SHREE KARTHIK PAPERS LIMITED

AMOHA

Twenty Fifth Annual Report 2015 - 16

SHREE KARTHIK PAPERS LIMITED

BOARD OF DIRECTORS

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

AUDITORS

M/s. Giri & Co.
Chartered Accountants,
Coimbatore

REGISTERED OFFICE

CIN : L21012TZ1991PLC003570
25, 50 Feet Road, Krishnasamy Nagar
Ramanthapuram, Coimbatore-641 045
Phone : 0422 4217174 Fax : 0422 0422 4217178
Email ID : shreekarthikpapers@yahoo.com

REGISTRAR AND SHARE TRANSFER AGENTS

S.K.D.C. Consultants Limited
Kanapathy Towers, III Floor
1391/A-1 Sathy Road, Ganapathy
Coimbatore-641 006

LISTED STOCK EXCHANGE

BSE Limited (Bombay Stock Exchange Limited)
Floor 25, P.J. Towers, Dalal Street
Mumbai-400 001

BANKERS

Axis Bank Limited
Coimbatore - 641 037

25th Annual General Meeting

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

Contents

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

NOTICE

NOTICE is hereby given that the **TWENTY FIFTH** Annual General Meeting of the Members of **SHREE KARTHIK PAPERS LIMITED** will be held at Sree Annapoorna Kalai Arangam, Ganga Hall, East Arokiasamy Road, R.S. Puram, Coimbatore-641002 on Wednesday, the 28th September 2016 at 3.00 P.M. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, c onsider and adopt the Financial Statements of the company for the year ended 31st March 2016 including the audited Balance Sheet as at 31st March 2016 and the Statement of Profit and Loss Account for the year ending 31st March 2016, together with the Reports of the Directors and the Auditors' Report thereon
2. To appoint a Director in place of Sri M.S. Velu holding DIN No.0168208 who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri Vignesh Velu holding DIN No. 03505424 who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution

   "RESOLVED THAT pursuant to section 139 and 142 and other applicable provisions of the Companies Act 2013 and the rules made thereunder and pursuant to the resolution passed by the members of the Annual General Meeting held on 29th December 2014, the appointment of M/s Giri & Co.,(Firm Registration No. 006702S) Chartered Accountants, Coimbatore as Statutory Auditors of the company to hold office for a period of 3 years until the conclusion of the 26th Annual General Meeting of the company be and is hereby ratified at such remuneration as may be determined by the Board of Directors of the company in addition to reimbursement of actual conveyance and out of pocket expenses as may be incurred by him during the course of the Audit.".

SPECIAL BUSINESS

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

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

   Terms & Conditions

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

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

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

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

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

By Order of the Board

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

Place : Coimbatore
Date : 13.08.2016

NOTES FOR THE MEMBERS' ATTENTION

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

   The instrument appointing proxy should however be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.

2. Members/Proxies should bring their attendance slips duly filled in for attending the meeting

3. The Register of Members and Share Transfer Books of the company will remain closed from 22nd September 2016 to 28thSeptember 2016 (both days inclusive)

4. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice and relevant details pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are annexed hereto

5. Members holding shares in electronic form are hereby informed that bank particulars change of address if any, PAN No. are to be intimated to their respective Depository Participants The company or its Registrar cannot act on any request directly received from members holding shares in electronic form for any change of bank particulars or address if any.

6. Members holding shares in physical form are requested to send any change in their address, bank details if any, to Registrar and Share Transfer Agent (RTA) , SKDC Consultants Limited, Coimbatore quoting reference of the Folio No.

7. Information as required to be provided pursuant to the requirements of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with regard to the Directors seeking appointment/re-appointment at the AGM is given to the notice.

8. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form to enable the Company to serve documents in electronic

9. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email ids are registered with the company/ Depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report is being sent in the permitted mode.

10. The cut off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be 21st September 2016.

11. The Board has appointed Sri. S. Rengasamy Practising Company Secretary, Coimbatore 641036 as Scrutinizer for conducting the e-voting process and ballot at AGM.

12. The Scrutinizer shall, after scrutinising the votes cast at the AGM and through Remote e-voting not later than 2 (two) days from the conclusion of the AGM make a consolidated Scrutinizer's report and submit the same to the Chairman. The results of the voting on the resolutions shall be announced by the Chairman on 30th September 2016. The results declared along with the Scrutinizers report shall be placed on the website of www.cdsl and also shall be communicated to BSE Limited.

13. The results of voting shall be declared at the Registered Office of the Company within 2 days of the conclusion of the Annual General Meeting by the chairman of the meeting.

14. **Voting through electronic means**

    In compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 25th Annual General Meeting scheduled to be held on Wednesday, the 28th September 2016 at 3.00 p.m. by electronic means and the business may be transacted through remote e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the remote e-voting facilities as per instructions below.

    The Members, who have not voted through remote e-voting and present at the AGM in person or proxy, can vote through the ballot at the AGM.

Kindly note that members can opt for only one mode of voting i.e., either by through remote e-voting or by ballot at the AGM .

In case of Members casting their vote by remote e-voting, then voting done through remote e-voting shall prevail. A member present at the AGM and voted by remote e-voting will not be permitted to vote at the AGM by Ballot.

Votes cast by members who hold shares on the cut off date Viz. .21.09.2016 alone will be counted.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 25.09.2016 at 10.00 A.M.and ends on 27.09.2016 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

PAN

Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field

Dividend Bank Details OR Date of Birth (DOB)

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login

- If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting

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

(xx) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Details of Directors seeking Appointment and Re-appointment

Re-appointment of Sri M.S. Velu

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

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

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

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

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

Re-appointment of Sri Vignesh Velu

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

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

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

Item No.5

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

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

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

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

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

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

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

By Order of the Board

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

Place : Coimbatore
Date : 13.08.2016

DIRECTORS' REPORT

Dear Shareholders,

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

FINANCIAL RESULTS **(Rs. in lacs)**

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

DIVIDEND

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

FUTURE OUTLOOK

1. Newsprint is being imported at "Nil" duty at very low rates due to dumping by foreign manufacturers and this has depressed the demand and prices of newsprint manufactured by Indian Paper Mills, thereby also affecting the demand of writing and printing paper as newsprint capacities are being diverted to writing and printing paper manufacture.
2. The installed capacity for writing and printing paper has increased significantly in the last four years, thereby affecting the demand as well as prices of the paper manufactured by your company.
3. Measures are being taken to save costs and rationalize operations, they are likely to yield positive results.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was Rs. 9,55,50,000/-. During the year under review, the Company has not issued any further shares.

