

SHREE KARTHIK PAPERS LIMITED

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Krishnasamy Nagar, Ramanathapuram,
COIMBATORE - 641 045

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Telephone : 04253 - 288648
GST No. : 33AADCS1863K1ZA
CIN : L21012TZ1991PLC003570

SKPL/BSE/2018-19/

11.09.2018

To

BSE Ltd,
Corporate Relationship Department
1st Floor, New Trading Wing,
P.J. Towers, Dalal Street
Mumbai-400001.

Dear Sirs

Security Code: 516106

Sub: Compliance of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015- Annual Report enclosed-

In compliance with Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclose herewith "Shree Karthik Papers Ltd. Annual Report for the year 2017-18 of the company for updation of your records.

Kindly take the same on record.

Yours faithfully
For Shree Karthik Papers Ltd.



Whole time Director

Encl: Annual Report 2017-18

SHREE KARTHIK PAPERS LIMITED



AMOHA

Twenty Seventh Annual Report 2017 - 18

SHREE KARTHIK PAPERS LIMITED

BOARD OF DIRECTORS

DIRECTOR

AUDITORS

REGISTERED OFFICE

REGISTRAR AND SHARE TRANSFER AGENTS

LISTED STOCK EXCHANGE

BANKERS

Sri M.S. Velu

Chairman & Managing Director

Smt. S.S. Velu

Sri P. Kanagavadivelu

Independent Director

Sri P.C. Narendran

Independent Director

Sri K. Arumugam

Independent Director (upto 30.12.2017)

Sri R. Uma Shankar

Independent Director(from 01.01.2018)

Sri VigneshVelu

Whole Time Director

Statutory Auditors

M/s. K S P V & Co.

Chartered Accountants, Coimbatore

Secretarial Auditor

Sri S. Rengasamy

Practising Company Secretary

25 Feet Road, Krishnasamy Nagar

Ramanathapuram, Coimbatore-641045

Phone: 0422 4217174

Fax 0422 4217178

Email id: shreekarthikpapers@yahoo.com

CIN: L21012TZ 1991PLC003570

S.K.D.C.Consultants Limited Kanapathy

Towers, III Floor, 1391/A-1 Sathy Road,

Ganapathy, Coimbatore-641006

BSE Limited (Bombay Stock Exchange

Limited) Floor 25 P.J. Towers, Dalaj

Street Mumbai-400 001

Kotak Mahindra Bank Ltd., Coimbatore.

27th Annual General Meeting

Date	: 17 th September 2018
Day	: Monday
Time	: 3.00 P.M.
Venue	: Sree Annapoorna Kalai Arangam "Dakshin Hall" R.S. Puram Coimbatore - 641002
Book Closure Date	: 11.09.2018 to 17.09.2018 (Both days inclusive)

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NOTICE

NOTICE is hereby given that the TWENTY SEVENTH Annual General Meeting of the Members of SHREE KARTHIK PAPERS LIMITED will be held at Sree Annapoorna Kalai Arangam, Dakshin Hall, East Arokiasamy Road, R.S. Puram, Coimbatore-641002 on Monday, the 17th September 2018 at 3.00 P.M. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements viz. Statement of Profit and Loss Account, Cash Flow Statement for the year ended 31st March 2018, Balance Sheet as on that date, the Reports of the Directors and the Auditors' Report thereon.
2. To ratify the appointment of the Auditors of the company and to fix the remuneration and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014 (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Company hereby ratifies the appointment of M/s. K S P V & Co, Chartered Accountants, registered with the Institute of Chartered Accountants of India vide Firm registration number 015520S as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of 28th Annual General Meeting on such remuneration plus applicable taxes and out of pocket expenses, as may be mutually agreed upon by the Board of Directors and Statutory Auditors.

FURTHER RESOLVED that the Board of Directors of the company be and are hereby authorized to take all necessary steps and to do all such acts, deeds, matters and things which may be deemed necessary for giving effect to the above Resolution".

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other applicable provisions of the Companies Act 2013, approval of the shareholders of the company be and is hereby accorded for the re-appointment of Sri M.S. Velu holding DIN No. 0168208, notwithstanding the fact that he has crossed the age of 75 years, as a Director of the company liable to retire by rotation".

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 161 and other applicable provisions of the Companies Act 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time, Sri. R. Uma Shankar (holding DIN 08062869), Director who holds office up to the date of this Annual General Meeting be and is hereby appointed in the casual vacancy as an Independent Director of the company not liable to retire by rotation for a period from 01.01.2018 to 31.03.2019

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

Re-Appointment of Independent Directors of the company

"Resolved that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act 2013 and the rules made

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there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time, Sri Palanisamy Kanagavadivelu (holding DIN 01856028), who was appointed as an Independent Director and who holds office as an Independent Director upto March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to March 31, 2024."

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

Re-Appointment of Independent Directors of the company

"Resolved that pursuant to the provisions of Sections 149,152 and other applicable provisions of the Companies Act 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time, Sri Chinna Palanisamy Narendran (holding DIN 00090432), who was appointed as an Independent Director and who holds office as an Independent Director upto March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to March 31, 2024."

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

Re-Appointment of Independent Directors of the company

"Resolved that pursuant to the provisions of Sections 149,152 and other applicable provisions

of the Companies Act 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time, Sri R. Uma Shankar (holding DIN 08062869), who was appointed as an Independent Director and who holds office as an Independent Director upto March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to March 31, 2024."

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

"RESOLVED THAT in supersession of all resolutions passed earlier in this regard, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 50.00 crore (rupees fifty crore only) over and above the aggregate of the paid-up share capital of the Company and its free reserves

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(that is to say reserves not set apart for any specific purpose) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give 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".

