

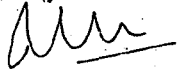
# SHREE KARTHIK PAPERS LIMITED



AMOHA

Eighteenth Annual Report 2008-2009

For Shree Kartik Papers Ltd.

  
Managing Director

# SHREE KARTHIK PAPERS LIMITED

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## BOARD OF DIRECTORS

**Sri. M.S.Velu**

Chairman and Managing Director

**Smt. S.S.Velu**

Director

**Sri. K.Arumugam**

Director

**Sri. P.Kanagavadivelu**

Director

**Sri. P.C.Narendran**

Director

## AUDITORS

M/s Giri & Co.,

Coimbatore.

## REGISTERED OFFICE

No.25, 50 Feet Road

Krishnasamy Nagar

Ramanathapuram

Coimbatore – 641 045

## REGISTRARS AND SHARE TRANSFER AGENTS

S K D C Consultants Limited

P B No. 2979

11, Seth Narayandoss Layout

Street No.1, Coimbatore 641 012

## LISTED STOCK EXCHANGES

Bombay Stock Exchange Limited

Floor 25, P.J.Towers, Dalal Street

Mumbai 400 001

The Coimbatore Stock Exchange Limited

Stock Exchange Building

Trichy Road,

Coimbatore 641 005

## FINANCIAL INSTITUTION AND BANKERS

Industrial Development Bank of India Ltd.,

The Karur Vysya Bank Ltd.,

# SHREE KARTHIK PAPERS LIMITED

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## NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of the company will be held at Sree Annapoorna Kalaiaragam, "GANGA HALL" 75, East Arokiyasamy Road, R.S.Puram, Coimbatore-641 002 on Monday the 21<sup>st</sup> day of December 2009 at 3.30 p.m. to transact the following business.

All members of the company are requested to attend the meeting.

## AGENDA

### Ordinary Business:

1. To receive, consider and adopt the Directors' Report, Profit & Loss Account for the year ended 30<sup>th</sup> June 2009, the Balance Sheet as at that date and the Auditor's Report thereon.
2. To appoint a Director in the place of Sri P.C. Narendran, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Sri P.Kanagavadivelu, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

### Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such Proxy need not be a member of the Company.
2. The instrument of Proxies, in order to be effective must be received by the Company not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 17.12.2009 to 21.12.2009 (Both days inclusive)
4. Members are requested to notify immediately of any change in their address to the Registrars and Share Transfer Agents M/s S K D C Consultants Ltd., No.11 S.N.Layout, Coimbatore 641 012.
5. Members are requested to bring their copies of Annual Report and Attendance Slip enclosed herewith duly filled in for attending the meeting.

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Place : Coimbatore

Date :24.11.2009

for and on behalf of the Board

(Sd.) M.S. Velu

Chairman and Managing Director

# SHREE KARTHIK PAPERS LIMITED

## DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY:

Dear Shareholders,

The Directors of your company take pleasure in presenting you the 18<sup>th</sup> Annual Report along with the Audited Accounts for the year ended 30<sup>th</sup> June 2009.

### FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	30.06.2009 (Current Year)	30.06.2008 (Previous Year)
Gross Income	2205.17	1738.67
Profit before interest & Depreciation	52.18	259.12
Financial Charges	81.86	32.49
Profit/(Loss) before Depreciation	(29.68)	226.63
Profit/(Loss) after Depreciation	(68.35)	192.51
Prior Period adjustments - Income	6.48	55.33
Provision for Fringe Benefit Tax	0.31	0.34
Deferred Tax	8.25	99.60
Net Profit/(Loss)	(70.44)	147.90

### DIVIDEND:

The Board of Directors do not recommend to pay dividend for the year ended under review in view of the accumulated losses.

### FUTURE OUTLOOK:

The Paper Industry is going through a difficult phase due to the following reasons.

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 current year thereby affecting the demand as well as prices of the paper manufactured by your company and similar waste paper based manufacturing units resulting in losses to the company in the current year.

This trend is expected to continue in the next year also.

# SHREE KARTHIK PAPERS LIMITED

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## DIRECTORS:

The following Directors are due to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-election.

1. Sri. P.C. Narendran
2. Sri. P.Kanagavadivelu

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO:

The required details in accordance with Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Directors) Rules, 1988 are given in Annexure 1 forming part of the report.

## DIRECTORS RESPONSIBILITY STATEMENT:

In compliance to the Provisions of Section 217 (2AA) of the Companies Act, 1956 your Directors wish to place on record:-

- (i) that in preparing the Annual Accounts, all applicable accounting standards have been followed.
- (ii) that 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 and Loss Account of the Company.
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing / detecting fraud and other irregularities.
- (iv) that the Directors have prepared the Annual Accounts on going concern basis.

## CORPORATE GOVERNANCE:

Pursuant to the requirements of Listing Agreements with the Stock Exchanges, your Directors are pleased to annex the following:

1. Management Discussion and Analysis Report.
2. A Report on Corporate Governance
3. Auditors Certificate regarding Compliance of conditions of Corporate Governance.

## AUDITORS:

Your Company's Auditor M/s Giri & Co, Coimbatore are due to retire at the ensuing Annual General Meeting and are eligible for re-appointment.