PUBLIC DEPOSITS

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

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 4 (Four) times during the financial year 2015-16. Details of number of meetings of Board of Directors and committees thereof and the attendance of the Directors in such meetings are provided under the Corporate Governance Report. The provisions of the Companies Act 2013 and listing agreement were adhered to while considering the time gap between two meetings.

COMMITTEES OF THE BOARD OF DIRECTORS

During the year under review, all recommendations made by the Audit Committee were accepted by the Board. There were no instances where the Board has not accepted any recommendations of the Audit Committee.

Details of Committees of Board of Directors along with their terms of reference, composition and meetings held during the year, are provided separately in the Corporate Governance Report, which forms part of the Annual Report.

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 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.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act 2013, 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, Code of conduct etc. Further the Board's performance was evaluated based on the criteria like structure, Governance, Dynamics, functioning, approval and review of operations, financials, internal control etc. 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.

MATERIAL CHANGES

There is no material change or commitments after closure of the financial year till the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status and the company's operations in future.

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. The company complies with Corporate Governance requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

A report on Corporate Governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 forms part of this Annual Report.

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.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO

The required details in accordance with section 134 (3)(m) of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 are given in Annexure-1 forming part of the 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 and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the details of the Management analysis and datas are given in Annexure 2

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.

INTERNAL FINANCIAL CONTROLS

Your company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness were observed.

VIGIL MECHANISM

The company has established a vigil mechanism to provide a frame work to promote responsible and secure whistle blowing and to provide a channel to the employees and Directors for reporting to the management concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policy of the company as adopted/framed from time to time. The details of Vigil Mechanism is given in Corporate Governance Report which forms part of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Smt. Selvambal Sengottu Velu has been re-appointed as a Director of the company with effect from 30/12/2015 pursuant to the approval accorded by the shareholders of the company at the 24th AGM held on 30/12/2015..

In terms of the provisions of the Companies Act 2013, Sri M.S. Velu and Sri Vignesh Velu retire from the Board of Directors of the company by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

The notice convening forthcoming Annual General Meeting includes the proposal for appointment/ re-appointment of Directors . A brief resume of the Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting and other details as required to be disclosed in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 forms part of the Notice.

None of the Directors are disqualified for appointment/re-appointment under section 164 of the Companies Act 2013.

None of the Directors of the company have resigned during the year.

None of the Directors are related inter-se to each other save and except Sri M.S. Velu, Smt. S.S. Velu and Sri Vignesh Velu. Sri M.S. Velu and Smt. S.S.Velu are the parents to Sri Vignesh Velu.

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.

SECRETARIAL AUDIT

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 Sri S. Rengasamy, Company Secretary in practice to undertake the Secretarial Audit of the company for the year 2015-16. The Report of the Secretarial Audit Report is annexed herewith as Annexure 4.

SECRETARIAL AUDITOR'S OBSERVATION IN SECRETARIAL AUDIT REPORT AND DIRECTORS EXPLANATION THERETO

During the year under review, the Company's Share Capital is Rs. 9,55,50,000 and the shares are listed with BSE. The Company has not appointed the Key Managerial Personnel both Company Secretary and Chief Finance Officer under section 203 of the Companies Act 2013.

Explanation: The company was in search of suitable candidate for the appointment as Company Secretary and Chief Finance Officer in whole time employment. It took some time and the company will appoint a suitable candidate as a Company Secretary who is a member of the Institute of Company Secretaries of India and Chief Finance Officer of the company.

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 the transactions have been done in the ordinary course of business.

During the year there were no materially significant related party transactions made by the company with the Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the company at large.

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.

M/s. Giri & Co., Chartered Accountants are eligible for ratification of appointment and have confirmed that their appointment if approved, will be in compliance with section 141 of the Companies Act 2013.

Your Board recommends the ratification of appointment of M/s. Giri & Co. as Statutory Auditors of the company to hold office from the conclusion of this AGM to the conclusion of the next AGM.

AUDITOR'S REPORT

The notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments and explanations. The Auditor's Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 in respect of the employees of the company is annexed herewith "Annexure 5

None of the employees of the company were in receipt of monthly or yearly remuneration in excess of the limits specified under the Companies Act 2013 and Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

Pursuant to provisions of Prevention, Prohibition and Redressal act, 2013 no cases of sexual harassment of women at work place were neither reported nor redressed for the relevant year.

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.

By Order of the Board

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

Place : Coimbatore
Date : 13.08.2016

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 31st March		31.03.2016 9 months	30.06.2015
		A Power and Fuel Consumption			
1		**Electricity**			
	A	Purchased	KWHr	49,67,808	65,57,016
		Total amount	Rs.	3,37,37,069	4,84,22,892
		Rate per Unit	Rs.P.	6.80	6.35
	B	Generation for captive usage	KWHr		
		Through Diesel/Generator		Nil	Nil
		Through Steam/Generator		Nil	Nil
2		**Furnace Oil**		Nil	Nil
3		Fuel : DOB and Saw Dust			
		Quantity (in tones)		6846.41	9026.93
		Amount (Rs.)		1,52,75,755	2,08,99,419
4		**Consumption per unit of Production**			
	A	Electricity units per ton		512.78	518.63
	B	Others DOB units per ton		0.70	0.71

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	Earned	Nil	Nil
	used excluding capital goods	Used	Nil	Nil
	Component and spares.			

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 Threats**

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 accounts 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. 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 March 2016.

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.

By Order of the Board

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

Place : Coimbatore
Date : 13.08.2016

ANNEXURE-3

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March 2016

[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	**L21012TZ1991PLC003570**
ii)	Registration Date	18.12.1991
iii)	Name of the Company	**Shree Karthik Papers Limited**
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	**M/s. SKDC Consultants Ltd** 3rd Floor. Kanapathy Towers 1394/1A-1, Sathy Road, 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 : NIL

Sl. No.	Name and address of the Co	CIN/GLN	Holding/ subsidiary Associate	% of shares held	Applicable section

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	
A. Promoters									
1. Indian									
a. Individual/HUF	13988200	--	13988200	73.20	13988200	--	13988200	73.20	
b. Central/State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c. Bodies Corporate	253500	--	253500	1.32	253500	--	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	--	14241700	74.52	14241700	Nil	14241700	74.52	Nil
2. Foreign									
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	--	14241700	74.52	14241700	Nil	14241700	74.52	Nil
B. Public									
1. Institutions									
a. Mutual Funds	Nil	25900	25900	0.13	Nil	25900	25900	0.13	Nil
b. Banks/FI	1000200	21900	1022100	5.35	1000200	21900	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	0.50l	Nil
h. Foreign venture capitalFunds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i. others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub total	1022100	142900	1143100	5.98	1022100	142900	1143100	5.98	

