	Rs.1,77,00,623/-
Vignesh Velu Executive Director	Rs.1,67,96,408/-	Rs.2,06,15,976/-

- b) There are no overdue amounts in respect of the loans granted to the bodies Corporate listed in the register maintained Under Section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there is an internal control System Commensurate With the Size of the Company and the nature Of its business with regard to purchase of inventory & fixed assets and Sale of goods and Services.
- v) The Company has not accepted and deposits from the public.
- vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for maintenance of cost records under section 148(1) of the act and are of the opinion that prima facie, the Prescribed accounts and records have been made and maintained, However, we have not made a detailed examination of the records.
- vii) According to the records of the Company and the information and explanations given to us in respect of Statutory and other dues:

## SHREE KARTHIK PAPERS LIMITED

- (a) The Company was regular in depositing Provident Fund and Employee' State Insurance dues, Excise duty, Service tax, customs duty, CESS, Investor Education & Protection Fund, Income Tax , Sales Tax and all other applicable Statutory dues with the appropriate authorities and there were no arrears outstanding for a period of more than 6 month as at 30th June,2015
- (b) According to the information and explanation given to us, the following dues have not been deposited on account of disputes. The company is confident of getting these claim quashed as the demands have been raised only on technical grounds.

Sl. No.	Name of the Statute	Nature of Dues	Forum where dispute pending	Amount Rs.
a.	Sales Tax 1995-1996	Penalty	Sales Tax Appellate. Tribunal (AB) (Appeal pending)	2,21,858
b.	1999-2000 (CST)	Tax Penalty	The Appellate Asst. Commissioner(Ct.)Cbe., (Appeal pending)	15,88,951 17,99,951
c.	2000-2001 (CST)	Tax Penalty	The Appellate Asst. Commissioner(Ct.) Cbe., (Appeal pending)	27,61,182 29,43,768
d.	2003-2004 (CST)	Tax	Sales Tax Appellate Tribunal (AB) (Appeal pending)	4,44,575
e.	2004-2005 (CST)	Tax Penalty	The Appellate Asst. Commissioner(Ct.)Cbe., (Appeal pending)	15,25,088 16,02,309
f.	2004-2005 (TNGST)	Tax Penalty	The Appellate Asst. Commissioner(Ct.)Cbe., (Appeal pending)	1,17,030 58,515
g.	2006-2007 (Income Tax)	Tax	CIT (Appeals) Cbe.,	58,40,144

- (c) According to the information and explanations given to us, there were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act,2013 and rules there under
- viii) The Company has accumulated losses at the end of the financial year and has not incurred cash loss in the financial year and in the immediately preceding financial year.
- ix) According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks of financial institutions.
- xi) As informed to us, the term loans were utilized by the Company for the purpose for which they were obtained.
- xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the Course of our audit.

For Giri & Co.  
Chartered Accountants

(Sd./-) **R. Giri** BCom FCA FCMA BL  
Senior Partner  
Membership Number : 25458

Place : Coimbatore  
Date : 14.08.2015

# SHREE KARTHIK PAPERS LIMITED

## BALANCE SHEET AS AT 30th JUNE.2015

Amt in Rs.

Particulars	Note	As at 30.06.2015	As at 30.06.2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUND</b>			
Share Capital	2.1	95,550,000	95,550,000
Reserves & Surplus	2.2	(13,740,861)	(17,979,398)
Money received against share warrants		Nil	Nil
<b>NON CURRENT LIABILITIES</b>			
Long Term Borrowings	2.3	121,786,721	24,480,846
Deferred Tax Liabilities (Net)	2.4	4,289,425	4,289,425
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	2.5	92,517,708	197,358,802
Trade Payables	2.8	22,919,665	1,388,508
Other Current Liabilities	2.6	9,713,393	10,293,320
Short Term Provisions	2.7	1,666,210	4,821,442
<b>TOTAL</b>		<b>334,702,260</b>	<b>320,202,945</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	2.9	130,980,372	129,190,787
(ii) Intangible Assets		Nil	Nil
(iii) Capital Work in progress		Nil	Nil
(iv) Intangible Assets under developement		Nil	Nil
(b) Non-Current Investment	2.10	8,500	28,646,500
(c) Deferred Tax Assets(Net)	-	Nil	Nil
(d) Long-Term loans and advances	2.11	15,215,555	12,231,632
(e) Other Non current Assets	-	Nil	Nil
<b>CURRENT ASSETS</b>			
(a) Current Investments		Nil	Nil
(b) Inventories	2.12	143,689,660	107,022,176
(c) Trade Receivables	2.13	43,723,018	36,731,470
(d) Cash and Cash equivalents	2.14	144,684	1,368,934
(e) Short Term Loans and Advances	2.15	940,471	5,011,446
(f) Other Current Assets		Nil	Nil
<b>TOTAL</b>		<b>334,702,260</b>	<b>320,202,945</b>