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

"RESOLVED THAT, the consent of the members be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any of the Companies Act 2013 to the Board of Directors of the company to pledge, mortgage and/ or charge in all or any part of the movable or immovable properties of the company and the whole or part of the undertaking of the company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the company and the whole of the undertaking of the company together with power to take over the management of the business or concern of the company in certain events to or in favour of Banks, Financial Institutions to secure the amount borrowed by the company or any third party from time to time for the due payment of the principal together with interest, charges, costs, expenses and all other monies payable by the company or any third party in respect of such borrowings and to sell or otherwise dispose off the

whole or substantially the whole of the undertaking of the company where the company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s)/ interest on such terms and conditions at such time(s) and in such form and manner and with such ranking as to priority as the Board in its absolute discretion thinks fit provided that the maximum limit of the obligations secured by such security interest created by the company or such sell or substantial interest/ undertaking does not exceed Rs. 12,75,00,000 (Rupees Twelve crores and seventy five lakhs only) at one time.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolution.

RESOLVED FURTHER THAT the mortgage/ charge created/ to be created/ or agreements/ documents/ executed/ to be executed and all acts done in terms of the above resolution by and with authority of the Board of Directors be and are hereby confirmed and ratified".

"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

Place : Coimbatore

Managing Director

Date : 28.05.2018

DIN : 0168208

NOTES FOR THE MEMBERS' ATTENTION

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Pursuant to provisions of Section 105 of the Companies Act 2013, 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

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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.

2. Corporate members intending to send their authorized representative(s) to attend the AGM pursuant to Section 113 of the Companies Act 2013 are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the AGM

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.

3. Members/Proxies should bring their attendance slips duly filled in for attending the meeting
4. The Register of Members and Share Transfer Books of the company will remain closed from 11th September 2018 to 17th September 2018 (both days inclusive)
5. 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
6. 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.
7. Members holding shares in physical form are requested to send any change in their address, bank details, share transfers/transmissions, duplicate certificate if any, to

Registrar and Share Transfer Agent (RTA) , SKDC Consultants Limited, Coimbatore quoting reference of the Folio No.

8. 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.
9. 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
10. Electronic copy of the Annual Report for 2017-18 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.
11. Investors are required to provide a copy of their PAN No. for effecting share transfers, transmission and transposition in their favour.
12. Members are requested to note that the venue of the 27th Annual General Meeting is " Sree Annapoorna Kalai Arangam, Dakshin Hall, East Arokiasamy Road, R.S. Puram, Coimbatore-641002 on 17th September 2018.
13. The cut off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be 10th September 2018.

14. The Board has appointed Sri. S. Rengasamy Practising Company Secretary, Coimbatore 641036 as Scrutinizer for conducting the e-voting process and ballot at AGM.
15. 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 19th September 2018. The results declared along with the Scrutinizers report shall be placed on the website of www.cdsi and also shall be communicated to BSE Limited.
16. 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.
17. Instructions on e-voting is annexed to this notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**Item No. 3**

As per the new Regulation 17(A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, effective from April 1, 2019, every listed company would require the approval of the shareholders of the company by way of passing a special resolution to appoint or continue the Directorship of any person, who has attained the age of 75 years as a Non-Executive Director of the company.

Sri M.S. Velu holding DIN No. 01682508 was appointed as a Director of the company liable to retire by rotation in the 25th Annual General Meeting held on 28.09.2016. He is eligible for re-appointment. In order to ensure compliance with Regulation 17(1A) of SEBI (Listing Obligations and

Disclosure Requirements) Regulations 2015, which is effective from 1st April 2019, necessary special resolution has been set out in the Notice Item No. 3 seeking approval of the shareholders of the company for the re-appointment of Sri M.S. Velu holding DIN No. 01682508 Director of the company liable to retire by rotation.

Keeping in view of the vast experience and skills possessed by Sri M.S. Velu, the Board considers that his continued association would immensely benefit the company and it is desirable to re-appoint him as a Director of the company liable to retire by rotation.

Sri M.S. Velu, presently 76 years of age, holds Bachelor Degree in Electrical Engineering and was appointed on the Board of Directors of the company on 18.12.1991. He is also a Managing Director in Sree Ganesh Gears Private Limited and Director in Shree Vignesh Wind Mill Private Limited. He is also a member of the Stakeholders Relationship Committee. He holds 9972620 equity shares in the company.

Sri.VigneshVelu and Smt. Selvambal are related to Sri M.S. Velu.

The Board commends the Special Resolutions set out at Item No. 3 of the Notice for approval by the members.

Item No.4

Sri R. Uma Shankar aged about 52 years is a Non Executive Independent Director of the company. He joined the Board of Directors of the company on 01.01.2018 who holds office up to the date of this Annual General Meeting be appointed and regularized in the casual vacancy as an Independent Director of the company not liable to retire by rotation for a period from 01.01.2018 to 31.03.2019

He does not hold by himself or for any other person on a beneficial basis, any shares in the company.

Except Sri R. Uma Shankar, being an appointee, none of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise in the resolution set out at item No.4.

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This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Special Resolutions set out at Item No. 4 of the Notice for approval by the members.

Item No.5, 6 and 7

Sri Palanisamy Kanagavadivelu (holding DIN : 01856028), Sri Chinna Palanisamy Narendran (holding : DIN 00090432), Sri R. Uma Shankar (holding : DIN 08062869), were appointed as an Independent Directors of the Company and they hold offices as an Independent Directors of the Company up to March 31, 2019 ("first term"). The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Sri Palanisamy Kanagavadivelu, Sri Chinna Palanisamy Narendran and Sri R. Uma Shankar as an Independent Directors of the Company for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Sri Palanisamy Kanagavadivelu, Sri Chinna Palanisamy Narendran and Sri R. Uma Shankar would be beneficial to the Company and it is desirable to continue to avail their services as an Independent Directors. Accordingly, it is proposed to re-appoint Sri Palanisamy Kanagavadivelu, Sri Chinna Palanisamy Narendran and Sri R. Uma Shankar as an Independent Directors of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Sri Palanisamy Kanagavadivelu, Sri Chinna Palanisamy Narendran and Sri R. Uma Shankar are not disqualified from being appointed as a Directors in terms of Section 164 of the Act and has given their consent to act as a Directors.