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	54843	425600	480443	2.52	-0.005
b. Individuals									
i. Indl.s/holding Up to 1 lac	139652	1414400	1554052	8.13	171607	1398700	1570307	8.22	0.087
ii. Indls/holding In excess of 1 lac	1008435	577800	1586235	8.30	858935	577800	1436735	7.52	-0.783
c. Others	92616	11000	196232	0.54	226715	11000	237715	1.244	0.701
Sub total	1296400	2428800	3725200	19.49	1312100	2413100	3725200	19.49	Nil
Total A + B	2296600	2571700	4868300	25.48	2312300	2556000	4868300	25.48	
Shares held by custodians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand total	16538300	2571700	19110000	100.00	16554000	25560000	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

iii) Change in Promoters' Shareholding (please specify if there is no change)

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
7	Crystal Investments Ltd	1,50,000	0.78	1,50,000	0.78
8	Kalam Investments Ltd.	1,35,800	0.72	1,35,800	0.71
9	Mohandas Chautani	1,00,000	0.52	1,00,000	0.52
10	Credit Capital Investment Trust Company	95,100	0.50	95,100	0.50
	Total	20,46,400	10.69	20,46,400	10.69

v) Shareholding of Directors and Key Managerial Personnel

S. No.	For each of top 10 shareholders	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/ decreaseIn 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
Indebtedness at the beginning of the financial year				
i) Principal Amount	18099731	74417977		92517708
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
● Addition	30428994	7341919		37770913
● Reduction	--	-	-	-
Net Change Addition/Reduction	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	48528725	81759896		130288621
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

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	18.00
	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	—
	Total - A	18.00
	Ceiling limit as per the Companies Act	42.00

B. Remuneration to Other Directors

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

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

Rs. in lacs

Sl	Particulars	
1	Gross Salary	-
	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	-

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)
A. COMPANY					
Penalty					
Punishment	NONE				
Compounding					
B. DIRECTORS					
Penalty					
Punishment	NONE				
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment	NONE				
Compounding					

ANNEXURE 4

SECRETARIAL AUDIT REPORT *FOR THE FINANCIAL YEAR ENDED 31st MARCH 2016*

[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 31st March 2016 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 31st March 2016 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,2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015

   (e) 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;

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

(Not applicable to the company during the Audit period as the company has not introduced any such scheme)

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

(Not applicable to the company during the Audit period as the company has not issued any debt securities)

(h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998

(Not applicable to the company during the Audit period as the company has not bought back/proposed to buy any securities)

I have relied on the representation made by the Company and its officers for systems and mechanism formed by the company for compliances under other applicable Acts, Laws and Regulations of the company.

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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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. There is no changes in the composition of the Board of Directors during the period under review.

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.

I am informed that there were no dissenting members on any matters during the year whose views were required to be 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

(i) Public issue /Right issue / debentures/sweat equity, etc.

(ii) Redemption / buy-back of securities.

(iii) Merger / amalgamation / reconstruction, etc.

(iv) Foreign technical collaborations.

I further report that during the Audit period following observations were made.

The Company has not appointed the Key Managerial Personnel both Company Secretary and Chief Finance Officer under section 203 of the Companies Act 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

In respect of Direct and Income Tax laws like Income Tax Act, Service Tax Act, Excise and Customs Act, I have relied on the reports given by the Statutory Auditors of the company.

The members are requested to read this report along with my letter of even date annexed to this report

S. Rengasamy
FCS 3871
COP No.9901

Coimbatore
13.08.2016

ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To,

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

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records, devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and ensuring that the systems are adequate and operate effectively are the responsibilities of the management of the company. My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the corrections of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

S. Rengasamy
FCS 3871
COP No.9901

Coimbatore
13.08.2016

List of documents verified:

1. Memorandum and Articles of Association of the Company
2. Annual Report for the financial year 30th June 2015
3. Minutes of the meeting of the Board of Directors, Audit Committee, Stakeholders Grievance Committee, Nomination and Remuneration 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. All Statutory Registers,
6. Agenda papers submitted to all the Directors for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the company pursuant to the provisions of Section 184 of the Companies Act 2013.
8. Intimations received from the Directors under the Prohibition of Insider Trading Code
9. 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.

ANNEXURE 5

Details as required under section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

The percentage increase in remuneration of Director during the Financial Year 2015-16, ratio of the remuneration of Director to the median remuneration of the employees of the company for the financial year 2015-16 are as under:

S. No.	Name of Director and designation	Remuneration of Director for 2015-16	% increase in Remuneration for FY 2015-16	Ratio of remuneration of Director to median remuneration of employees
1	Sri Vignesh Velu Director	18,00,000 for 9 months	Nil	Not applicable

REPORT ON CORPORATE GOVERNANCE

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

Corporate Governance indicates fairness, transparency, accountability and integrity of the Management. It is all about maintaining valuable relationship and trust with all stakeholders.

The Company has established procedures and systems to ensure regular dissemination of information to the Board of Directors to ensure effective oversight of the company's business and activities. Based on the Corporate Governance practices, the Company has always worked towards building trust with the shareholders and employees of the company. Your company through its Board and Committees, endeavours to strike and deliver the highest governing standards for the benefit of its stakeholders.

Actions and decisions of the Board are aligned in the best interest of the company. The Board critically evaluates company's strategic decisions, management policy and its effectiveness. The Board regularly reviews Related Party Transactions, financial reports and evaluates the performance of the business

II. **Board of Directors**

a. The Board of Directors of the company has an optimum combination of Executive and Non-Executive Directors with not less than fifty percent being Non-Executive Independent Directors. The Board also comprises of one women Director. The composition of the company's Board is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

During the year, six meetings of the Board of Directors were held on the following dates:

27th July 2015, 14th August 2015, 9th October 2015, 6th November 2015, 30th December 2015 and 13th February 2016.

The details of Directorship and Membership/Chairmanship of the Committees of the Board held by the Directors as on 31st March 2016 and their attendance at he meeting during the year are as follows:

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

Name of Director	DIN	Category	Attendance		No. of Directorship Held in other Companies		No.of Committee Position held in Other companies	
			Board Meeting	Last AGM	Public Co.	Private Co	Member	Chairman
Sri M.S. Velu	01682508	Non-Executive Promotor	6	Yes	Nil	2	Nil	Nil
Smt.S.S. Velu	01740974	Non-Executive Promotor	6	Yes	Nil	2	Nil	Nil
Sri K. Arumugam	01876085	Non-Executive Independent	6	Yes	Nil	Nil	Nil	Nil
Sr. P. Kanagavadivelu	01856028	Non-Executive Independent	4	No	Nil	Nil	Nil	Nil
Sri P.C. Narendran	00090432	Non-Executive Independent	4	Yes	Nil	Nil	Nil	Nil
Sri Vignesh Velu	03505424	Executive Promotor	6	Yes	Nil	2	Nil	Nil

d. **Shareholding of the Non-Executive Director of the company for the year ended 31st March 2016 is as as under:**

Sl. No.	Name of Director	No. of shares held as on 31.03.2016
1	Sri K. Arumugam	5000
2	Sri P. Kanagavadivelu	195400
3	Sri P.C. Narendran	6000

e. Meeting of Independent Director

As stipulated under the code of Independent Directors under the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate meeting of the Independent Directors of the company held on 13th February 2016. The meeting was attended by all the Directors.

f. Brief note on Directors seeking appointment/re-appointment at the ensuing AGM

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

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

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

Sri Vignesh Velu, aged about 33 years is having 5 years experience in general management of affairs of the company. He was appointed on the Board of Directors of the company on 01.04.2011. During the year 2015-16, he attended all the Board Meetings of the company.