Significant Accounting Policies  
and Notes on accounts

1 & 2

(Sd./-) **M.S. VELU**  
Chairman and Managing Director  
DIN : 0168208

(Sd./-) **Mrs. S.S VELU**  
Director  
DIN : 01740974

As per our report of even date  
For **Giri & Co.,**  
Chartered Accountants  
F.R.No. 006702S

(Sd./-) **R. GIRI**  
Senior Partner  
M.No 025458

Place : Coimbatore  
Date : 14.08.2015

# SHREE KARTHIK PAPERS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30th, JUNE 2015

		Amt in Rs.	
Particulars	Note	Year ended 30.06.2015	Year ended 30.06.2014
<b>INCOME</b>			
Revenue from Operations	2.16	364,731,247	324,726,290
Other Income	2.17	1,341,688	972,580
<b>Total Revenue</b>		<b>366,072,936</b>	<b>325,698,870</b>
<b>EXPENSES</b>			
Cost of material consumed	2.18	230,884,849	207,994,729
Changes in Inventories of Finished Goods, WIP & Stock - in - Trade	2.19	(13,577,724)	(6,840,503)
Employee Benefits Expenses	2.20	13,306,267	12,889,405
Finance Costs	2.21	19,581,308	18,351,009
Depreciation and amortisation expenses	2.9	7,542,258	4,729,175
Other Expenses	2.22	101,094,753	87,351,386
<b>Total Expenses</b>		<b>358,831,712</b>	<b>324,475,203</b>
<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>		<b>7,241,224</b>	<b>1,223,667</b>
Exceptional Items		-	-
<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>		<b>7,241,224</b>	<b>1,223,667</b>
Extraordinary Items		-	-
<b>PROFIT BEFORE TAX</b>		<b>7,241,224</b>	<b>1,223,667</b>
Tax expense:			
Current tax	-	-	-
Deferred tax(Net)		-	-
Prior period Adjustments-Net		-	-
<b>PROFIT FOR THE PERIOD</b>		<b>7,241,224</b>	<b>1,223,667</b>
<b>EARNINGS PER EQUITY SHARE</b>			
Equity shares of par value Rs.10/-each			
Basic		<b>0.38</b>	<b>0.06</b>
Diluted		<b>0.38</b>	<b>0.06</b>
Number of shares used in computing earnings per share			
Basic		<b>19,110,000</b>	<b>19,110,000</b>
Diluted		<b>19,110,000</b>	<b>19,110,000</b>

Significant Accounting Policies and Notes on accounts

**1 & 2**

(Sd./-) **M.S. VELU**  
Chairman and Managing Director  
DIN : 0168208

(Sd./-) **Mrs. S.S VELU**  
Director  
DIN : 01740974

As per our report of even date  
For **Giri & Co.**,  
Chartered Accountants  
F.R.No. 006702S

(Sd./-) **R. GIRI**  
Senior Partner  
M.No 025458

Place : Coimbatore  
Date : 14.08.2015

# SHREE KARTHIK PAPERS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30th June 2015

Particulars	Rs	Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax and extraordinary items	7,241,224	
Add: Non Cash & Non Operating Expenses		
Depreciation	7,542,258	
Interest paid to bank & others	19,581,308	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		34,364,790
Less: Increase in Current Assets	(43,659,032)	
Less : Decrease in Current Liabilities	(104,841,094)	
Add: Increase in Current Liabilities	17,795,997	
Add : Decrease in Current Assets	4,070,975	
OPERATING PROFIT AFTER WORKING CAPITAL CHANGES	(126,633,154)	<b>(92,268,364)</b>
Less : Income tax paid		-
<b>(A) NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>(92,268,364)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Less: Purchase of Fixed Assets	(12,334,530)	
Add : Sale of Fixed Assets	-	
Sale of Investments	28,638,000	
<b>(B) NET CASH FLOW FROM INVESTING ACTIVITY</b>		<b>16,303,470</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Less: Repayment of Loan	(19,581,308 )	
Less: Long Term Borrowing Repaid	-	
Add : Long term loans and advances	<b>2,983,923</b>	
Add : Long term Borrowing raised		
<b>C ) NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>74,740,644</b>
<b>(A) + (B) + (C )</b>		<b>(1,224,250)</b>
<b>Add: Opening Cash &amp; Cash Equivalents</b>		<b>1,368,934</b>
<b>Closing Cash &amp; Cash Equivalents</b>		<b>144,684</b>