# SHREE KARTHIK PAPERS LIMITED

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## BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)

Your Company had made a reference to the Board for Industrial and Financial Reconstruction (BIFR) and IDBI was appointed as Operating Agency (OA). The BIFR after hearing on many sittings, has sanctioned the Rehabilitation Scheme vide its order dated 07.02.2007. The Scheme interalia envisaged writing down of paid up capital by 50% induction of fresh capital of Rs.600.00 Lacs by Promoters group and conversion of interest due to the extent of Rs.50.00 Lacs to IDBI as equity. Your Directors have implemented the same in letter and spirit. After implementation of these directions of Hon'ble BIFR, the paid up capital of the company as on date stands as 955.50 Lacs divided into 19110000 Equity Shares of Rs.5/- each.

The BIFR has appraised the circumstances attending to our case meticulously and keeping in mind the welfare and future growth of the company, granted certain reliefs and concessions which will help in a long way for the growth of the company in the years to come.

The Board records its deep gratitude for the kind sanction of BIFR which will facilitate better functioning and growth of the company.

### PARTICULARS OF EMPLOYEES:

There are no employees who are in receipt of remuneration of more than Rs. 24,00,000/- per annum when employed throughout the year and Rs. 2,00,000/- per month when employed for a part of the year.

### EMPLOYEES RELATIONS:

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

### ACKNOWLEDGEMENT:

The Directors acknowledge the co-operation, support and assistance rendered by the Financial Institution, Bank, Customers, Suppliers and the Employees of the Company.

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for and on behalf of the Board

Place : Coimbatore  
Date : 24.11.2009

(Sd.) **M.S. Velu**  
Chairman and Managing Director

# SHREE KARTHIK PAPERS LIMITED

## ANNEXURE I:

Information pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988.

### A. CONSERVATION OF ENERGY:

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

a. Power & Fuel Consumption	30.06.2009	30.06.2008	
1. Electricity			
a. Purchased			
Units	63,62,222	54,50,746	
Total amount (Rs.)	2,48,27,173	2,24,55,720	
Rate per unit (Rs.)	3.90	4.11	
b. Own Generator			
i. Through Diesel/Generator	Nil	Nil	
ii. Through Steam / Generator	Nil	Nil	
2. Coal	Nil	Nil	
3. Furnace	Nil	Nil	
4. Others: DOB and Saw Dust			
Quantity (in tones)	9098.30	7326.05	
Amount (Rs.)	1,11,02,030	82,39,411/-	
5. Consumption per unit of Production			
Electricity units per ton	585.19	537.80	
Others DOB units per ton	0.83	0.72	
b. Technology absorption			
Indigenous and upgraded technology alone are used			
c. Foreign Exchange Earning and outgo			
a. Steps are being taken to explore the possibility of exporting of writing and printing papers			
b. Total Foreign Exchange earned	Earned	Nil	Nil
and used excluding capital goods	Used	Nil	Nil
component and spares			

# SHREE KARTHIK PAPERS LIMITED

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## ANNEXURE 1:

### MANAGEMENT DISCUSSION AND ANALYSIS:

#### 1. Industry Structure and Developments:

With the increase in economic growth of the Country the requirement of paper is expected to improve significantly so that in the long term the demand should keep on increasing significantly. Paper industry in broad categories, consists of wood pulp based mills and waste paper based mills. With the shortage of wood in the Country and the pollution problems caused by the wood pulp based mills the future should be bright for the paper mills using non-conventional raw materials like waste paper and agricultural residues.

The Company has added the Hot Dispenser plant in the pulp section and is in the process of adding necessary screens to improve the quality of the paper keeping in view the future requirements.

#### 2. Opportunities and Threats:

There are good opportunities for growth, as the market for the products is expected to increase significantly in the coming years. However, the major threat facing the waste paper based industry is the incidence of excise duty from the year 2000. The waste paper based mills were receiving sustained support by way of excise duty exemption/major difference in excise duty compared to wood based paper mills till 2000. The industry has taken up with the Government to reduce significantly the excise duty on waste paper based mills.

#### 3. OUTLOOK:

The outlook is gloomy in the near future due to availability of excess capacity and import of newsprint at low rates and at 'Nil' duty

#### 4. RISKS AND CONCERNS:

- a. Rising prices and non-availability of waste paper in required quantities.
- b. Unwillingness of some customers to share price increase on inputs and the resulting pressure on margins.
- c. Import of Newsprint at 'Nil' duty at very low rates due to dumping by foreign manufacturers.

#### 5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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 PEOPLE EMPLOYED:

Cordial industrial relations have been maintained in the company. The company had 68 numbers of employees as on June 2009.

#### 7. CAUTION:

The views and statements expressed or implied in the Managements Discussions and Analysis are based on available information, experience and our own assessment. They are subject to alterations. The Company's Actual performance may differ due to National or International economic conditions, Government Regulations, Policies, Tax Laws and other environmental factors over which the Company does not have any control.



# SHREE KARTHIK PAPERS LIMITED

## ANNEXURE: 2:

### REPORT ON CORPORATE GOVERNANCE

#### 1. CORPORATE GOVERNANCE:

Company's philosophy on code of Governance

Your Company firmly believes in good Corporate Governance and envisages the attainment of transparency in all matters of Management of the Company and in reporting to the Share Holders and all other concerned.

#### 2. BOARD OF DIRECTORS

- a) The Board of Directors consists of 5 Directors. Of whom 3 are Independent Non-Executive Directors.  
b) Attendance of each Director at the Board Meeting and the Last Annual General Meeting (AGM)

Name of the Director	Category of Directorship	No. of Board Meeting Attended	Attendance of the Last AGM
Sri. M.S.Velu	Chairman & Managing Director	4	Present
Smt. S.S.Velu	Director	4	Present
Sri. K.Arumugam	Non Executive-Independent Director	4	Present
Sri. P.Kanagavadivelu	Non Executive-Independent Director	4	Present
Sri. P.C.Narendran	Non Executive-Independent Director	2	Present

- c) Number of other Companies or Committee the Directors of the Company is a Director / Member / Chairman.