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

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

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

IIII. 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 fore 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. 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.
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 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 judgement 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, performance of statutory auditors and adequacy of the internal control systems
7. 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.
8. 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.
9. Approval and subsequent modifications of Related Party transactions
10. Scrutiny of Inter Corporate loans and Investments
11. Valuation of undertakings or assets of the company wherever necessary
12. Evaluation of internal financial control and risk management system.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

The Audit Committee met 4 times during the year 2015-16 on 27.07.2015, 06.11.2015, 30.12.2015, 13.02.2016

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	4
Shri P. Kangavadivelu	Independent, Non-Executive	4
Shri P.C. Narendran	Independent, Non-Executive	4

iv. Nomination and Remuneration Committee

The terms of reference of Nomination and Remuneration Committee inter alia includes the following:

i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

ii. Formulation of criteria for evaluation of performance of Independence Directors and the Board of Directors.

iii. Devising a policy on diversity of Board of Directors

iv. Identifying persons who are qualified to become a Director and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.

v. Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors

vi. Such other matters as may be delegated by the Board of Directors of the company

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 1st April each year, annual increments as recommended by the Nomination and Remuneration Committee are approved by the Board of Directors.

Remuneration to Directors, sitting fees, salary and perquisites

No sitting fee was paid to the Non-Executive Independent Directors during the year 2015-16. The company did not have any pecuniary relationship transactions with the Non-Executive Indpendent Directors of the company.

Performance evaluation criteria for Independent Directors

Performance of Independent Directors has to be evaluated by the Board of Directors based on the following criteria:

i. Evaluation criteria laid down under Nomination and Remuneration Policy

ii. Code of Conduct laid down by the Board

iii. Code of Independent Directors prescribed in Schedule IV read with Section 149(8) of the Companies Act 2013.

During the year 2015-16, one meeting was held on 27.07.2015.

Remuneration paid to the Directors

Details of remuneration paid to the Directors during the year 2015-16

Name of Director	Sitting fees	Remuneration (Rs.)	Total (Rs.)	No.of shares heldon 1.03.2016
Sri Vignesh Velu	Nil	1800000	1800000	6100

v. Stakeholders Relationship Committee

The terms of reference of Stakeholders Relationship Committee includes the following:

i. To review transfer/transmission /dematerialisation of equity shares of the company

ii. To issue duplicate share certificates as and when the requests are received by the company

iii. To review correspond with the shareholders visa-vis legal cases and take appropriate decisions in this regard

iv. To authorise affixing common seal from time to time on any deed or other instrument requiring authentication by or on behalf of the company

v. To consider and resolve the grievances of the security holders including complaints related to transfer of shares , non receipt of annual report etc.

vi. To do all acts, deeds and things as may be required to be undertaken in terms of the provisions of Companies act 2013 and rules made thereunder:

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 four times during the year 2015-16 on 27.07.2015, 06.11.2015, 30.12.2015, and 13.02.2016

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	4
Shri. M.S. Velu	Non-Independent, Non-Executive	4
Smt. S.S. Velu	Non-Independent, Non-Executive	4

VI. Disclosures

a. Vigil Mechanism/Whistle Blower Policy

The company has established a Vigil Mechanism/ Whistle Blower Policy to enable the Stakeholders of the company to report their genuine concerns and grievances. The policy provides for adequate safeguards against victimization of Stakeholders who avail of the Vigil Mechanism and direct access to the Chairman of the Audit Committee of the company in exceptional cases. The protected disclosures, if any reported under this policy will be appropriately and expeditiously investigated by the Chairman.

The company hereby affirms that no Stakeholders including Director/employee has been denied access to the Chairman of the Audit Committee and that no compliant was received during the year 2015-16.

b. Related Party Transactions

The company has no material significant transactions with its related parties which may have a potential conflict with the interest of the company at large. The details of transactions with related parties are given in Notes on Accounts.

c. Statutory Compliance, Penalties and Structures

The company has complied with requirements of Stock Exchange/SEBI and other statutory authorities to the extent applicable and accordingly no penalties have been levied or structures have been imposed on the company on any matter related to capital markets during the last three years.

d. Disclosure of Accounting Treatment

The finance statements have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Principles in India (Indian GAAP). The said financial statements comply with the relevant provisions of the Companies Act 2013 and rules made thereof, the mandatory Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules 2006 as amended from time to time.

e. Code of Conduct

The company has framed and adopted the code of conduct for all its Board Members and Senior Management Personnel . The code of conduct for Board Members and the Senior Management Personnel is displayed on the notice board of the company.

The Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the financial year 2015-16. A declaration to this effect in terms of Regulation 26 of SEBI (LODR) Regulations 2015 forms part of the Annual Report.

VII. Management

a. Management Discussion and Analysis

The Directors Report includes details of Management Discussion and Analysis of business of the company. Internal Control System for financial reporting is enclosed to this report.

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
2012-13	29.12.2013	3.00 P.M.	Sree Annapoorna Kalaiarangam, R.S. Puram, Coimbatore
2013-14	29.12.2014	3.00 P.M.	Sree Annapoorna Kalaiarangam, R.S. Puram, Coimbatore
2014-15	30.12.2015	3.00 P.M.	Sree Annapoorna Kalaiarangam, R.S. Puram, Coimbatore

VIII. **Means of Communication**

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

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

Sri M.S. Velu has a degree with Honours in Electrical Engineering and has over 40 years experience in the industry.