# SHREE KARTHIK PAPERS LIMITED

## 2. NOTES ON ACCOUNTS

The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

Particulars	Amt in Rs.	
	As at June 30, 2015	As at June 30, 2014
<b>2.1 - SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,00,00,000 Equity Shares of Rs.5/- each	100,000,000	100,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,91,10,000 Equity Shares of Rs.5/- each fully paid up.		
The Capital includes 10,00,000 Equity Shares of Rs.5/- each issued to IDBI in lieu of payment of interest to IDBI as per BIFR order dated 07.02.2007. The value of the shares are reduced by 50% as per the order of the BIFR dated 07.02.2007	95,550,000	95,550,000
<b>DETAILS OF SHARE HOLDING MORE THAN 5% AS ON BALANCESHEET DATE:-</b>		
Name of the Share Holder	No. of Equity Shares	% of Holding
M.S Velu	10,819,120	57%
Selvambal	4,256,580	22%
Industrial Development Bank of India	1,000,000	5%
<b>RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING:</b>		
Particulars	As at June 30, 2015	As at June 30, 2014
Number of Shares at the beginning	19,110,000	19,110,000
Add / (Less) : Share issued / Transfer	-	-
Number of Shares at the end	19,110,000	19,110,000
<b>2.2 - RESERVES &amp; SURPLUS</b>		
<b>STATEMENT OF PROFIT &amp; LOSS</b>		
Opening Balance	(19,359,398)	(24,674,009)
Add: Current Year Profit transferred from Statement of Profit & Loss	7,241,224	1,223,667
Amount available for Appropriations	(12,118,174)	(19,359,398)
Less: Appropriations	3,002,687	-
Closing Balance	(15,120,861)	(19,359,398)
Share Premium Account	-	-
	<b>(15,120,861)</b>	<b>(19,359,398)</b>
<b>CAPITAL RESERVE</b>		
Opening Balance	1,380,000	1,380,000
Add: Current Year Profit transferred from Statement of Profit & Loss	-	-
Amount available for Appropriations	1,380,000	1,380,000
Less: Appropriations	-	-
Closing Balance	<b>1,380,000</b>	<b>1,380,000</b>
<b>TOTAL</b>	<b>(13,740,861/)</b>	<b>(17,979,398)</b>

# SHREE KARTHIK PAPERS LIMITED

Particulars	Amt in Rs.	
	As at June 30, 2015	As at June 30, 2014
<b>2.3- LONG TERM BORROWINGS</b>		
Loans and Advances from Others		
Interest Free Sales Tax Loan	20,983,582	24,480,846
From Related Party Shri M.S.Velu	100,000,000	-
Term Loan- From Bank		
HDFC Car Loan	385,196	-
ICICI Bank Jeep Loan	417,943	-
<b>TOTAL</b>	<b>121,786,721</b>	<b>24,480,846</b>
<b>2.4- DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Assets	-	-
Deferred Tax Liabilities	4,289,425	4,289,425
	<b>4,289,425</b>	<b>4,289,425</b>
<b>2.5- SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
<b>From banks</b>		
Axis Bank , Avinashi Road CBE. CC Account	18,099,731	-
<b>(b) From Related Parties - Unsecured:-</b>		
M.S.Velu	36,101,378	159,319,850
Smt.S.S.Velu	17,700,623	21,242,544
Shri Vignesh Velu	20,615,976	16,796,408
<b>TOTAL</b>	<b>92,517,708</b>	<b>197,358,802</b>
<b>2.6 - TRADE PAYABLES</b>		
Sundry Creditors - Supplies	22,919,665	10,293,320
<b>TOTAL</b>	<b>22,919,665</b>	<b>10,293,320</b>
<b>2.7 - OTHER CURRENT LIABILITIES</b>		
Other Payables		
Expenses	111,000	-
Staff salary Payable)	716,359	634,249
Electricity Bill Payable	5,252,443	1,906,470
Sales Tax payable	1,75,507	381,294
Excise Duty Payable	2,139,926	1,588,112
Provident Fund Payable	83,534	79,841
TDS Payable	234,624	231,476
<b>TOTAL</b>	<b>9,713,393</b>	<b>4,821,442</b>
<b>2.8 - SHORT TERM PROVISIONS</b>		
Provision for Exgratia & Bonus	591,235	492,696
Provision for Gratuity	1,074,974	895,812
<b>TOTAL</b>	<b>1,666,210</b>	<b>1,388,508</b>