The Company has also received declarations from Sri Palanisamy Kanagavadivelu, Sri Chinna Palanisamy Narendran and Sri R. Uma Shankar that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Sri Palanisamy Kanagavadivelu, Sri Chinna Palanisamy Narendran and Sri R. Uma Shankar fulfil the conditions for appointment as an Independent Directors as specified in the Act and the Listing Regulations. Sri Palanisamy Kanagavadivelu, Sri Chinna Palanisamy Narendran and Sri R. Uma Shankar are independent of the management.

Details of Sri Palanisamy Kanagavadivelu, Sri Chinna Palanisamy Narendran and Sri R. Uma Shankar are provided in the Notice.

No remuneration is paid by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board.

Copy of draft letter of appointment of Sri Palanisamy Kanagavadivelu, Sri Chinna Palanisamy Narendran and Sri R. Uma Shankar as Independent Directors setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Sri Palanisamy Kanagavadivelu, Sri Chinna Palanisamy Narendran and Sri R. Uma Shankar are interested in the resolution set out at Item No. 5, 6 & 7 of the Notice with regard to their reappointment. Relatives of Sri Palanisamy Kanagavadivelu, Sri Chinna Palanisamy Narendran and Sri R. Uma Shankar may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Special Resolutions set out at Item No. 5, 6 & 7 of the Notice for approval by the members.

Item No.8 and 9

A Special Resolution was passed by the Company at its Twenty-sixth Annual General Meeting held on 20th September 2017 (being Resolution under item number 5 therein) inter alia, authorised the Board of Directors of the Company ("the Board") pursuant to Section 180(1)(C) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, to borrow monies in excess of the aggregate of the Company's Paid-up capital and Free Reserves subject to a ceiling of 25 crore. The overall borrowing limit needs to be increased from the present 25 crore to 50 crore in view of additional fund requirements of the Company envisaged for the current and future financial years.

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or

substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting.

The Board recommends these resolutions for the approval of the members as Special Resolutions. The Company has got credit facilities/loan sanctioned for Rs. 12,75,00,000/- (Rupees Twelve Crores and seventy five lakhs only)by Kotak Mahindra Bank Ltd. and Created Mortgage /charge in favour of Kotak Mahindra Bank Ltd. for expanding business operations of the Company. The Board Proposes to ratify the same.

The Board recommends the resolution as set out at item No. 8 and 9 of the notice for your approval.

None of the Directors or Key Managerial Personnel of the company, or 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.

By Order of the Board

(Sd./-) M.S. Velu

Chairman and

Managing Director

DIN : 0168208

Place : Coimbatore

Date : 28.05.2018

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ANNEXURE

Details of Directors seeking Appointment and Re-appointment at the 27th Annual General Meeting vide Item nos. 2, 4, 5, 6 and 7 of the notice

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name	Sri M.S. Velu
DIN No.	0168208
Date of Birth	01.02.1943
Date of appointment	18.12.1991
Expertise in functional areas	General Management
No. Of shares held	99,72,620
Directorship held in other companies	Shree Ganesh Gears Private Limited Shree Vignesh Wind Mill Private Limited
Chairmanships/ Memberships of the Committees of the Board of Directors of other companies (As on 31 st March, 2018)	None
Relationship between Directors inter-se	Related to Smt. S.S. Velu and Sri Vignesh Velu

Chairmanships/ Memberships of the Committees of the Board of Directors of other companies (As on 31 st March, 2018)	None
Relationship between Directors inter-se	Not related to any Director and Key Managerial Personnel

Name	Sri. Chinna Palanisamy Narendran
DIN No.	00090432
Date of Birth	02.10.1966
Date of appointment	24.02.2003
Expertise in functional areas	General Management
No. of shares held	6000
Directorship held in other companies	Nil
Chairmanships/ Memberships of the Committees of the Board of Directors of other companies (As on 31 st March, 2018)	None
Relationship between Directors inter-se	Not related to any Director and Key Managerial Personnel

Name	Sri P. Kanagavadivelu
DIN No.	01856028
Date of Birth	11.08.1957
Date of appointment	24.02.2003
Expertise in functional areas	General Management
No. Of shares held	Nil
Directorship held in other companies	Nil

Name	Sri R Uma Shankar
DIN No.	08062865
Date of Birth	23.09.1966
Date of appointment	01.01.2018
Expertise in functional areas	General Management
No. of shares held	Nil
Directorship held in other companies	Nil

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Chairmanships/ Memberships of the Committees of the Board of Directors of other companies (As on 31 st March, 2018)	None
Relationship between Directors inter-se	Not related to any Director and Key Managerial Personnel

The instructions for shareholders voting electronically are as under:

- (i) The e-voting period begins on 14.09.2018 at 9.00 A.M. and ends on 16.09.2018 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 07th September 2018 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:

For Members holding shares in Demat Form and Physical Form

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,
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18. 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, and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 27th Annual General Meeting scheduled to be held on Monday, the 17th September 2018 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 cutoff date viz. 10.09.2018 alone will be counted.

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

- (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 "Shree Karthik Papers Limited" on which you choose to vote.

- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (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:

SHREE KARTHIK PAPERS LIMITED

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.

By Order of the Board

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

Place : Coimbatore
Date : 28.05.2018

SHREE KARTHIK PAPERS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your company take pleasure in presenting you the Twenty Seventh Annual Report and the Audited Accounts for the year ended 31st March 2018.

FINANCIAL RESULTS AT A GLANCE

(Rs. in lacs)

Particulars	2017-18	2016-17
Revenue from operations	5722.03	4749.06
Other Income	2.34	13.43
Total Income	5724.37	4762.49
Profit from operations before Finance cost, Depreciation and Amortization Expenses and Exceptional items	580.73	430.47
Less: Finance Cost	105.51	71.50
Depreciation Expenses	100.02	81.15
Profit/(Loss) before Exceptional items and tax	375.20	277.82
Exceptional items	-	-
Profit/(Loss) before Tax	375.20	277.82
Less: Current tax	76.50	56.64
Deferred Tax	89.35	-
Mat	(162.09)	-
Earlier years	2.67	-
Profit/(Loss) after tax	221.18	185.27

ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA) has notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies and Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 for such class of companies. The company has adopted Ind AS for the first time with transition date of 1st April 2016.