X. General Shareholders' Information

Annual General Meeting:

Date of Book Closure	:	22.09.2016 to 28.09.2015 (both days inclusive)
Day & Date	:	28th December 2015
Time	:	3:00 P.M.
Venue	:	Sree Annapoorna Kalai Arangam, 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 2016-17 and there is no outstanding payment towards the Exchange as on date.
Stock Code	:	Bombay Stock Exchange Limited – 516106

Financial Calendar (tentative)

First Quarter Results:	Second week of May, 2016
Second Quarter/Half-Yearly Results:	Fourth week of July, 2016
Third Quarter Results:	Fourth week of October, 2016
Fourth Quarter Results:	Second week of February, 2017

XI. Registrar and Transfer Agents

M/s. S.K.D.C. Consultants Limited
Kanapathy Towers 3rd 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 30th 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 31.03.2016

Description of Investors	Number of shares held	Percentage of holding
Promoters	14194600	74.28
Mutual Funds, Banks, Financial Institutions & Insurance Companies	25900	0.13
Foreign Institutional Investors	95100	0.50
Nationalised Banks/other banks	1022100	5.35
Private Corporate Bodies	733943	3.84
Indian Public	3038357	15.90
Total	19110000	100.00

XIV. BSE Market Price data during the Financial Year 2015-16 in Rs.

Month	High	Low
July 2015	3.30	3.00
August 2015	3.13	2.85
September 2015	2.95	2.85
October2015	3.00	3.00
November 2015	2.85	2.76
December 2015	2.88	2.75
January 2016	3.00	2.74
February 2016	3.00	2.55
March 2016	2.80	2.35

XIV. Distribution of Shareholding as on 31.03.2016

In Value	No. of share holders	%	Amount	%
Upto 5000	5262	92.03	722931	3.78
5001 - 10000	218	3.81	185538	0.97
10001 - 20000	80	1.40	123300	0.65
20001 - 30000	40	0.72	105382	0.55
30001 - 40000	14	0.24	50914	0.27
40001 - 50000	31	0.54	149600	0.78
50001 - 100000	38	0.66	278550	1.46
100001and above	35	0.61	17493785	91.54
Total	**5718**	**100.00**	**19110000**	**100.00**

XV. Plant Location

Puliyangandi Aliyar Nagar,
Kottur Village, Pollachi Taluk

XVI. Address for Correspondence

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

Declaration by the CEO

I hereby declare that the

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 applicable to them as laid down by the company in terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the year ended 31st March 2016.

For and on behalf of the Board

Place : Coimbatore
Date : 13.08.2016

(Sd./-) M.S. Velu
Chairman & Managing Director

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 2014 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
F.R. No. : 006702S

(Sd./-) **R. Giri**
Senior Partner
Membership Number : 025458

Place : Coimbatore
Date : 13.08.2016

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 March 31, 2016, Statement of Profit and Loss and the Cash Flow Statement for the year then 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 and presentation 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 adequate internal financial controls 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. While conducting the 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 there under.

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 standalone 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 that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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 audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 case of the Balance sheet, of the state of affairs of the Company as at March 31st, 2016;

(b) in case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date

(c) And its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (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, 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 accounts.
   d) In our opinion, the aforesaid 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 March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
   g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
      i. The Company has disclosed the impact of pending litigations on its financial position in the financial statements. Refer Note.
      ii. The company has made provisions as required under the applicable law or Accounting Standard, for material foreseeable losses, if any on long term contracts.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For and on Behalf of
M/s. Giri & Co.
Chartered Accountants
F.R. No. : 006702S

((Sd./-) **R. Giri** BCom FCA FCMA BL)
Senior Partner
Membership Number : 025458

Place : Coimbatore
Date : 13.08.2016

ANNEXURE -"A" TO THE AUDITORS' REPORT

The Annexure "A" referred to in Independent Auditors' report to the members of M/s. SHREE KARTHIK PAPERS LTD on the standalone financial statements for the year ended 31st March, 2016, we report that:

i) In respect of Fixed Assets :

a) In our opinion and according to the information and explanations given to us during the course of audit, the Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.

b) In our opinion and according to the information and explanations given to us during the course of audit, fixed assets have been physically verified by the Management at reasonable intervals, and in our opinion, physical verification of fixed Assets followed by the management are reasonable and adequate in relation to the size of the company and nature of its business. The discrepancies reported on verification were not material and have been properly dealt within the books of accounts.

c) In our opinion and according to the information and explanations given to us during the course of audit, the title deeds of immovable properties are held in the name of the company.

ii) In respect of Inventories :

The inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.

iii) In our opinion and according to the information and explanations given to us and records examined by us during the course of audit, the Company has not granted loans, secured or unsecured, to Companies, firm, LLP's or other parties, listed in the Register maintained Under Section 189 Of the Companies Act,2013 but the Company has not taken loans unsecured from the parties, listed in the Register maintained Under Section 189 Of the Companies Act, 2013, the terms and conditions are not prima facie pre judicial to the interests of the company and the terms of arrangement do not stipulate repayment schedule and the loans are repayable on demand. Refer Note No.2.24(b) for details.

iv) According to the information and explanations given to us, In respect of loans, investments, Guarantees and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

v) The Company has not accepted any deposits from the public.

vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the goods manufactured by the company.

vii) a) In our opinion and according to the information and explanations given to us and records examined by us during the course of audit , the undisputed statutory dues including provident fund, Income Tax (TDS) and other statutory dues, have been regularly deposited with the appropriate authorities and there have no delays and arrears outstanding for a period of more than 6 month as on the last day of the financial year ended 31st March,2016.

b) In our opinion and according to the information and explanations given to us and records examined by us during the course of audit, 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	Income Tax Appellate Tribunal, Chennai	58,40,144

viii) In our Opinion and 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 and banks as at Balance sheet date.

ix) The company did not raise money by way of initial public offer or further public offer and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x) According to the information and explanations given to us, no fraud by the company or fraud on the company by its officers or employees noticed or reported during the year.

xi) According to the information and explanations given to us and the records examined by us, managerial remuneration of Rs.18 Lacs has been paid during the year by the company.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and the records examined by us, all transactions with the related parties are in compliance with sec.177 and 188 of Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and the records examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv) According to the information and explanations given to us and based on the records examined by us, the company has not entered into any non cash transactions with directors or persons connected with him during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For and on Behalf of
M/s. Giri & Co.
Chartered Accountants
F.R. No. : 006702S
((Sd./-) **R. Giri** BCom FCA FCMA BL)
Senior Partner
Membership Number : 025458

Place : Coimbatore
Date : 13.08.2016

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/S. SHREE KARTHIK PAPERS LIMITED as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Giri & Co.
Chartered Accountants
F.R. No. : 006702S

(Sd./-) **R. Giri** BCom FCA FCMA BL
Senior Partner
Membership Number : 025458

Place : Coimbatore
Date : 13.08.2016

SHREE KARTHIK PAPERS LIMITED

BALANCE SHEET AS AT 31st MARCH 2016

Amt in Rs.