Name of the Director	No. of Directorship in other Boards	No. of Membership in Other Board / Committee	No. of Chairmanship in Other Board / Committee
Sri. M.S.Velu	2	2	2
Smt. S.S.Velu	2	2	Nil
Sri. K.Arumugam	Nil	Nil	Nil
Sri. P.Kanagavadivelu	Nil	Nil	Nil
Sri. P.C.Narendran	Nil	Nil	Nil

- d) Details of Board Meeting held during the Period from 01.07.2008 to 30.06.2009

Sl.No	Date of the Meeting
1.	30-07-2008
2.	30-10-2008
3.	31-01-2009
4.	30-04-2009

# SHREE KARTHIK PAPERS LIMITED

## 3. AUDIT COMMITTEE:

The Audit Committee was formed by inducting the three Non-Executive Director under the Chairmanship of Sri.K. Arumugam with Sri.P.Kanagavadivelu and Sri.P.C.Narendran as members.

The details of Audit Committee Meeting held.

Sl.No	Date of the Meeting
1.	29-07-2008
2.	29-10-2008
3.	29-01-2009
4.	27-04-2009

## Composition of Audit Committee and Meeting Attendance

Sl. No.	Name of the Audit Cimmittee Members	No. of Meeting held	No. of Meeting Attended
1.	Sri. K.Arumugam	4	4
2.	Sri. P.Kanagavadivelu	4	4
3.	Sri. P.C.Narendran	4	4

The terms of reference to the Audit Committee are wide to cover all matters specified under the Listing Agreement with Stock Exchanges and the Companies Act,1956.

## 4. REMUNERATION COMMITTEE:

The Remuneration Committee consists of Three Directors Viz., Sri.M.S.Velu, Sri.P.Kanagavadivelu and Sri.P.C.Narendran.

## 5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Committee reviews and approves transfers and transmission of equity shares and other related work.

The Board has constituted the Grievance Committee comprising of

Sl.No.	Members
1.	Sri. M.S. Velu
2.	Smt. S.S. Velu
3.	Sri. K. Arumugam

The Company has designated the Accounts Manager as the Compliance Officer.

# SHREE KARTHIK PAPERS LIMITED

The Committee looks into the redress of shareholder's complaints like transfer of shares, non-receipt of Balance Sheet and other investors grievances. The Committee also oversees the performance of the Registrars & Transfer Agents.

No complaints were received from shareholders during 2008-09.

The total pending shares to be transferred as at 30.06.2009 was Nil.

## 6. GENERAL BODY MEETINGS:

Financial year	Date	Time	Venue
2005-06	31.12.2006	3.00 pm	Sree Annapoorna Kalai Arangam R.S.Puram, Coimbatore
2006-07	31.12.2007	3.00 pm	Sree Annapoorna Kalai Arangam R.S.Puram, Coimbatore
2007-08	31.12.2008	3.00 pm	Sree Annapoorna Kalai Arangam R.S.Puram, Coimbatore

No special resolutions were put through postal ballot last year and nor is any proposed for this year.

## 7. DISCLOSURES:

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

## 8. MEANS OF COMMUNICATION:

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

## 9. THE PROFILE OF DIRECTORS RETIRING BY ROTATION ELIGIBLE FOR REAPPOINTMENT:

### 1. Sri P.C. Narendran

Sri P.C. Narendran is a graduate and has popularity in and around Coimbatore as a famous Agriculturist. He has wide contacts and your Company feels his capacity as a Director will fetch better results for the Company in the years to come.

### 2. Sri P. Kanagavadivelu

Sri P. Kanagavadivelu is well known to all industrialist in and around Coimbatore wherein the Registered office of the company is situated. His wide contacts with people of different walks of life is a great boon to the Company.

# SHREE KARTHIK PAPERS LIMITED

## 10. GENERAL SHARE HOLDERS INFORMATION:

1. Annual General Meeting

Date : 21<sup>st</sup> December 2009, Monday, 3.30 pm

Venue: Sree Annapoorna Kalai Arangam, 75, East Arokiyasamy Road, R.S.Puram, Coimbatore-641 002

2. Financial Calendar 2008-2009

First Quarterly Results Last Week of October 2008

Second Quarterly Results Last week of January 2009

Third Quarterly Results Last week of April 2009

Fourth Quarterly Results Last week of July 2009

3. Book Closure Date : 17.12.2009 – 21.12.2009

4. Dividend payment date : Not applicable

5. Listed on Stock Exchanges (s) : Mumbai and Coimbatore

## 11. REGISTRARS & SHARE TRANSFER AGENTS:

Company's Share Transfer work is handled by M/s SKDC Consultants Ltd, No.11 S.N.Layout, Street No.1,(West power House Road), Coimbatore - 641 012

## 12. SHARE TRANSFER SYSTEM:

The Share Transfers are Registered and returned within a period of 20 days from the date of receipt, if the documents are in order. The share transfers are approved by the Share Transfer Committee.