DIVIDEND

Your Directors do not recommend to pay a Dividend for the year ended 31st March 2018 to retain the profit for the working capital requirements.

OPERATIONS

During the year under review, the company has achieved a turnover of Rs. 5722.03 lakhs as against Rs. 4749.06 lakhs for the previous year.

The profit before tax was Rs. 375.20 lakhs as against Rs. 277.82 lakhs during the previous year.

During the year under review the turnover has increased by 20% over the previous year. Overall the operational performance was good during the year.

There was no change in the nature of business of the company during the financial year ended 31st March 2018.

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.

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- 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.
- Measures are being taken to save costs and rationalize operations, they are likely to yield positive results.

TRANSFER TO RESERVES:

No appropriation is made towards General Reserves.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2018 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 accepted any deposits from the public within the meaning of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules 2014 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 2017-18. 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 –

- In the preparation of the annual accounts, the applicable Accounting Standards have been followed.
- The Directors have selected accounting policies and applied them consistently and made judgments and estimates that 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 that period.
- 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.
- The Annual Accounts have been prepared on a going concern basis.
- 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
- 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 Sections 134(3)(p), 149(8) and Schedule IV of the Act and Regulation 17(10) of SEBI Listing Regulations and in accordance with the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India, the Board has carried out an annual performance evaluation of its own Performance, the directors individually as well as the evaluation

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of the working of all Board Committees and the Chairman of the Board. The performance evaluation was carried out on the basis of inputs received from all the Directors/ Members of the Committees, as the case may be. 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 Independent Directors of the company have also convened a separate meeting for this purpose. All the results of evaluation have been communicated to the Chairman of the Board of Directors.

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 34 read with Schedule V 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 P. Kanagavadivelu, Chairman (Non-Executive – Independent) 2. Sri P. C. Narendran, Member (Non-Executive – Independent) 3. Sri R. Uma Shankar, 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 data are given in Annexure 2

SHREE KARTHIK PAPERS LIMITED

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.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any joint venture, subsidiary or associate company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Smt, Selvambal Sengottu Velu, DIN No. 01740974 has been re-appointed as a Director of the company with effect from 20/09/2017 pursuant to the approval accorded by the shareholders of the company at the 26th AGM held on 20/09/2017.

In terms of the provisions of the Companies Act 2013, Sri M.S. Velu holding DIN No. 068208 retire from the Board of Directors of the company by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

During the year under review, the Board of Directors in their meeting held on 30.12.2017 has subject to the approval of members, appointed Sri R. Uma Shankar as an Independent Director in the casual vacancy, not liable to retire by rotation for a period from 01.01.2018 to 31.03.2019.

The Board of Directors in their meeting held on 28.05.2018 has subject to the approval of members, re-appointed Sri P. Kanagavadivelu (DIN No. 01856028, Sri P.C. Narendran (DIN No. 00090432) and Sri R Uma Shankar (DIN No. 08062869) as Independent Directors of the company for a second term of 5 (five) consecutive years upto 31st March 2024.

The Company has received individual declaration from following Independent Director(s) of the Company stating that they meet the criteria of independence as provided under Sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations:

- 1) Sri P. Kanagavadivelu
- 2) Sri P.C. Narendran and
- 3) Sri R. Uma Shankar

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.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the

SHREE KARTHIK PAPERS LIMITED

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 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

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.

The transactions entered by the company with the related parties during the financial year 2017-18 are in the ordinary course of business and at arm's length basis. The particulars of related party transactions is provided in the Form AOC2 and annexed to the Board's Report as Annexure 4.

AUDITORS

M/s. K S P V & Co, Chartered Accountants, (Firm Registration No. 015520S) were appointed as Statutory Auditors of the Company for a period of 5 (five) years at the 26th Annual General Meeting ("AGM") held on 20th September, 2017 till the conclusion of the 31st AGM.

In terms of the provisions of Section 139 of the Companies Act, 2013, their appointment will however need to be ratified by Shareholders at the forthcoming Annual General Meeting. Notice convening the forthcoming Annual General Meeting includes a proposal for ratification of appointment of Statutory Auditors by the Shareholders of the Company.

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.

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 2017-18. The Report of the Secretarial Audit Report is annexed herewith as Annexure 5.

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 full time 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.

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 6

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

As per the provisions of the Sexual Harassment of Women at work place (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.

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INDUSTRIAL RELATIONS

Relationship with employees was cordial throughout the financial year.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

(Sd./-) M.S. Velu
Chairman and

Managing Director

Place : Coimbatore

Date : 28.05.2018

DIN : 0168208

SHREE KARTHIK PAPERS LIMITED

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

Sl. For the years ended on 31st March 31.03.2018 31.03.2017

A. Power and Fuel Consumption

1	Electricity			
A	Purchased	KWHr	79,96,595	72,22,304
	Total amount	Rs.	5,13,29,150	4,61,38,016
	Rate per Unit	Rs.	6.41	6.38
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 tonnes)		10896.49	9915.48
	Amount (Rs.)		2,70,95,080	2,11,53,287
4	Consumption per unit of Production			
A	Electricity units per ton		518.32	516.58
B	Others DOB units per ton		0.71	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 used excluding capital goods Component and spares.	Earned Used	Nil Nil

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 saw 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

- Non availability of raw materials in a continuous manner
- Frequent power cuts and power fluctuation
- 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 2017.

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.