# SHREE KARTHIK PAPERS LIMITED

ASSET DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 01.07.2014	Additions (Rs.)	(Deletions) (Rs.)	As on 30.06.2015	Upto 01.07.2014	Withdrawn	For the year	Upto 30.06.2014	As on 30.06.2015	As on 30.06.2014
Land & Land Development	1,356,905			1,356,905	-	-	-	-	1,356,905	1,356,905
Garden Development	137,500			137,500	-	-	-	-	137,500	137,500
Building	33,444,496	11,426,587	-	44,871,083	15,516,748		2,039,392	17,556,140	27,314,943	17,927,748
Plant & Machinery	174,780,914	8,254,965	-	183,035,879	97,222,384		6,788,088	104,010,472	79,025,407	77,558,530
Electrical Installations & Fittings	31,379,466	2,610,176		33,989,642	15,543,390		953,025	16,496,415	17,493,227	15,836,076
River Pipeline	7,786,464			7,786,464	5,866,038		212,816	6,078,854	1,707,610	1,920,426
Furniture & Fittings	853,592			853,592	542,242		25,349	567,591	286,001	311,350
Office Equipments	1,615,620	3,500	-	1,619,120	707,753		51,359	759,112	860,008	907,867
Motor Vehicles	4,177,355	713,769		4,891,124	1,650,274		470,119	2,120,393	2,770,731	2,527,081
Miscellaneous Assets	73,637			73,637	40,799		4,797	45,596	28,041	32,838
<b>TOTAL</b>	<b>255,605,949</b>	<b>23,008,997</b>	<b>-</b>	<b>278,614,946</b>	<b>137,089,629</b>	<b>-</b>	<b>10,544,945</b>	<b>147,634,574</b>	<b>130,980,372</b>	<b>118,516,321</b>
Capital work in Progress	10,674,467	-	10,674,467	-	-	-	-	-	-	10,674,467
<b>TOTAL (A+B)</b>	<b>266,280,416</b>	<b>23,008,997</b>	<b>10,674,467</b>	<b>278,614,946</b>	<b>137,089,629</b>	<b>-</b>	<b>10,544,945</b>	<b>147,634,574</b>	<b>130,980,372</b>	<b>129,190,788</b>

# SHREE KARTHIK PAPERS LIMITED

Particulars	Amt in Rs.	
	As at June 30, 2015	As at June 30, 2014
<b>2.10 - NON CURRENT INVESTMENTS</b>		
<b>Government Securities</b>		
Indra Vikas Patra	8,000	8,000
National Saving Certificate	500	500
Shares in Shree Ganesh Gears, Mysore	-	28,638,000
<b>TOTAL</b>	<b>8,500</b>	<b>28,646,500</b>
<b>2.11 - LONG TERM LOANS &amp; ADVANCES</b>		
Advances receivable in cash or kind		692,800
Deposits-EB	10,401,600	8,090,513
Sales Tax Advance	3,448,319	3,448,319
Other Deposit	1,365,636	
<b>TOTAL</b>	<b>15,215,555</b>	<b>12,231,632</b>
<b>2.12 - INVENTORIES</b>		
Stores	19,770,859	17,886,948
Raw Materials	54,436,194	36,327,941
Work in process	26,790,050	19,445,500
Finished Goods (Other than acquired in Trading)	40,010,881	31,431,736
Fuel	877,647	1,030,051
Branch stock	1,804,029	900,000
<b>TOTAL</b>	<b>143,689,660</b>	<b>107,022,176</b>
<b>2.13 - TRADE RECEIVABLES</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured	-	-
Other Trade Receivables	43,723,018	36,731,470
Unsecured		
<b>TOTAL</b>	<b>43,723,018</b>	<b>36,731,470</b>
<b>2.14 - CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand	1,245	322,420
<u>Balance with Banks</u>		
Canara Bank - Sungam Branch	5,527	5,527
Federal Bank of India	11,519	11,519
Indian Bank - Ramanathapuram	73,130	869,332
Catholic Syrian Bank	42,749	42,749
SBI Coimbatore	-	4,125
SIB-IFBR	-	1,425
State bank of Hyderabad	-	866
The Karur Vysya Bank Ltd	10,514	10,531
Vysya Bank Application Money	-	100,440
<b>TOTAL</b>	<b>144,684</b>	<b>1,368,934</b>

# SHREE KARTHIK PAPERS LIMITED

Amt in Rs.

Particulars	As at June 30, 2015	As at June 30, 2014
<b>2.15 - SHORT TERM LOANS &amp; ADVANCES</b>		
Advance to suppliers	-	4,950,707
Shree Vignesh Wind Mill P Limited	210,000	
<b>Others</b>		
TDS Receivable	72,858	60,739
Other Advances	657,613	
<b>TOTAL</b>	<b>940,471</b>	<b>5,011,446</b>

Particulars	Year ended June 30, 2015	Year ended June 30, 2014
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<b>2.16 - Revenue from Operations</b>		
Sale of Products	364,731,247	324,726,289
<b>TOTAL</b>	<b>364,731,247</b>	<b>324,726,289</b>