## 13. SHAREHOLDING PATTERN AS ON 30.06.2009

Sl.No.	Category	No of shares	%(Percentage)
1.	Promoters	15341700	80.28
2.	Mutual Funds, Banks, Financial Institution & Insurance companies	1047800	5.48
3.	Foreign Institutional Investors	95100	0.50
4.	NRIs / OCBs		
5.	Private Corporate Bodies	474300	2.48
6.	Indian Public	2151300	11.26
	<b>Total</b>	<b>19110000</b>	<b>100.00</b>

# SHREE KARTHIK PAPERS LIMITED

## 14. DISTRIBUTION OF SHREHOLDING AS ON 30.06.2009

No. of shares held	No. of Share holders	%	Amount	%
Upto 5000	5623	96.50	4636000	4.85
5001 - 10000	69	1.18	542500	0.57
10001 - 20000	47	0.81	676500	0.71
20001 - 30000	37	0.63	940500	0.98
30001 - 40000	13	0.22	459000	0.48
40001 - 50000	11	0.19	526000	0.55
50001 - 100000	8	0.14	641500	0.67
100000 and above	19	0.33	87128000	91.19
<b>Total</b>	<b>5827</b>	<b>100.00</b>	<b>95550000</b>	<b>100.00</b>

## 15. PLANT LOCATION:

Puliyangandi Aliyar Nagar  
Kottur Village  
Pollachi Taluk

## 16. ADDRESS FOR CORRESPONDENCE:

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

for and on behalf of the Board

Place : Coimbatore  
Date : 24.11.2009

(Sd.) **M.S. Velu**  
Chairman and Managing Director

## DECLARATION BY CEO OF THE COMPANY ON CODE OF CONDUCT

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

I hereby declare that,

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

for and on behalf of the Board

Place : Coimbatore  
Date : 24.11.2009

(Sd.) **M.S. Velu**  
Chairman and Managing Director

# SHREE KARTHIK PAPERS LIMITED

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## COMPLIANCE CERTIFICATE FROM THE AUDITORS OF THE COMPANY

(Under cause 49 of the Listing Agreement)

The Members

M/s Shree Karthik Papers Limited

We have reviewed the implementation of Corporate Governance procedures by M/s Shree Karthik Papers Limited (the Company) during the year ended 30<sup>th</sup> June 2009 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 procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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 a review, in our opinion, the Company has complied with the conditions of the Corporate Governance, as stipulated in clause 49 of the Listing Agreement.

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

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Place : Coimbatore

Date : 24.11.2009

for Giri & Co.,  
Chartered Accountants  
Sd/- R. GIRI,  
Partner

# SHREE KARTHIK PAPERS LIMITED

GIRI & CO.,  
Chartered Accountants

R. Giri, B.Com., F.C.A.

No.90, Arokiasamy Road East,  
R.S.Puram,  
Coimbatore - 641 002.

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial results of **SHREE KARTHIK PAPERS LIMITED** for the period from 01-07-2008 to 30-06-2009, attached herewith being submitted by the company pursuant to the requirement of clause 41, of the listing agreement. The financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit of such interim financial statements which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 or by the institute of Chartered Accountants of India and other accounting principles generally accepted in India.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report), Order 2003, issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matter specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to above, 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred in sub-section 3C of Section 211 of the Companies Act, 1956.

# SHREE KARTHIK PAPERS LIMITED

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e. Based on representations made by the Directors of the Company and the information and explanations given to us, we report that none of the Directors of the Company are, prima facie, as at 30<sup>th</sup> June 2009, disqualified from being appointed as Directors of the Company in terms of clause (g) of sub section (1) of Section 274 of the Companies Act 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information so required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

(i) Are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard and

(ii) Give a true and fair view of the net profit/loss and other financial information for the year ended 30<sup>th</sup> June 2009

Further we also report that we have, on the basis of the books of accounts and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings as furnished by the company in terms of clause 35 of the Listing agreement and found the same to be correct.

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Place : Coimbatore

Date : 24.11.2009

for GIRI & Co.,  
Chartered Accountants  
Sd/- R. GIRI  
Partner



# SHREE KARTHIK PAPERS LIMITED

GIRI & CO.,  
Chartered Accountants

R. Giri, B.Com., F.C.A.

No.90, Arokiasamy Road East,  
R.S.Puram,  
Coimbatore - 641 002.

## ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT OF EVEN DATE

In terms of the information given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

1. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. The company has disposed motor vehicles during the year which has not affected its going concern status.
2. In respect of its inventories:
  - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - a. During the year the company has financial transactions with the Directors as detailed below

Name of the Directors	Balance as on 01.07.2008	Closing Balance as on 30.06.2009
M.S.Velu Managing Director	Rs.3,21,94,441/-	Rs.3,74,00,908/-
S.S.Velu Director	Rs.58,10,270/-	Rs.61,71,245/-

## SHREE KARTHIK PAPERS LIMITED

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- b. The loans are unsecured. The Company is paying interest for the same.
  - c. The company has not granted any loans to any party or company. As such the sub Clause (d)4(iii) is not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchases of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
  5. In respect of transactions covered under section 301 of the Companies Act, 1956:
    - a. In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contract or arrangements, that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956, have been so entered.
    - b. The transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
  6. The company has not accepted any deposits from the public.
  7. The Company has the Internal Audit System and is commensurate with the size of the Company and nature of its business.
  8. The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for the manufacturing activity of the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
  9. In respect of statutory dues:
    - a. The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Sales Tax, Excise Duty, Cess and other statutory dues applicable to the company.
    - b. According to the information and explanations given to us, there are no undisputed amounts remaining payable as at 30<sup>th</sup> June 2009 for a period of more than six months from the date they became payable.
    - c. According to the information and explanations given to us, the following dues have not been deposited on account of disputes. The Company is confident of getting these claim quashed as the demands have been raised only on technical grounds.