For and on behalf of the Board of Directors

(Sd./-) M.S. Velu

Chairman and

Managing Director

DIN : 0168208

Place : Coimbatore

Date : 28.05.2018

SHREE KARTHIK PAPERS LIMITED

ANNEXURE-3
FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March 2018

[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 / Sub-Category of the Company	Public Company Limited by Shares
v)	Address of the Registered office and contact details	25, 50 Feet Road, Krishnaswamy Nagar Ramanathapuram, Coimbatore-641 045 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. S.K.D.C. Consultants Ltd 3 rd 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
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SHREE KARTHIK PAPERS LIMITED

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/HUF	14241700	-	14241700	74.52	14241700	-	14241700	74.52	
b. Central/ State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
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									
3. Institutions									
a. Mutual Funds	Nil	25900	25900	0.13	Nil	25900	25900	0.13	Nil
b. Banks/FI	917988	21900	939888	4.92	200	1900	2100	0.01	4.91
c. Central Govt.	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. FIs	Nil	95100	95100	0.50	Nil	95100	95100	0.50	Nil
h. Foreign venture capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i. others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub total	917988	142900	1060888	5.55	200	122900	123100	0.64	-4.91

SHREE KARTHIK PAPERS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
4 Non Institutions									
a. Bodies Corporate									
i. Indian	68803	425600	494403	2.59	125191	425600	550791	2.88	+0.29
ii. Overseas									
b. Individuals									
i. Indl.s/holding Up to 2 lac	194583	1385700	1580283	8.27	1385390	1280100	2665490	13.95	+5.68
ii. Indl.s/holding In excess of 2 lac	1023485	477800	1501285	7.86	865210	377800	1243010	6.51	-1.35
c. Others	220441	11000	231441	1.21	274909	11000	285909	1.50	+0.29
Sub total	2425300	2443000	4868300	25.48	2650900	2217400	4868300	25.48	Nil
Total A+ B	16667000	2443000	19110000	100.00	16892600	2217400	19110000	100.00	
Shares held by custodians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand total	16667000	2443000	19110000	100.00	16892600	2217400	19110000	100.00	

IV. SHAREHOLDING PATTERN (Equity Share Capital Breaking up as percentage of Total equity)

ii) Shareholding of Promoters

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	9972620	52.19	Nil	9972620	52.19	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
	Total	14241700	74.52	Nil	14241700	74.52	Nil	74.52

SHREE KARTHIK PAPERS LIMITED

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)

Benpos Date	Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares	No. of shares	% of total shares
01/04/2017	Industrial Development Bank Ltd.				
14/04/2017	Sold	917788	4.80	917788	4.80
21/04/2017	Sold	5600	0.03	912188	4.77
28/04/2017	Sold	225000	1.18	687188	3.59
05/05/2017	Sold	110000	0.57	577188	3.02
12/05/2017	Sold	5050	0.03	572138	2.99
19/05/2017	Sold	25250	0.13	546888	2.86
26/05/2017	Sold	5000	0.02	541888	2.84
02/06/2017	Sold	400	0.01	541488	2.83
09/06/2017	Sold	46994	0.24	494494	2.59
16/06/2017	Sold	24085	0.13	470409	2.46
31/03/2018	At the end of the year	470409	2.46	0	0
01/04/2017	K. Sundara Sharma	254800	1.33	254800	1.33
31/03/2018	At the end of the year			254800	1.33
01/04/2017	R. Uma Shankar				
28/07/2017	Sold	205400	1.07	205400	1.07
18/08/2017	Sold	25467	0.13	179993	0.94
25/08/2017	Sold	25000	0.13	154933	0.81

SHREE KARTHIK PAPERS LIMITED

Benpos Date	Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares	No. of shares	% of total shares
06/10/2017	Sold	15168	0.08	139765	0.73
09/06/2017	Sold	14718	0.08	125047	0.65
13/10/2017	Sold	125047	0.65	0	0
31/03/2018	At the end of the year				
01/04/2017	U. Devakharijiur Shanthi				
01/09/2017	Sold	195400	1.02	195400	1.02
08/09/2017	Sold	113339	0.59	82061	0.43
15/09/2017	Sold	45550	0.24	36511	0.19
31/03/2018	At the end of the year	36511	0.19	0	0
01/04/2017	Sathya Kanagavadivel				
13/10/2017	Sold	195400	1.02	195400	1.02
20/10/2017	Sold	55000	0.29	140400	0.73
27/10/2017	Sold	50000	0.26	90400	0.47
31/03/2018	At the end of the year	90400	0.47	0	0
01/04/2017	K. T. Kathirvel				
02/03/2017	Sold	195400	1.02	195400	1.02
16/03/2017	Sold	53707	0.28	141693	0.74
31/03/2018	At the end of the year	131428	0.69	131428	0.69
30/06/2017	Sunil Ramgopal Nangallia				
07/07/2017	Sold	100000	0.52	100000	0.52
14/07/2017	Sold	500	-	99500	0.52
21/07/2017	Sold	500	-	99000	0.52
18/08/2017	Sold	1500	0.01	97500	0.51
15/09/2017	Sold	500	-	97000	0.51
22/09/2017	Sold	5500	0.03	91500	0.48
30/09/2017	Sold	1000	0.01	90500	0.47
20/10/2017	Sold	4500	0.02	86000	0.45
27/10/2017	Sold	1000	0.01	85000	0.44
31/10/2017	Sold	4000	0.02	81000	0.42
03/11/2017	Purchase	500	-	80500	0.42
17/11/2017	Purchase	2000	0.01	82500	0.43
24/11/2017	Sold	2000	0.01	84500	0.44
15/12/2017	Sold	500	-	84000	0.44
22/12/2017	Purchase	1000	0.01	83000	0.43
29/12/2017	Sold	500	-	83500	0.44
05/01/2018	Sold	500	0.01	83000	0.43
19/01/2018	Sold	3000	0.01	80000	0.42
09/03/2018	Purchase	500	-	79500	0.42
31/03/2018	At the end of the year	80000	0.42	80000	0.42