Note: Sale of Products

Sale of Product comprises  
Paper

	364,731,247	324,726,289
<b>Total Sale of Manufactured Goods</b>	<b>364,731,247</b>	<b>324,726,289</b>

## 2.17 Other Income

Other Income Comprises  
Insurance (TRANSIT)  
Interest (EB)  
Misc incom

	613,106	349,452
	728,582	607,393
	-	15,735
<b>Total Other Income</b>	<b>1,341,688</b>	<b>975,580</b>

## 2.18 Cost of Raw Material Consumed :

Opening Stock	36,327,941	19,439,045
Add : Purchases and Expenses	248,993,102	224,883,625
	285,321,043	244,322,670
<b>Less : Closing Stock</b>	<b>54,436,194</b>	<b>36,327,941</b>
<b>Total</b>	<b>230,884,849</b>	<b>207,994,729</b>

## 2.19 Changes in Inventories of Finished Goods,

### WIP & Stock - in - Trade

Inventories at the end of the year:

Finished goods	38,564,909.60	32,331,736.60
Work-in-progress	26,790,050.00	19,445,500.00
	<b>65,354,959.60</b>	<b>51,777,236.60</b>

Inventories at the beginning of the year:

Finished goods	32,331,736.00	26,962,039.80
Work-in-progress	19,445,500.00	17,974,693.00
	<b>51,777,236.00,</b>	<b>44,936,733.00</b>

Net (Increase)/ Decrease	<b>(13,577,723.60)</b>	<b>(6,840,503.00)</b>
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# SHREE KARTHIK PAPERS LIMITED

Particulars	Amt in Rs.	
	Year ended June 30, 2015	Year ended June 30, 2014
<b>2.20: Employee Benefits Expenses</b>		
Salaries and Wages	11,847,039	11,770,775
Contributions to provident and other funds	622,358	623,896
Bonus & Ex-gratia	543,616	316,358
Staff Welfare	293,254	178,416
<b>Total</b>	<b>13,306,267</b>	<b>12,889,405</b>
<b>2.21 Finance Costs</b>		
(a) Interest expense on:		
(i) Team Loan - Car Loan	119,509	111,244
(iii) Working Capital Interest	831,390	-
- Interest on delayed / deferred payment of income tax	577,278	- 339,518
- Bank Commission and Charges	-	-
(b) Other borrowing costs	18,053,131	17,900,247
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	-	-
<b>Total</b>	<b>19,581,308</b>	<b>18,351,009</b>
<b>2.22: Other Expenses</b>		
Stores, spares, tools dye stuffs	8,170,047	7,431,951
Machinery Maintenance	8,054,502	7,619,311
Office Maintenance	16,957	10,815
Office Equipment Maintenance	24,633	130,391
Electrical Maintenance	1,074,035	655,651
Vehicle Maintenance, Travelling & Etc	624,922	597,702
Rent	1,104,000	792,000
Power, fuel and water charges	72,450,050	61,736,037
Insurance	241,485	268,569
Rates and Taxes	1,040,101	326,064
Rebate, Commission and Discount	208,697	116,275
Packing and Forwarding	7,052,491	65,73,498
Advertisement	29,600	32,690
Postages, Telegrams and Telephone	245,263	245,402
General Expenses, Printing & Stationary ect	646,971	695,030
Remuneration to Auditors	111,000	120,000
<b>Total</b>	<b>101,094,753</b>	<b>87,351,386</b>

# SHREE KARTHIK PAPERS LIMITED

\_Amt in Rs.

Particulars	Year ended June 30, 2015	Year ended June 30, 2014
<b>Notes:-</b>		
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	80,000	75,000
For taxation matters	25,000	25,000
For company law matters	-	-
For management services	-	-
- For other services	6,000	20,000
Reimbursement of expenses	-	-
<b>TOTAL</b>	<b>111,000</b>	<b>120,000</b>

## 2.23 Quantitative Information

	30.06.2015		30.06.2014	
	Qty. in MT	Value in Rs.	Qty. in MT	Value in Rs.
<b>I) MANUFACTURING ACTIVITY :-</b>				
Installed Capacity and Production				
a. Installed Capacity MT	13,350		13,350	
b. Actual Production MT	12,643		10,434	
Sale of Finished Goods – Paper	12,415	36,47,31,247	10,372	32,47,26,440
Raw Material Consumption :				
Waste Paper – Indigenous	14,104	23,08,84,849	16,060	20,79,94,729
Chemical		1,70,76,976		1,66,94,400
Stock of Finished Goods	725	3,85,64,910	642	3,23,31,736

## 2.24. TAXATION

The company has no liability towards income tax, due to its accumulated losses.

Deferred tax Liability is recognized on timing differences of depreciation between Income Tax and Books of Accounts. The benefit of carry forward losses permissible, which company is certain to realize with future profit is arrived as Deferred Tax Asset. The Net of DTA and DTL are recognized in the financial statement.