# SHREE KARTHIK PAPERS LIMITED

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

10. The company has incurred cash loss during the financial year covered by our audit and not in the immediately preceding financial year.
11. The company has not defaulted in repayment of dues to financial institutions or Banks.
12. In our opinion and according to the information and explanation's given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Company's (Auditor's Report) Order, 2003, is not applicable to the company.
14. The company is not dealing or trading in shares, debentures and other investments.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has not obtained any term loans during the year.
17. The company has not raised any funds on short term basis during the year.
18. The Company has not allotted any shares during the year.
19. The company has not issued any debentures.
20. The company has not raised any money by public issue.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place : Coimbatore

Date : 24.11.2009

for GIRI & Co.,  
Chartered Accountants  
Sd/- R. GIRI  
Partner

# SHREE KARTHIK PAPERS LIMITED

## Balance Sheet as on 30.06.2009

(in - Rs.)

Particulars	Schedule Reference	30.06.2009	30.06.2008
<b>I. Sources of Funds</b>			
1. Shareholders' Funds:			
a. Capital	1	95550000	95550000
b. Reserves and Surplus	2	1380000	1380000
2. Loan Funds:			
a. Secured Loans	3	14570807	21090157
b. Unsecured Loans	4	64656301	84276738
3. Deferred Tax liability		3019850	2336792
<b>TOTAL</b>		<b>179176958</b>	<b>204633688</b>
<b>II. Application of Funds</b>			
1. Fixed Assets			
a. Gross Block	5	178671630	154746373
b. Less: Depreciation		113975752	110649339
c. Net Block		64695878	44097034
2. Investment	6	8500	8500
3. Deferred Tax Asset		2484306	2626616
4. Current Assets, Loans & Advances	7	104708843	153432412
Less: Current Liabilities	8	29928540	25602438
Net Current Assets		74780303	127829974
5. Profit & Loss Account		37207971	30071564
<b>TOTAL</b>		<b>179176958</b>	<b>204633688</b>
Notes on Accounts	15		

Schedule 1 to 8 and Schedule 15 form an integral part of this Balance Sheet

(Sd.) **M.S. VELU**  
Chairman and Managing Director

(Sd.) **Mrs. S.S. VELU**  
Director

As per our report of even date

for **GIRI & CO.,**  
Chartered Accountants  
Sd/- **R. GIRI**  
Partner

Place: Coimbatore  
Date: 24.11.2009

# SHREE KARTHIK PAPERS LIMITED

## Profit and Loss Account for the year ended 30:06.2009

(in Rs.)

Particulars	Schedule Reference	30.06.2009	30.06.2008
<b>INCOME</b>			
Net Sales		220516680	173867783
Other Income	9	564115	539423
Increase in Stock of Finished goods and stock in process		(5378771)	(5841016)
<b>TOTAL</b>		<b>215702024</b>	<b>168566190</b>
<b>EXPENDITURE</b>			
Raw Materials Consumption	10	137006911	89147458
Other Expenses	11	73569635	53506261
Finance Charges	12	8186033	3249110
Depreciation	5	3867451	3412556
<b>TOTAL</b>		<b>222630030</b>	<b>149315386</b>
Profit for the year		(6928006)	19250805
Fringe Benefit Tax		31500	33579
Deferred Tax		825365	9960001
Prior Period Adjustments - Net Income	13	648464	5532960
<b>TOTAL PROFIT</b>		<b>(7136407)</b>	<b>14790185</b>
Balance of Loss brought forward from previous year.		(30071564)	(44861749)
<b>Balance being loss carried to Balance Sheet</b>		<b>(37207971)</b>	<b>(30071564)</b>
Notes on Accounts	15		

Schedules 9 to 15 form an integral part of this Profit of and Loss Account

(Sd.) **M.S. VELU**  
Chairman and Managing Director

(Sd.) **Mrs. S.S.VELU**  
Director

As per our report of even date

for **GIRI & CO.,**  
Chartered Accountants  
Sd/- **R. GIRI**  
Partner

Place: Coimbatore  
Date: 24.11.2009

# SHREE KARTHIK PAPERS LIMITED

## Schedules to Balance Sheet as on 30.06.2009

(in Rs.)

Particulars	30.06.2009	30.06.2008
<b>1. CAPITAL</b>		
<b>AUTHORISED</b>	<b>100,000,000</b>	100,000,000
2,00,00,000 Equity shares of Rs. 5/- each		
<b>ISSUED,SUBSCRIBED AND PAID UP</b>		
1,91,10,000 Equity Shares of Rs.5/- each	95,550,000	95,550,000
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 or reduced by 50% as per the order of the BIFR dated 07.02.2007		
<b>Total</b>	<b>95,550,000</b>	95,550,000
<b>2. RESERVES AND SURPLUS</b>		
Capital Reserve	1,380,000	1,380,000
<b>Total</b>	<b>1,380,000</b>	1,380,000
<b>3. SECURED LOAN</b>		
<b>A. Term Loans :</b>		
(Secured by first charge by way of equitable mortgage of all immovable properties and hypothecation of all movable assets (except book-debts) subject to prior charges created in favour of company's bankers on stock of raw materials, semi-finished and finished goods, consumable stores and such other movables for securing the borrowings for working capital requirement)		
1. Industrial Development Bank of India	3,225,001	9,675,001
To be Converted as NCD for IDBI	10,500,000	10,500,000
Sundaram Finance - Bolero	295,052	0
ICICI Bank - Car Loan	-	95,761
Sundaram Finance - Skoda	550,754	819,395
<b>Total</b>	<b>14,570,807</b>	21,090,157
<b>4. UNSECURED LOANS</b>		
Interest free Sales tax Loan	21,084,148	20,120,027
Others	43,572,153	64,156,711
<b>Total</b>	<b>64,656,301</b>	84,276,738