Particulars	Note	Nine month ended 31.03.2016	Year ended 30.06.2015
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUND			
(a) Share Capital	**2.1**	95,550,000	95,550,000
(b) Reserves & Surplus	**2.2**	4,786,511	(13,740,861)
(c) Money received against share warrants		Nil	Nil
SHARE APPLICATION MONEY PENDING ALLOTMENT		Nil	Nil
NON CURRENT LIABILITIES			
(a) Long Term Borrowings	**2.3**	119,049,162	121,786,721
(b) Deferred Tax Liabilities (Net)	**2.4**	4,289,425	4,289,425
CURRENT LIABILITIES			
(a) Short Term Borrowings	**2.5**	130,288,621	92,517,708
(b) Trade Payables	**2.6**	21,639,790	22,919,665
(c) Other Current Liabilities	**2.7**	8,021,020	9,713,393
(d) Short Term Provisions	**2.8**	-	1,666,210
TOTAL		**383,624,529**	**334,702,260**
ASSETS			
NON CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	**2.9**	129,878,627	130,980,372
(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	8,500
(c) Deferred Tax Assets(Net)	**-**	Nil	Nil
(d) Long-Term loans and advances	**2.11**	13,288,280	15,215,555
(e) Other Non current Assets	**-**	Nil	Nil
CURRENT ASSETS			
(a) Current Investments		Nil	Nil
(b) Inventories	**2.12**	180,187,442	143,689,660
(c) Trade Receivables	**2.13**	50,779,671	43,723,018
(d) Cash and Cash equivalents	**2.14**	5,652	144,684
(e) Short Term Loans and Advances	**2.15**	9,476,357	940,471
(f) Other Current Assets		Nil	Nil
TOTAL		**383,624,529**	**334,702,260**
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 : 13.08.2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st, MARCH 2016

Amt in Rs.

Particulars	Note	Nine month ended 31.03.2016	Year ended 30.06.2015
INCOME			
Revenue from Operations	**2.16**	263,476,352	364,731,247
Other Income	**2.17**	1,267,457	1,341,688
Total Revenue		**264,743,810**	**366,072,936**
EXPENSES			
Cost of material consumed	**2.18**	156,726,449	230,884,849
Changes in Inventories of Finished Goods, WIP & Stock - in - Trade	**2.19**	((6,481,748)	(13,577,724)
Employee Benefits Expenses	**2.20**	10,364,275	13,306,267
Finance Costs	**2.21**	8,951,467	19,581,308
Depreciation and amortisation expenses	**2.9**	6,707,877	7,542,258
Other Expenses	**2.22**	69,948,118	101,094,753
Total Expenses		**246,216,438**	**358,831,712**
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		18,527,372	7,241,224
Exceptional Items		-	-
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		18,527,372	7,241,224
Extraordinary Items		-	-
PROFIT BEFORE TAX		18,527,372	7,241,224
Tax expense:			
Current tax	-	-	
Deferred tax(Net)		-	-
Prior period Adjustments-Net			
PROFIT FOR THE PERIOD		**18,527,372**	**7,241,224**
EARNINGS PER EQUITY SHARE			
Equity shares of par value Rs.10/-each			
Basic		**0.97**	**0.38**
Diluted		**0.97**	**0.38**
Number of shares used in computing earnings per share			
Basic		**19,110,000**	**19,110,000**
Diluted		**19,110,000**	**19,110,000**
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 : 13.08.2016

SHREE KARTHIK PAPERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2016

Particulars	Rs	Rs.
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and extraordinary items	18,527,372	
Add: Non Cash & Non Operating Expenses		
Depreciation	6,707,877	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**25,235,249**
Less: Increase in Current Assets	(43,554,435)	
Less :Decrease in Current Liabilities	(2,972,248)	
OPERATING PROFIT AFTER WORKING CAPITAL CHANGES	(46,526,683)	
		(21,291,434)
Less : Income tax paid		–
(A) NET CASH FLOW FROM OPERATING ACTIVITIES		**(21,291,434)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Less: Purchase of Fixed Assets	(5,606,131)	
(B) NET CASH FLOW FROM INVESTING ACTIVITY		**(5,606,131)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Less: Short Term Loans and advance Provide	(8,535,886)	
Less: Long Term Borrowings Repaid	(2,737,559)	
Less: Short Term Provions Repaid	(1,666,210)	
Add : Short term loans and advances Received	37,770,913	
Add : Long term Loans and Advance Recovered	1,927,275	
(C) NET CASH FLOW FROM FINANCING ACTIVITIES		**26,758,533**
(A) + (B) + (C)		**(139,032)**
Add: Opening Cash & Cash Equivalents		**144,684**
Closing Cash & Cash Equivalents		**5,652**

2. NOTES ON ACCOUNTS

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

Amt in Rs.

Particulars	As at 31st March 2016 (9 months)	As at June 30, 2015
2.1 - SHARE CAPITAL		
AUTHORISED		
2,00,00,000 Equity Shares of Rs.5/- each	100,000,000	100,000,000
ISSUED, SUBSCRIBED AND PAID UP		
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

DETAILS OF SHARE HOLDIND MORE THAN 5% AS ON BALANCESHEET DATE:-

Name of the Share Holder	No. of Equity Shares	% of Holding
M.S Velu	9,719,120	51%
Selvambal	4,256,580	22%
Industrial Development Bank of India	1,000,000	5%

RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING:

Particulars	As at 31 March 2016	As at June 30, 2015
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
2.2 - RESERVES & SURPLUS		
STATEMENT OF PROFIT & LOSS		
Opening Balance	(15,120,861)	(19,359,398)
Add: Current Year Profit transferred from Statement of Profit & Loss	18,527,372	7,241,224
Amount available for Appropriations	3,406,511	(12,118,174)
Less: Appropriations	-	3,002,687
Closing Balance	3,406,511	(15,120,861)
Share Premium Account	-	-
	3,406,511	**(15,120,861)**
CAPITAL RESERVE		
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	**1,380,000**	**1,380,000**
TOTAL	**4,786,511**	**(13,740,861)**

Amt in Rs.