## 2.25. RELATED PARTY TRANSACTION

### a) List of related parties :-

#### i) Key Management Personnel

M S Velu - Managing Director

Vignesh Velu –Director

#### ii) Other Related Parties

Shree Ganesh Gears Private Limited

### b) Transactions with Related Parties :-

Rs.

#### Key Managerial Personnel

Remuneration to Director Mr.Vignesh Velu 24,00,000

Interest paid to M.S.Velu 1,71,30,858

Interest paid to Vignesh Velu 10,25,549

Interest paid to Smt.S.S.velu 12,20,735

# SHREE KARTHIK PAPERS LIMITED

## b). Transactions with Related Parties (Contd.):-

Rs.

### Key Managerial Personnel

#### Unsecured Loan O/s. as on 30.06.2015

M S Velu - Managing Director	13,61,01,378
Vignesh Velu –Director	2,06,15,976
Smt S.S. Velu – Director	1,77,00,623

### Other Related Parties

- Relationship : Associate Company Shree Ganesh Gears Pvt.,Ltd
- Nature of Transactions : Purchase of wind energy power 40,61,736
- Outstanding balance as on 30.06.2015 : (1,08,06,835)
- Amount Paid during the year : 37,84,360

## 2.26. SEGMENT REPORTING

The company manufactures and sells only one product, namely writing and printing papers. The company finds no risks involved in the revenue and expenses of the transaction

## 2.27. EXPENDITURE IN FOREIGN CURRENCY

- Value of imports on CIF basis during the year NIL
- Expenditure in Foreign Currency during the year NIL
- Earnings in Foreign Currency during the year NIL

## 2.28. DETAILS OF REMUNERATION TO DIRECTORS:

Particulars	30.06.2015			30.06.2014		
	MD	Director	E Director	MD	Director	E Director
Salary	Nil	Nil	24,00,000	Nil	Nil	24,00,000
Perquisites	Nil	Nil	Nil	Nil	Nil	Nil

## 2.29. SALES

Net sales include sale of products manufactured exclusive of Excise Duty and Sales/VAT Tax charged to customers.

**2.30.** The Company has not received from its vendors/ suppliers about their status under the MSME Development Act 2006 and hence disclosing the amounts unpaid as at the end of the year.

**2.31** Sundry Debtors, Creditors, Unsecured Loans and Loans and Advances are subject to confirmation and reconciliation and are stated at the book balance thereof. Similarly, the balance of Share Application money with Vysya Bank is subject to confirmation and reconciliation.

**2.32.** The company is not covered by ESI regulation.

(Sd./-) **M.S. VELU**  
Chairman and Managing Director  
DIN : 0168208

(Sd./-) **Mrs. S.S VELU**  
Director  
DIN : 01740974

As per our report of even date  
For **Giri & Co.,**  
Chartered Accountants  
F.R.No. 006702S

(Sd./-) **R. GIRI**  
Senior Partner  
M.No 025458

Place : Coimbatore  
Date : 14.08.2015



# SHREE KARTHIK PAPERS LIMITED

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## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of Preparation of Financial Statements:-

The Accompanying financial statements have been prepared on a going concern basis under the historical cost convention on the accrual basis of accounting in conformity with Generally Accepted Accounting Principles in India (" India GAAP)

### 1.2 Valuation of Inventories:-

Finished Goods	At Cost
Stock in Process	At Cost
Raw Materials	At Cost
Consumable & Stores Fuel Item	At Cost

### 1.3 Fixed Assets:-

Fixed Assets are stated at cost Less accumulated depreciation (less CENVAT, wherever applicable). Cost includes related duties, taxes, freight and installation expenses.

Advances paid towards the acquisition or construction of fixed Assets and the cost of assets not put to use as at the reporting date are disclosed under Capital Work in progress.

### 1.4. Depreciation.

Depreciation on tangible assets has been provided on Straight Line Method over the useful life in the manner prescribed in the schedule II of the companies Act 2013 effective from 1st April 2014, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on addition to assets or on sale/discardment of assets, is calculated

on pro-rata from the month of such addition or upto the month of such sale/discardment, as the case may be.

### 1.5. Investments

Investments being long term are stated at Cost..

### 1.6. Retirement Benefits

Provision for gratuity has been made for the eligible employee.

### 1.6. Segment reporting

The company manufactures and sells only one product, namely writing and printing papers. The company finds no risks involved in the revenue and expenses of the transaction.

### 1.7. Deferred Tax

Deferred tax is recognized on timing difference between accounting income and the taxable income for the period and reversal of timing differences of earlier periods and quantified using the tax rates and laws that have been enacted/ substantively enacted as at the Balance Sheet date. The deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that these would be realized in future.