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Benpos Date	Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares	No. of shares	% of total shares
01/04/2017	Sunil Nangallia Ramgopal				
30/06/2017	Sold	100000	0.52	100000	0.52
31/03/2018	At the end of the year	100000	0.52	100000	0.52
01/04/2017	Credit Capital Investment Trust Company	95100	0.50	95100	0.50
31/03/2018	At the end of the year	95100	0.50	95100	0.50
17/11/2017	Deep Indersingh Poonjan	1185	0.01	1185	0.01
24/11/2017	Purchase	54984	0.28	56169	0.29
01/12/2017	Purchase	20246	0.12	76415	0.40
05/01/2018	Purchase	65093	0.34	141508	0.74
31/03/2018	At the end of the year	141508	0.74	141508	0.74
01/04/2017	Sanjay Kumar Sarawagi	40000	0.21	40000	0.21
21/04/2017	Purchase	63030	0.33	103030	0.54
31/03/2018	At the end of the year	103030	0.54	103030	0.54
01/09/2017	Shradha Kishore Salvi	9000	0.05	9000	0.05
15/09/2017	Purchase	5000	0.02	14000	0.07
22/09/2017	Sold	5750	0.03	8250	0.04
13/10/2017	Purchase	21750	0.12	30000	0.16
20/10/2017	Purchase	18600	0.13	48600	0.25
27/10/2017	Purchase	1400	0.01	50000	0.26
03/11/2017	Sold	500	-	49500	0.26
10/11/2017	Sold	2365	0.01	47135	0.25
17/11/2017	Sold	7630	0.04	39505	0.21
24/11/2017	Purchase	29888	0.15	69393	0.36
01/12/2017	Purchase	5807	0.03	75200	0.39
08/12/2017	Purchase	7800	0.04	83000	0.43
15/12/2017	Purchase	5000	0.03	88000	0.46
22/12/2017	Purchase	1000	0.01	89000	0.47
05/01/2018	Purchase	4000	0.02	93000	0.49
12/01/2018	Purchase	7000	0.03	100000	0.52
19/01/2018	Sold	24000	0.12	76000	0.40
26/01/2018	Purchase	1500	0.01	77500	0.41
02/03/2018	Sold	33	-	77467	0.41
09/03/2018	Purchase	2500	0.01	79967	0.42
23/03/2018	Purchase	4980	0.03	84947	0.45
31/03/2018	Purchase	3800	0.01	8847	0.46
21/04/2017	Prity Devi Sarawagi	50000	0.26	50000	0.26
15/12/2017	Sold	900	-	49100	0.26
23/02/2018	Purchase	3099	0.01	52199	0.27
31/03/2018	At the end of the year	52199	0.27	52199	0.27

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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
1	M.S.Velu	9972620	52.19	9972620	52.19
2	Selvambal S. Velu	4256580	22.27	4256580	22.27
3	Vignesh Velu	6100	0.03	6100	0.03
4	P. Kanagavadivelu	195400	1.02	0	-
5	P.C. Narendran.	6000	0.03	6000	0.03
6	R. Uma Shankar	205400	1.07	0	-
7	Total	14642100	76.62	14241300	74.52

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	49140475	81717477		130857952
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	49140475	81717477		130857952
Change in Indebtedness during the financial year				
Addition	71216686	67728423		138945109
Reduction				
Net Change Addition/Reduction				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	120357161	149445900		269803061

SHREE KARTHIK PAPERS LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Rs. in lacs

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

SHREE KARTHIK PAPERS LIMITED

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

SHREE KARTHIK PAPERS LIMITED

ANNEXURE 4

SForm No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1.	
a. Name of the related party and nature of relationship	Shree Vignesh Wind Mill Private Limited
b. Nature of contracts/ arrangements/transactions.	Electricity (Wind Mill Generation)
c. Duration of the contracts/ arrangements/ transactions	20 years
d. Salient terms of the contracts or arrangements or transactions including the value, if any;	Rs. 41.34 Lakhs
e. Date(s) of approval by the Board, if any.	Nil
f. Amount paid as advances, if any.	Nil

2.	
a. Name of the related party and nature of relationship	Shree Ganesh Gears Private Limited
b. Nature of contracts/ arrangements/transactions.	Nil
c. Duration of the contracts/ arrangements/ transactions	Nil
d. Salient terms of the contracts or arrangements or transactions including the value, if any;	Nil
e. Date(s) of approval by the Board, if any.	Nil
f. Amount paid as advances, if any.	Nil

SHREE KARTHIK PAPERS LIMITED

ANNEXURE 5

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018

[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 Papes 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 2018 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 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Companies Act 1956 (the Act) and the rules made thereunder (to the extent applicable)
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed 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 (Listing Obligations and Disclosure Requirements) Regulations 2015
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client.

SHREE KARTHIK PAPERS LIMITED

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.

I further report that during the year under review, there were no actions/events in pursuant of the following Rules and Regulations requiring compliance thereof by the company.

- a. Foreign Exchange Management Act 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings:

(Not applicable to the company during the period under Audit)

- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009

(Not applicable to the company during the period under Audit)

- c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014

(The company has not introduced any scheme during the financial year under review)

- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008

(The company has not issued any debt securities during the financial year under review)

- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009 and

(Not applicable as the company has not delisted or to propose to delist of equity shares from any Stock Exchange during the financial year under review)

- f. The Securities and Exchange Board of India (Buy back of securities) Regulations 1998

(Not applicable as the company has not bought back or to propose to buy back of any securities during the financial year under review)

I further report that based on the information provided by the company, its officers and authorised representatives, there are no laws specifically applicable to the company.

I further report that having regard to the compliance system prevailing in the company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test check basis, the company has complied with the labour and environmental laws as applicable.

I further report that the compliance by the company of applicable finance laws, like direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to reviews by the Statutory Auditors and other designated professionals.

SHREE KARTHIK PAPERS LIMITED

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 and a Women Director. There is no change 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.

All decisions at Board Meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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 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 full time 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.

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

ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE

Coimbatore

28.05.2018

S. Rengasamy

FCS 3871

COP No.9901

SHREE KARTHIK PAPERS LIMITED

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 correctness 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.