# SHREE KARTHIK PAPERS LIMITED

Figures in Rupees

## Schedule : 5. FIXED ASSETS

ASSET DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.07.2008 Rs.	Additions Rs.	(Deletions) Rs.	As on 30.06.2009 Rs.	Up to 01.07.08	Deletion	For the Year Rs.	Up to 30.06.2009 Rs.	As on 30.06.2009 Rs.	As on 30.06.2008 Rs.
Land & Land Development	13,56,905	-	-	13,56,905	-	-	-	-	13,56,905	13,56,905
Garden Development	1,37,500	-	-	1,37,500	-	-	-	-	1,37,500	1,37,500
Building	2,61,21,650	65,32,645	-	3,26,54,295	1,03,91,066	-	9,68,886	1,13,59,952	2,12,94,343	1,57,30,584
Plant & Machinery	9,61,85,370	1,51,08,417	-	11,12,93,787	8,52,27,249	-	12,57,254	8,64,84,503	2,48,09,284	1,09,58,121
Electrical Installation & Fittings	1,61,81,632	44,16,653	-	2,05,98,285	96,88,331	-	8,03,261	1,04,91,592	1,01,06,693	64,93,301
River Pipeline	77,84,664	-	-	77,84,664	39,03,201	-	3,69,772	42,72,973	35,11,691	38,81,463
Furniture & Fittings	5,83,934	2,53,556	-	8,37,490	3,51,856	-	39,965	3,91,821	4,45,669	2,32,078
Office Equipments	10,93,853	2,70,065	-	13,63,918	3,73,503	-	54,628	4,28,131	9,35,787	7,20,350
Motor Vehicles	31,63,927	5,67,369	(11,60,147)	25,71,149	6,89,795	5,41,038	3,70,188	5,18,945	20,52,204	24,74,132
Miscellaneous Assets	73,637	-	-	73,637	24,339	-	3,498	27,837	45,800	49,298
<b>Total</b>	<b>15,26,83,072</b>	<b>2,71,48,705</b>	<b>(11,60,147)</b>	<b>17,86,71,630</b>	<b>11,06,49,340</b>	<b>5,41,038</b>	<b>38,67,451</b>	<b>11,39,75,753</b>	<b>6,46,95,877</b>	<b>4,20,33,732</b>

# SHREE KARTHIK PAPERS LIMITED

Particulars	30.06.2009	30.06.2008
<b>6. INVESTMENTS</b>		
Government Securities:		
Kisan Vikas Patra	8,000	8,000
National Savings Certificate	500	500
	<b>8,500</b>	<b>8,500</b>
<b>7. CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
a. Inventories		
(As valued and certified by the management)		
Stores, Consumables and Spares at cost	3,156,782	4,552,774
Raw Materials	11,804,766	21,894,152
Finished Goods	1,268,446	1,193,234
Stock-in-process	2,028,916	7,482,899
Fuel	147,173	74,995
	<b>18,406,083</b>	<b>35,198,054</b>
b. Sundry Debtors - Unsecured considered good		
Outstanding for a period more than six months	13,042,680	17,141,969
Others	44,942,521	54,291,335
	<b>57,985,201</b>	<b>71,433,304</b>
c. Cash and Bank Balances		
Cash on hand	871,240	566,312
Balances with Scheduled Banks in current Account	2,933,154	187,347
	<b>3,804,393</b>	<b>753,659</b>
d. Loans and Advances (Unsecured considered good)		
Advances receivable in cash or kind or for value to be received	15,487,731	37,384,429
1. Deposits	6,116,584	5,891,018
2. Deposits with excise Departments	183,639	194,691
3. Tax deducted at source	307,972	298,049
4. Sales Tax - Advance	2,417,240	2,279,209
	<b>24,513,166</b>	<b>46,047,396</b>
Total Current assets	<b>104,708,843</b>	<b>153,432,412</b>
<b>8. CURRENT LIABILITIES</b>		
Creditors - Supplies	18,765,244	18,860,533
Creditors - Expenses & others	9,405,196	4,841,071
Advance from customers	1,606,988	1,801,163
Tax deducted at source	151,114	99,671
	<b>29,928,540</b>	<b>25,602,438</b>



# SHREE KARTHIK PAPERS LIMITED

## Schedules to Profit and Loss Account for the year ended 30.06.2009

Particulars	30.06.2009	30.06.2008
<b>9. OTHER INCOME</b>		
Interest	309697	285956
Interest on FD	-	2760
Miscellaneous Receipts	254418	250708
	<b>564115</b>	<b>539423</b>
<b>10. RAW MATERIALS CONSUMED - WASTE PAPER</b>		
Opening Stock	21894152	15710676
Add: Purchases and Expenses	126917525	95330934
Less : Closing Stock	148811677	111041610
	11804766	21894152
<b>Consumption</b>	<b>137006911</b>	<b>89147458</b>
<b>OTHER EXPENSES</b>		
Salary and Wages	4404059	3477494
Stores, Spares, tools dye stuffs	14124420	9144967
Provident fund	281128	242756
<b>Repairs and Maintenance</b>		
Machinery Maintenance	10320846	3223274
Office Equipments Maintenance	19139	3130
Electrical Maintenance	983280	218487
Vehicle Maintenance	103868	42966
	11427134	
Gratuity	264670	115001
Bonus & Exgratia	300000	240000
Rent	288000	288000
Power, Fuel and Water charges	36626432	31968887
Insurance	155813	152734
Rates and Taxes	955031	124900
-Rebate, Commission and Discount	24373	664645
Packing and Forwarding	3446902	2720241
Advertisement	15471	19200
Postages, Telegrams and Telephone	287288	320968
General Expenses	608021	453890
<b>Remuneration to Auditors</b>		
For Audit	40000	40000
Out of Pocket Expenses	34074	22276
For Tax Audit	15000	7500
Service Tax	7710	4944
Internal Audit Fees	60000	10000
Loss on sale of Fixed Assets	204109	0
	<b>73569635</b>	<b>53506261</b>