Particulars	Nine month ended March 31, 2016	Year ended June 30, 2015
2.3- LONG TERM BORROWINGS		
Loans and Advances from Others		
Interest Free Sales Tax Loan	17,485,582	20,983,582
From Related Party Shri M.S.Velu	100,000,000	100,000,000
Term Loan- From Bank		
AXIS Bus	1,279,136	-
HDFC Car Loan	-	385,196
ICICI Bank Jeep Loan	284,444	417,943
TOTAL	**119,049,162**	**121,786,721**
2.4- DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Assets	-	-
Deferred Tax Liabilities	4,289,425	4,289,425
	4,289,425	**4,289,425**
2.5- SHORT TERM BORROWINGS		
Secured		
(a) Loans repayable on demand		
From banks		
Axis Bank , Avinashi Road CBE. CC Account	48,582,725	18,099,731
(b) From Related Parties - Unsecured:-		
M.S.Velu	18,102,287	36,101,378
Smt.S.S.Velu	30,689,603	17,700,623
Shri Vignesh Velu	32,968,006	20,615,976
TOTAL	**130,288,621**	**92,517,708**
2.6 - TRADE PAYABLES		
Sundry Creditors - Supplies	21,639,790	22,919,665
TOTAL	**21,639,790**	**22,919,665**
2.7 - OTHER CURRENT LIABILITIES		
Other Payables		
Expenses	232,500	111,000
Staff salary Payable)	772,388	716,359
Electricity Bill Payable	4,405,572	5,252,443
Sales Tax payable	722,100	175,507
Excise Duty Payable	1,751,995	2,139,926
Provident Fund Payable	79,367	83,534
TDS Payable	57,098	234,624
TOTAL	**8,021,020**	**9,713,393**
2.8 - SHORT TERM PROVISIONS		
Provision for Exgratia & Bonus	-	591,235
Provision for Gratuity	-	1,074,974
TOTAL	**-**	**1,666,209**

2.9- FIXED ASSETS

Amt in Rs.

ASSET DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.07.2015	Additions Rs.	(Deletions) Rs.	As on 31.03.2016	Upto 01.07.2015	Withdrawn	For the year Rs.	Upto 31.03.2016 Rs.	As on 31.03.2016 Rs.	As on 30.06.2015 Rs.
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	44,871,083	1,951,984		46,823,067	17,556,140		1,727,813	19,283,953	27,539,114	27,314,943
Plant & Machinery	183,035,879	-		183,035,879	104,010,472		3,258,260	107,268,732	75,767,147	79,025,407
Electrical Installations & Fittings	33,989,642	2,102,109		36,091,751	16,496,415		984,038	17,480,453	18,611,298	17,493,227
River Pipeline	7,786,464	-		7,786,464	6,078,854		159,612	6,238,466	1,547,998	1,707,610
Furniture & Fittings	853,592	16,488		870,080	567,591		30,432	598,023	272,057	286,001
Office Equipments	1,619,120	13,400	-	1,632,520	759,112		39,771	798,883	833,637	860,008
Motor Vehicles	4,891,124	1,522,150	-	6,413,274	2,120,393		504,352	2,624,745	3,788,529	2,770,731
Miscellaneous Assets	73,637	-		73,637	45,596		3,598	49,194	24,443	28,041
TOTAL	**278,614,946**	**5,606,131**	**-**	**284,221,077**	**147,634,573**	**-**	**6,707,877**	**154,342,450**	**129,878,627**	**130,980,373**
Building	-	-	-	-	-	-	-	-	-	-
Plant & Machinery under Installation	-	-	-	-	-	-	-	-	-	-
Electrical Installation	-	-	-	-	-	-	-	-	-	-
TOTAL (A+B)	**278,614,946**	**5,606,131**	**-**	**284,221,077**	**147,634,573**	**-**	**6,707,877**	**154,342,450**	**129,878,627**	**130,980,373**

Amt in Rs.

Particulars	Nine month ended March 31, 2016	Year ended June 30, 2015
2.10 - NON CURRENT INVESTMENTS		
Government Securities		
Indra Vikas Patra	8,000	8,000
National Saving Certificate	500	500
TOTAL	**8,500**	**8,500**
2.11 - LONG TERM LOANS & ADVANCES		
Advances receivable in cash or kind	–	–
Deposits-EB	11,181,600	10,401,600
Sales Tax Advance	-	3,448,319
Other Deposit	2,106,680	1,365,636
TOTAL	**13,288,280**	**15,215,555**
2.12 - INVENTORIES		
Stores	26,250,506	19,770,859
Raw Materials	79,926,560	54,436,194
Work in process	35,267,050	26,790,050
Finished Goods (Other than acquired in Trading)	36,569,658	40,010,881
Fuel	688,760	877,647
Branch stock	1,484,908	1,804,029
TOTAL	**180,187,442**	**143,689,660**
2.13 - TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured	-	-
Other Trade Receivables	50,779,671	43,723,018
Unsecured		
TOTAL	**50,779,671**	**43,723,018**
2.14 - CASH & CASH EQUIVALENTS		
Cash on Hand	5,652	1,245
Balance with Banks		
Canara Bank - Sungam Branch	-	5,527
Federal Bank of India	-	11,519
Indian Bank - Ramanathapuram	-	73,130
Catholic Syrian Bank	-	42,749
SBI Coimbatore	-	-
SIB-IFBR	-	-
State bank of Hyderabad	-	-
The Karur Vysya Bank Ltd	-	10,514
Vysya Bank Application Money	-	-
TOTAL	**5,652**	**144,684**

Amt in Rs.

Particulars	Nine month ended March 31, 2016	Year ended June 30, 2015
2.15 - SHORT TERM LOANS & ADVANCES		
Advance to suppliers	8,501,364	-
Shree Vignesh Wind Mill P Limited	210,000	210,000
Others		
TDS Receivable	85,132	72,858
Other Advances	679,861	657,613
TOTAL	**9,476,357**	**940,471**

Particulars	Nine month ended March 31, 2016	Year ended June 30, 2015
2.16 - Revenue from Operations		
Sale of Products	263,476,352	364,731,247
TOTAL	**263,476,352**	**364,731,247**
Note: Sale of Products		
Sale of Product comprises		
Paper	263,476,352	364,731,247
Total Sale of Manufactured Goods	**263,476,352**	**364,731,247**
2.17 Other Income		
Other Income Comprises		
Transit Insurance	273,319	613,106
Insurance claimed	34,153	
Interest (EB)	851,324	728,582
Misc incom	108,661	-
Total Other Income	**1,267,457**	**1,341,688**
2.18 Cost of Raw Material Consumed :		
Opening Stock	54,436,194	36,327,941
Add : Purchases and Expenses	182,216,815	248,993,102
	236,653,009	285,321,043
Less : Closing Stock	79,926,560	54,436,194
Total	**156,726,449**	**230,884,849**
2.19 Changes in Inventories of Finished Goods, WIP & Stock - in - Trade		
Inventories at the end of the year:		
Finished goods	36,569,658.00	38,564,909.60
Work-in-progress	35,267,050.00	26,790,050.00
	71,836,708.00	**65,354,959.60**
Inventories at the beginning of the year:		
Finished goods	38,564,909.60	32,331,736.00
Work-in-progress	26,790,050.00	19,445,500.00
	65,354,959.60	**51,777,236.00**
Net (Increase)/ Decrease	**(6,481,748.40)**	**(13,577,723.60)**

Amt in Rs.