Coimbatore

28.05.2018

S. Rengasamy

FCS 3871

COP No.9901

SHREE KARTHIK PAPERS LIMITED

List of documents verified:

1. Memorandum and Articles of Association of the Company
2. Annual Report for the financial year 31st March 2017
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 6

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 2017-18, ratio of the remuneration of Director to the median remuneration of the employees of the company for the financial year 2017-18 are as under:

S. No.	Name of Director and designation	Remuneration of Director for 2017-18	% increase in Remuneration for FY 2015-16	Ratio of remuneration of Director to median remuneration of employees
1	Sri Vignesh Velu Whole time Director	Rs. 24,00,000	Nil	Not applicable

SHREE KARTHIK PAPERS LIMITED

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31st MARCH 2018

The Directors present the Corporate Governance report for the year ended 31st March 2018 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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, four meetings of the Board of Directors were held on the following dates: 30th May 2017, 14th August 2017, 14th November 2017 and 14th February 2018.

c. Category of Directors, Attendance, other Directorship and Committee membership

As mandated by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, none of the Directors hold any membership in more than 10 Committees of Boards or Chairman of more than 5 Committees in which they are members.

The details of Directorship and Membership/Chairmanship of the Committees of the Board held by the Directors as on 31st March 2018 and their attendance at he meeting during the year are as follows:

SHREE KARTHIK PAPERS LIMITED

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	4	Yes	Nil	2	Nil	Nil
Smt.S.S. Velu	01740974	Non-Executive Promotor	4	Yes	Nil	2	Nil	Nil
Sri K. Arumugam	01876085	Non-Executive Independent	3	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 R. Uma Shankar	08062869	Non-Executive Independent	1	No	Nil	Nil	Nil	Nil
Sri Vignesh Velu	03505424	Executive Promotor	4	Yes	Nil	2	Nil	Nil

Sri M.S. Velu, Smt. S.S. Velu and Sri Vignesh Velu are related to each other. Sri M.S. Velu is Smt. S.S. velu's husband and Sri Vignesh Velu's father. The Independent Directors are not related to each other.

d. Shareholding of the Non-Executive Director of the company for the year ended 31st March 2018 is as under:

Sl. No.	Name of Director	No. of shares held as on 31.03.2017
1	Sri P. Kanagavadivelu	Nil
2	Sri P.C. Narendran	6000
3	Sri R. Uma Shankar	Nil

f. Familiarisation Programme for Independent Directors

The Company has familiarized its Independent Directors with the business model of the Company, nature of the industry in which it operates, processes and policies, their roles, rights, responsibilities in the Company to provide them with better understanding of the business and operations so as to enable them to contribute effectively to the Company. Presentations are regularly made to the Board of Directors and Audit Committee inter-alia, covering the Company's strategy, business model, operations, markets, products, finance, risk management framework, financial performance, budget and control process and for such other areas as may be considered necessary.

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 14th February 2018. The meeting was attended by all the Directors.

III. Committees of the Board

The Board has constituted the following Committee of Directors to deal with matters referred to it for timely decisions:

- 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders Relationship Committee 4) Nomination and remuneration committee

Audit Committee

The Audit Committee comprises of Sri P. Kanagavadivelu as its Chairman and Sri P. C. Narendran and Sri R. Uma Shankar as its members.

The role, powers and functions of the Audit Committee are as per Section 177 of the Companies Act 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Audit Committee is responsible for reviewing a wide range of financial matters including the quarterly and annual accounts before their submission to the Board and monitoring the controls that are in force to ensure the integrity of the financial information reported to the shareholders. The Audit Committee advises the Board on the appointment of Statutory and Internal Auditors and on their remuneration, both for audit and non-audit work and discusses the nature and scope of their audit. The Committee is also responsible for implementing the recommendations of the Board arising from its review of the internal control and risk assessment report. 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 Section 134 of the Companies Act 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of 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.

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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 2017-18 on 30th May 2017, 14th August 2017, 14th November 2017 and 14th February 2018

Attendance of the Directors of the Audit Committee meetings held during the year under review:

Names of Members:	Category	Number of meetings attended
Sri K. Arumugam	Independent, Non-Executive	3
Sri P. Kangavadivelu	Independent, Non-Executive	4
Sri P.C. Narendran	Independent, Non-Executive	4
Sri R. Uma Shankar	Independent, Non-Executive	1

The Board of Directors in their meeting held on 30.12.2017 has appointed Sri R. Uma Shankar as an Independent Director in the casual vacancy in view of the sudden demise of Sri K. Arumugam on 06.12.2017.

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 P. Kanagavadivelu as its Chairman, Sri C.P. Narendran and Sri R. Uma Shankar as its members. The Committee is responsible for recommending the contract terms, remuneration and other benefits for Company's Managing/Whole time Directors.

The Board of Directors in their meeting held on 30.12.2017 has appointed Sri R. Uma Shankar as an Independent Director in the casual vacancy in view of the sudden demise of Sri K. Arumugam on 06.12.2017.

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 2017-18. The company did not have any pecuniary relationship transactions with the Non-Executive Independent 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 2017-18, two meeting were held on 30.05.2017 and 30.12.2017.

Remuneration paid to the Directors

Details of remuneration paid to the Directors during the year 2016-17

Name of Director	Sitting fees	Remuneration (Rs.)	Total (Rs.)	No. of shares held on 31.03.2017
Sri Vignesh Velu	Nil	2400000	2400000	6100

No remuneration and sitting fees are paid to Chairman and Managing Director for attending meetings of the Board and Committees

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

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

The Committee comprises of Sri P. Kanagavadivelu as the Chairman, Sri M.S. Velu, Sri P.C. Narendran and Sri R. Uma Shankar as its members. The Whole time Director Sri Vignesh Velu acts as the Secretary of the Committee.

The Committee met four times during the year 2017-18 on 30th May 2017, 14th August 2017, 14th November 2017 and 14th February 2018.

Names of Members	Category	Number of meetings attended
Sri. P. Kanagavadivelu Committee Chairman	Independent, Non-Executive	4
Sri. M.S. Velu	Non-Independent, Non-Executive	4
Sri P. C. Narendran	Independent Non-Executive	4
Sri R. Uma Shankar	Independent Non-Executive	1

The company obtains half-yearly certificate from the Practising Company Secretary confirming the issue of certificates for transfer, transmission, sub division, consolidation, and submits to Bombay Stock Exchange in terms of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Further Compliance Certificate under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 confirming that all activities both physical and electronic facility is maintained by the Registrar and Share Transfer Agent also is submitted to Bombay Stock Exchange on a half-yearly basis.