# SHREE KARTHIK PAPERS LIMITED

## Schedules to Profit and Loss Account for the year ended 30.06.2009

Particulars	30.06.2009	30.06.2008
<b>12. FINANCE CHARGES</b>		
Interest on Term Loans	771246	1395498
Interest on Others	7140685	1623981
Bank Charges	274102	229631
	<b>8186033</b>	<b>3249110</b>
<b>13. PRIOR YEAR ADJUSTMENTS</b>		
<b>INCOME</b>		
Provision for expenses withdrawn	124864	12103
Interest	-	13029
Excise Duty	-	23555
Electricity Charges - Exemption	540461	-
Depreciation excess provision withdrawn	-	5682955
<b>Total (A)</b>	<b>665325</b>	<b>5731642</b>
<b>EXPENSES</b>		
Sales Tax	-	143983
Provident Fund	-	42624
Packing	16861	5818
Security Salary	-	6257
<b>Total (B)</b>	<b>16861</b>	<b>198682</b>
<b>Net Adjustments (A-B) income</b>	<b>648464</b>	<b>5532960</b>

Schedules 1 to 9 and Schedule 15 form and integral part of this Balance sheet

(Sd.) **M.S. VELU**  
Chairman and Managing Director

(Sd.) **Mrs. S.S. VELU**  
Director

As per our report of even date

for **GIRI & CO.,**  
Chartered Accountants  
Sd/- **R. GIRI**  
Partner

Place: Coimbatore  
Date: 24.11.2009

# SHREE KARTHIK PAPERS LIMITED

Schedule: 15

## NOTES ON ACCOUNTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a. ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

#### b. FIXED ASSETS

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

#### c. DEPRECIATION

Depreciation on the assets have been provided on Straight Line Method as per Schedule XIV of the Companies Act, 1956.

#### d. INVESTMENTS

Investments are stated at Cost.

#### e. INVENTORIES

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

#### f. GRATUITY

Provision for gratuity has been made for the eligible employee.

### 2. CONTINGENT LIABILITIES

Contingent liabilities have not been provided for. The same will be met as and when they arise.

### 3. SALES

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

### 4. Amount due to Small Scale Unit for more than 30 days:

Jaya Enterprises	Rs.5,29,805/-
Venkateswara Minerals	Rs.2,74,676/-
Amaravathi Tubes	Rs. 2,62,367/-

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

6. The company is not covered by E S I regulation.

# SHREE KARTHIK PAPERS LIMITED

## 7. Remuneration to auditors includes:

	30.06.2009	30.06.2008
<b>a. Statutory Audit</b>		
Fee for audit	40,000/-	40,000/-
Fee for Tax Audit	15,000/-	7,500/-
For Expenses	30,000/-	22,276/-
For Service Tax	7,210/-	4,944/-
<b>b. Internal Audit</b>	<b>30.06.2009</b>	<b>30.06.2008</b>
Fee for audit	60,000	10,000

8. Sri M S Velu, Managing Director and Smt S S Velu, Director, have provided their personal guarantee to the term loans availed by the company.

9. Information pursuant to provisions of part II of Schedule VI of the Companies Act 1956.

<b>A. Quantitative Information</b>	<b>30.06.2009</b>	<b>30.06.2008</b>
<b>I) MANUFACTURING ACTIVITY :-</b>		
Installed Capacity and Production		
a. Installed Capacity	13,350 MT	13,350 MT
b. Actual Production	10,872 MT	10,135 MT
Sale of Finished Goods – Paper	10,647 MT	10,039 MT
	Rs.22,05,16,680/-	Rs.17,38,67,783/-
Raw Material Consumption :		
Waste Paper – Indigenous	16,739 MT	12,639 MT
	Rs.13,70,06,911/-	Rs.8,91,47,458/-
Chemicals	Rs.1,41,24,420/-	Rs.91,44,967/-
Stock of Finished Goods		
Closing Stock – Paper	61.72 MT	92.6 MT
	Rs.12,68,446/-	Rs.11,93,234/-

## 10. TAXATION

The company has no liability towards income tax excepting fringe benefit tax.

Deferred tax Asset / Liability is reviewed and realizable value of Asset / Liability is retained.

a. Deferred Tax Liability is provided for the difference in depreciation.

b. Deferred Tax Assets is recognized for carried forward loss under the Income Tax Act.

# SHREE KARTHIK PAPERS LIMITED

## 11. RELATED PARTY TRANSACTION

- a. Relationship : Associate Company Shree Ganesh Gears Pvt., Ltd  
b. Nature of Transactions : Purchase of wind energy power Rs.34,97,119/-  
c. Outstanding balance as on 30.06.2009 : Rs.74,94,749/-

## 12. 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.

## 13. 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

## 14. DETAILS OF REMUNERATION TO DIRECTORS:

	30.06.2009		30.06.2008	
	M. Director	Director	M. Director	Director
a. Salary	NIL	NIL	NIL	NIL
b. Perquisites	Nil	NIL	NIL	NIL

15. Previous year figures have been regrouped / rearranged wherever necessary to confirm to this year's classification / comparison.