### 1.8. Provisions, Contingent Liabilities and contingent Assets:

Provision is recognized only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities have not been provided for. The same will be met as and when they arise. Contingent Assets are neither recognized nor disclosed in the financial statements.

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(Sd./-) M.S. VELU  
Chairman and Managing Director  
DIN : 0168208

(Sd./-) Mrs. S.S VELU  
Director  
DIN : 01740974

As per our report of even date  
For **Giri & Co.,**  
Chartered Accountants  
F.R.No. 006702S

(Sd./-) R. GIRI  
Senior Partner  
M.No 025458

Place : Coimbatore  
Date : 14.08.2015

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# SHREE KARTHIK PAPERS LIMITED

CIN : L2102TZ1991PLC003570

Registered office: 25, 50 Feet Road, Krishnasamy Nagar Ramanthapuram, Coimbatore-641 045  
Phone No: 0422 4217174 Fax : 0422 0422 4217178 Email ID : [shreekarthikpapers@yahoo.com](mailto:shreekarthikpapers@yahoo.com)

## PHYSICAL BALLOT FORM

(Please read the instructions printed overleaf carefully before completing this form)

1. Registered Folio No./ DP ID No. & Client ID No. * *(Applicable to investors holding shares in dematerialized form)
2. Name(s) and Registered Address of the sole/first named Shareholder/Beneficial owner, including Joint holder(s), if any (in block letters)
3. Class and Number of shares held

I / We hereby exercise my/our votes in respect of the resolutions set out in the notice of the Twenty Fourth Annual General Meeting dated 06<sup>th</sup> August 2015 by sending my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below:

Reso- lution NO.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		No. of Shares	For	Against
<b>Ordinary Business</b>				
1	Approval of Financial Statements for the year ended 31 <sup>st</sup> March, 2015, the Report of the Board of Directors and the Report of the Auditors thereon.		<input type="checkbox"/>	<input type="checkbox"/>
2	Appointment of Director in the place of Smt. Selvambal Sengottu Velu (holding DIN 01740974) who retires by rotation and being eligible, offers herself for re-appointment		<input type="checkbox"/>	<input type="checkbox"/>
3	Ratification of appointment of Auditors and to fix their remuneration (Firm Registration No. 006702S)		<input type="checkbox"/>	<input type="checkbox"/>

Place :

Date :

Signature of the Shareholder  
(Refer instruction No.2. over leaf)

\*\* Email ID.....

\*\* To be provided by the members holding Equity Shares in physical form

(PTO)

## INSTRUCTIONS

### Process and manner for members opting to vote by using the Physical Ballot Form:

1. Please complete and sign the Ballot Form and send it, so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Sri. S. Rengasamy, Practicing Company Secretary, (Membership No.3871) not later than the close of working hours (5.00 P.M.) on 29<sup>th</sup> December, 2015. The envelope containing the Physical Ballot Form, shall be deposited in person or sent by Courier or Registered/Speed Post by the member to the Scrutinizer: **Sri. S. Rengasamy, Practicing Company Secretary, Scrutinizer, 25, 50 Feet Road, Krishnasamy Nagar Ramanthapuram, Coimbatore-641 045** Physical Ballot Form received after 29<sup>th</sup> December, 2015. (5.00 P.M) will be strictly treated as if the reply from the member has not been received.
2. The form should be signed by the member as per the specimen signature registered with the company / Depository Participants. In case of joint holding, the form should be completed and signed by the first named member and in his / her absence, by the next named joint holder. There will be one form for every Folio / Client ID irrespective of the number of joint holders. A Power of Attorney (POA) holder may vote on behalf of a member, mentioning the registration number of the POA or enclosing an attested copy of the POA. Exercise of vote is not permitted through proxy.
3. For shares held by Companies, Bodies Corporate, Trusts, Societies, etc. the duly completed form should be accompanied by a certified true copy of the board resolution / authorization together with attested specimen signature(s) of the duly authorized signatory(ies).
4. Votes should be cast, in case of each resolution, either in favour or against by putting the tick (3) mark in the column provided for assent/dissent. Members may partially enter any number in iFORi and partially in iAGAINSTi but the total number in iFOR/AGAINSTi taken together should not exceed the member's total shareholding. If the shareholder does not indicate either iFORi or iAGAINSTi in case of any resolution, it will be treated as iABSTAINi for that resolution and the shares held will not be counted under either head.
5. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on 23<sup>rd</sup> December, 2015 (cut off date) as per the Register of Members of the Company and as informed to the Company by the Depositories in case of beneficial owners.
6. A member may request for a duplicate Ballot Form, if so required. However, the duly filled in and signed duplicate form should reach the Scrutinizer not later than the date specified at Sr.No.1 above.
7. Unsigned, incomplete, improperly or incorrectly tick marked ballot forms will be rejected. A form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature cannot be verified.
8. The Scrutinizer's decision on the validity of a ballot will be final.
9. Members are requested not to send any other paper along with the Ballot Form. Any other paper found with the Ballot Form would be destroyed. Members are also requested not to write anything on the Physical Ballot Form except giving their name, registered address, no. of shares, assent or dissent and putting their signature.
10. The results of the voting shall be declared within 3 days of conclusion of the Annual General Meeting of the Company. The results declared, along with the Scrutinizer's Report, shall be placed on the Website of CDSL and communicated to the Bombay Stock Exchange where the Company is listed immediately after the Chairman and Managing Director declares the result.