Particulars	Nine month ended March 31, 2016	Year ended June 30, 2015
2.20: Employee Benefits Expenses		
Salaries and Wages	9,744,409	11,847,039
Contributions to provident and other funds	342,171	622,358
Bonus & Ex-gratia	234,394	543,616
Staff Welfare	43,301	293,254
Total	**10,364,275**	**13,306,267**
2.21 Finance Costs		
(a) Interest expense on:		
(i) Team Loan - Car Loan Loans / Jeep / Busses	109,793	119,509
(iii) Working Capital Interest	4,186,936	831,390
- Interest on delayed / payment	473,992	577,278
(b) Other borrowing costs	4,180,746	18,053,131
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	-	-
Total	**8,951,467**	**19,581,308**
2.22: Other Expenses		
Stores, spares, tools dye stuffs	6,666,535	8,170,047
Machinery Maintenance	5,818,135	8,054,502
Office Maintenance	19,365	16,957
Office Equipment Maintenance	22,843	24,633
Electrical Maintenance	144,015	1,074,035
Vehicle Maintenance, Travelling & Etc	560,843	624,922
Rent	478,000	1,104,000
Power, fuel and water charges	49,648,875	72,450,050
Insurance paid	147,032	241,485
Rates and Taxes	169,424	1,040,101
Rebate, Commission and Discount	141,847	208,697
Packing and Forwarding	5,103,662	7,052,491
Advertisement	64,930	29,600
Postages, Telegrams and Telephone	367,706	245,263
General Expenses, Printing & Stationary ect	483,906	646,971
Remunaration to Auditors	111,000	111,000
Total	**69,948,118**	**101,094,753**

Amt in Rs.

Particulars	Nine month ended March 31, 2016	Year ended June 30, 2015
Notes:-		
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	80,000	80,000
For taxation matters	25,000	25,000
For company law matters	-	-
For management services	-	-
For other services	6,000	6,000
Reimbursement of expenses	-	-
Total	**111,000**	**111,000**

2.23 Quantitative Information

	Qty. in MT	31.03.2016 (9 months) Value in Rs.	Qty. in MT	30.06.2015 (12 months) Value in Rs.
I) MANUFACTURING ACTIVITY :-				
Installed Capacity and Production				
a. Installed Capacity MT	13,350		13,350	
b. Actual Production MT	9,689		12,643	
Sale of Finished Goods – Paper	9,637		12,415	
	26,34,76,352		36,47,31,247	
Raw Material Consumption :				
Waste Paper – Indigenous	11,399	15,67,26,449	14,104	23,08,84,849
Chemical		1,05,89,132		1,70,76,976
Stock of Finished Goods	687	3,65,69,658	725	3,85,64,910

2.24. TAXATION

Deferred tax Liability is usually recognized on timing differences of depreciation between Income Tax and Books of Accounts. The benefit of carry forward losses permissible, which the 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
S S 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	18,00,000
Interest paid to Vignesh Velu	20,89,786
Interest paid to Smt.S.S.Velu	20,90,960

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

Key Managerial Personnel

Unsecured Loan O/s. as on 31.03.2016

M S Velu - Managing Director	11,81,02,287
Vignesh Velu -Director	32,968,006
Smt S.S.Velu - Director	30,689,603

Other Related Parties

a. Relationship :
Associate Company Shree Ganesh Gears Pvt.,Ltd

b. Nature of Transactions:

Purchase of wind energy power	14,73,034
c. Outstanding balance as on 30.06.2015	(1,94,45,634)
d. Amount Paid during the year	21,76,177

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

a. Value of imports on CIF basis during the year	NIL
b. Expenditure in Foreign Currency during the year	NIL
c. Earnings in Foreign Currency during the year	NIL

2.28. DETAILS OF REMUNERATION TO DIRECTORS:

	31.03.2016			30.06.2015		
Particulars	MD	Director	E Director	MD	Director	E Director
Salary	Nil	Nil	Rs. 18,00,000 (For 9 months)	Nil	Nil	Rs.24,00,000 p.a.
Perquisties	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.

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 : 13.08.2016

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 not been provided for. The same shall be met as and when they arise.

1.7. 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.

1.8. 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

1.9. 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.

(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 : 13.08.2016

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

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 28th September 2016 by sending my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below:

Resolution N0.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		No. of Shares	For	Against
	Ordinary Business			
1	Approval of Financial Statements for the year ended 31st March, 2015, the Report of the Board of Directors and the Report of the Auditors thereon.		☐	☐
2	Appointment of Director in the place of M.S. Velu who retires by rotation and being eligible, offers himself for re-appointment		☐	☐
3	Appointment of Director in the place of Sri Vignesh Velu holding (Din 03505424) who retires by rotation and being eligible offers hiself for re-appointment.		☐	☐
4	Ratification of appointment of Auditors and to fix their remuneration (Firm Registration No. 006702S)		☐	☐
5	**Special Business** Appointment of Sri Vignesh Velu as whole time Director for a period of years with effect from 1.09.2010 by special resolution.		☐	☐

Place :

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

Date :

** Email ID.....
** To be provided by the members holding Equity Shares in physical form

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 27th September, 2016. 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 27th September, 2016. (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 "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed the member's total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" 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 21st September, 2016 ("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

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

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 25th Annual General Meeting of the company, to be held on Monday, the 28th September, 2016 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

EVSN (Electronic Voting Sequence Number)	Sequence No
160907078.	

✂ 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

ATTENDANCE SLIP

Attendance by

☐ Member
☐ Proxy
☐ Authorised Representative

Please ✓ the appropriate box

Folio No. / Demat ID :

Name of the Member :

Name of the Proxy :

No. of shares held :

I hereby record my presence at 25th Annual General Meeting being held on Wednesday, 28th September, 2016 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
	Ordinary Business			
1	Approval of Financial Statements for the year ended 31st March, 2016, the Report of the Board of Directors and the Report of the Auditors thereon.			
2	Appointment of Director in the place of Sri M.S. Velu holding (DIN No.0168208) who retires by rotation and being eligible, offers himself for re-appointment			
3	Appointment of Director in the place of Sri Vignesh Velu holding (DIN No. 03505424) who retires by rotation and being eligible, offers himself for re-appointment			
4	Ratification of appointment of Auditors and to fix their remuneration (Firm Registration No. 006702S)			
	Special Business			
5	Appointment of Sri Vignesh Velu holding (DIN 03505424) as Whole time Director of the company for a period of five years commencing from 01.09.2016			

Signed this …….. day of …….. 2016

Signature of shareholder : …….....

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

Affix ₹1/- Revenue Stamp

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