(Sd.) **M.S. VELU**  
Chairman and Managing Director

(Sd.) **Mrs. S.S.VELU**  
Director

As per our report of even date

for **GIRI & CO.,**  
Chartered Accountants  
Sd/- **R. GIRI**  
Partner

Place: Coimbatore  
Date: 24.11.2009

# SHREE KARTHIK PAPERS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30.06.2009

(Rs. in Lacs)

Particulars		30.06.09
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss before Tax and Extraordinary Items		68.52
ADJUSTMENT FOR		
Depreciation		38.67
Operating Loss before Working Capital Changes		29.85
ADJUSTMENT FOR WORKING CAPITAL CHANGES		
Decrease Inventories	167.92	
Decrease in Sundry Debtors	134.48	
Decrease in Loans & Advances	215.34	
Increase in Current Liabilities	43.26	561.00
Net Cash from Operating Activities		531.16
Less: Deletion in Fixed Assets		11.60
Add: Reduction in Equity		0.00
Less: Investments in Fixed Assets		250.85
		291.91
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		
Increase in secured loans	65.19	
Increase in unsecured loans	196.20	261.40
NET RESULT		30.51
Cash and Cash equivalent as at 30th June 2008		7.54
Cash and Cash equivalent as at 30th June 2009		38.04
NET RESULT		30.51

(Sd.) **M.S. VELU**  
Chairman and Managing Director

(Sd.) **Mrs. S.S. VELU**  
Director

As per our report of even date

Place: Coimbatore  
Date: 24.11.2009

for **GIRI & CO.,**  
Chartered Accountants  
Sd/- **R. GIRI**  
Partner

# SHREE KARTHIK PAPERS LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

### I. REGISTRATION DETAILS

Registration No.	181-3570
State Code No.	18
Balance Sheet Date	30.06.2009

### II. CAPITAL RAISED DURING THE YEAR

(Rs. in Lakhs)

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Rs. in Lakhs)

Total Liabilities	2091.05
Total Assets	2091.05

#### SOURCE OF FUNDS

Paid-up capital	955.50
Reserve & Surplus	13.80
Deferred tax liability	30.20
Secured Loans	145.71
Unsecured Loans	646.56

#### APPLICATION OF FUNDS

Net Fixed Assets	646.96
Investment	0.08
Net Current Assets	747.80
Deferred tax Asset	24.84
Accumulated Loss	372.08

### IV. PERFORMANCE OF COMPANY

Total Income	2157.02
Total Expenditure	2226.30
Profit / (Loss) Before Tax	(69.28)
Earning Per Share	NIL
Dividend Rate%	NIL

### V. GENERIC NAMES OF THREE PRODUCTS / SERVICES OF THE COMPANY

(as per monetary terms)

Item Code	48.02
Product Description	Printing, Writing Paper

(Sd.) **M.S. VELU**  
Chairman and Managing Director

(Sd.) **Mrs. S.S. VELU**  
Director

As per our report of even date.

for **GIRI & CO.,**  
Chartered Accountants  
Sd/- **R. GIRI**  
Partner

Place: Coimbatore  
Date: 24.11.2009

# SHREE KARTHIK PAPERS LIMITED

Regd. Office: No. 25, 50 Feet Road, Krishnasamy Nagar, Ramanathapuram, Coimbatore-641 045.

## PROXY FORM

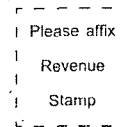
I/We ..... of .....  
being a member of SHREE KARTHIK PAPERS LIMITED hereby appoint .....  
of ..... or failing him/her ..... of as my / our  
proxy to vote for me/us on my/our behalf at the 18<sup>th</sup> Annual General Meeting of the Company to be held on  
**Monday, the 21<sup>st</sup> December, 2009 at 3.30 P.M.** and at any adjournment thereof.

Signed this ..... day of ..... 2009

No. of Shares held: .....

Signature of the Shareholder .....

Note: This forms duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.



Folio No.:

No. of Shares:

(Please cut here)

# SHREE KARTHIK PAPERS LIMITED

Regd. Office: No. 25, 50 Feet Road, Krishnasamy Nagar, Ramanathapuram, Coimbatore-641 045.

## ATTENDANCE SLIP

Folio No.:

No. of Shares :

Please complete this attendance slip and hand it over at the entrance of the meeting Hall. Only members or their proxies and entitled to be present at the meeting.

Name and address .....

Name of the proxy:

I/We hereby record my/our presence at the 18<sup>th</sup> Annual General Meeting held at the Sree Annapoorna Kalai Arangam, East Arokiasamy Road, R.S.Puram, Coimbatore-641 002 on Monday, the 21st day of December 2009 at 3.30 p.m.

Strike out whichever is not applicable

Signature of the Shareholder / Proxy



Book-Post

If undelivered, please return to:

**Registrars & Share Transfer Agents**

**M/s. SKDC Consultants Ltd.,**

P.B.No. 2979, Street No.1,

11-S.N. Layout, Tatabad, Coimbatore - 641 012.

Tel: 0422-2499856, 2494704 Fax: 0422-2499574,

E-mail: [info@skdc-consultant.com](mailto:info@skdc-consultant.com)

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