#### Notes:

1. This ballot form is provided for the benefit of members who do not have access to e-voting facility, to enable them to send their assent or dissent by post.
2. A member can opt for only one mode of voting, i.e. either by post or through e-voting. If a member casts votes by both modes, then voting done through e-voting shall prevail and Physical Ballot Form of that member shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Annual General Meeting Notice.
4. The Scrutinizer will collate the votes downloaded from the e-voting system, votes received through post and the votes cast at the AGM to declare the final result for each of the resolutions forming part of the Annual General Meeting Notice.



## **SHREE KARTHIK PAPERS LIMITED**

CIN : L2102TZ1991PLC003570

Registered Office : 25, 50 Feet Road, Krishnaswamy Nagar  
Ramanathapuram, Coimbatore-641045

Phone: 0422 – 4217174 Fax.No: 0422 – 4217178

Email.Id : [shreekarthikpapers@yahoo.com](mailto:shreekarthikpapers@yahoo.com)

# SHREE KARTHIK PAPERS LIMITED

CIN : L2102TZ1991PLC003570

Registered office: 25, 50 Feet Road, Krishnasamy Nagar  
Ramanthapuram, Coimbatore-641 045

Phone No: 0422 4217174 Fax : 0422 0422 4217178

Email ID : [shreekarthikpapers@yahoo.com](mailto:shreekarthikpapers@yahoo.com)

## FORM NO. MGT - 11 PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name & Address of  
the member(s):

I/We being the member(s) holding ..... shares of the above named Company, hereby appoint:

- 1) Name : .....  
Address : .....  
Email ID : ..... Signature ..... or failing him/her
- 2) Name : .....  
Address : .....  
Email ID : ..... Signature ..... or failing him/her
- 3) Name : .....  
Address : .....  
Email ID : ..... Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the company, to be held on Monday, the 30<sup>th</sup> December, 2015 at 03.00 p.m. at Sree Annapoorna Kalai Arangam, Ganga Hall, East Arokiasamy Road, R.S. Puram, Coimbatore-641002, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

~~✂~~ -Cut here- ..... P.T.O.

### Electronic Voting Particulars

If desirous of E-voting, please read the instructions given in the AGM Notice before exercising

EVS (Electronic Voting Sequence Number)	Sequence No

~~✂~~ -Cut here-

## SHREE KARTHIK PAPERS LIMITED

CIN : L2102TZ1991PLC003570

Registered office: 25, 50 Feet Road, Krishnasamy Nagar  
Ramanthapuram, Coimbatore-641 045

Phone No: 0422 4217174 Fax : 0422 0422 4217178

Email ID : [shreekarthikpapers@yahoo.com](mailto:shreekarthikpapers@yahoo.com)

Folio No. / Demat ID : No. of  
Name of the Member : shares held :  
Name of the Proxy :

### ATTENDANCE SLIP

#### Attendance by

- Member  
 Proxy  
 Authorised Representative

Please ✓ the appropriate box

I hereby record my presence at 24<sup>th</sup> Annual General Meeting being held on Wednesday, 30<sup>th</sup> December, 2015 at Sree Annapoorna Kalai Arangam, Ganga Hall, East Arokiasamy Road, R.S. Puram, Coimbatore-641002, Tamilnadu

\* Strike out whichever is not applicable

Signature of Member / Proxy\*

Resolution Number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
<b>Ordinary Business</b>				
1	Approval of Financial Statements for the year ended 31 <sup>st</sup> March, 2015, the Report of the Board of Directors and the Report of the Auditors thereon.			
2	Appointment of Director in the place of Smt. Selvambal Sengottu Velu (holding DIN 01740974) who retires by rotation and being eligible, offers herself for re-appointment			
3	Ratification of appointment of Auditors and to fix their remuneration (Firm Registration No. 006702S)			

Signed this ..... day of ..... 2015

Signature of shareholder : .....

Signature of Proxy holder (s) : .....

Affix ₹1/- Revenue Stamp
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**Note :**

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem applicable.

**Route Map of AGM Venue**