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 complaint was received during the year 2017-18.

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 2017-18. 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.

VIII. GENERAL BODY MEETINGS

General Body Meetings during last three years

Financial Year	Date	Time	Venue
2014-15	30.12.2015	3.00 P.M.	Sree Annapoorna Kalaiaragam, R.S. Puram, Coimbatore
2015-16	28.09.2016	3.00 P.M.	Sree Annapoorna Kalaiaragam, R.S. Puram, Coimbatore
2016-17	20.09.2017	4.00 P.M.	Sree Annapoorna Kalaiaragam, R.S. Puram, Coimbatore

IX. Means of Communication

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

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

Sri M.S. Velu, 76 years of age is a Non-Executive Director of the company. He is having an experience of 25 years of experience in general management of affairs of the company. He was appointed on

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the Board of Directors of the company on 18.12.1991. His appointment is liable to retire by rotation and eligible for re-appointment.

He is also a Director in Shree Ganesh Gears Private Limited and Shree Vignesh Wind Mill Private Limited. He holds 9972620 equity shares in the company.

XI. General Shareholders' Information

Details of Annual General Meeting:

Date of Book Closure	: 11.09.2018 to 17.09.2018 (both days inclusive)
Day & Date	: 17 th September 2018
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 2017-18 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 August, 2018
Second Quarter/Half-Yearly Results:	Second week of November, 2018
Third Quarter Results:	Second week of February, 2019
Fourth Quarter Results:	Fourth week of May, 2019

XII. Registrar and Transfer Agents

M/s. S.K.D.C. Consultants Limited, Kanapathy Towers 3rd Floor, 1391/A1 Sathy Road, Ganapathy, Coimbatore-641006, Tamilnadu.

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

XIII. Share transfer system

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

XIV. Dematerialization of Shares and Liquidity

88.39% (1,68,92,600 equity shares) of the Company's paid-up Equity capital has been dematerialized up to 31st March 2018. Trading in Equity Shares is permitted only in dematerialized form as notified by SEBI. The volumes traded in stock exchanges not high.

XV. Shareholding Pattern as on 31.03.2017

Description of Investors	Number of shares held	Percentage of holding
Promoters	14241700	74.52
Mutual Funds and UTI	25900	0.14
Financial Institutions and Banks	2100	0.01

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Foreign Institutional Investors	95100	0.50
Directors and Relatives	11000	0.06
Bodies Corporate	550791	2.88
NRI	129654	0.68
Indian Public	4053755	21.21
Total	19110000	100.00

XVI. BSE Market Price data during the Financial Year 2017-18 in Rs.

Month	High	Low
April 2017	12.25	6.90
May 2017	11.60	8.87
June 2017	13.00	7.30
July 2017	16.21	11.75
August 2017	16.10	11.51
September 2017	20.95	14.81
October 2017	25.75	17.50
November 2017	22.65	17.60
December 2017	21.75	15.20
January 2018	24.55	19.00
February 2018	20.80	16.40
March 2018	17.20	14.35

XVII. Distribution of Shareholding as on 31.03.2018

In Value	No. of share holders	%	Amount	%
Upto 5000	6067	92.29	1180765	6.18
5001 - 10000	171	2.91	314052	1.64
10001 - 20000	126	1.92	370499	1.94
20001 - 30000	79	1.20	400918	2.10
30001 - 40000	27	0.41	191888	1.00
40001 - 50000	25	0.38	239130	1.25
50001 - 100000	30	0.46	435704	2.20
100001 and above	29	0.44	1597044	83.61
Total	6574	100.00	19110000	100.00

XVIII. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments and their likely impact on equity

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

XIX. NOMINATION FACILITY

The Companies Act, 2013 has provided the facility of nomination for the shares of the Company. The nomination form (Form SH-13) along with instructions is provided to the members on request.

XX. Plant Location

Puliyangandi Aliyar Nagar,
Kottur Village, Pollachi Taluk

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XXI. 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 2018.

For and on behalf of the Board

Place : Coimbatore
Date : 28.05.2018

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

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Members of Shree Karthik Papers Limited

1. We have examined the compliance of conditions of Corporate Governance by Shree Karthik Papers Limited ('the Company'), for the year ended on 31/03/2018 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

2. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the 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.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

7. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (l) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended 31.03.2018.
8. 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.

Restriction on Use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for any event or circumstances occurring after the date of this certificate.

For K S P V & Co.,

Chartered Accountants

ICAI Firm Registration No.015520S

(Sd/-) Kalyan Srinath B

Partner

M. No. 227007

Place : Coimbatore

Date : 28/05/2018

INDEPENDENT AUDITOR'S REPORT

To the Members of SHREE KARTHIK PAPERS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Shree Karthik Papers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements")

Management's Responsibility for the Ind AS Financial statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the (state of affairs) financial position, profit or loss (financial performance including other comprehensive income) cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, its profit (financial performance including other comprehensive income) its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 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 sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
 - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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, we give our separate Report in "Annexure 2".
 - g. With respect to the other matters to be 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 its Ind AS financial statements – Refer Note 32 on Contingent Liabilities to the Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For KSPV & Co.,
Chartered Accountants
ICAI Firm Registration No. 015520S
(Sd./-) **Kalyan Srinath B**

Place : Coimbatore
Date : 28.05.2018

Partner
Membership Number : 227007

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ANNEXURE -1 TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Shree Karthik Papers Limited** on the financial statements for the year ended 31.03.2018]

- i.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a regular programme of physical verification of the fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, during the year, fixed assets have not been physically verified by the management as per the programme of verification.
 - c. The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- iii. As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- iv. Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii.
 - a. The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases / delays in deposit have not been serious.

AND

- a. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b. According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty on account of any dispute, are as follows:

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Name of the statute	Amount	Period to which the amount relates	Forum where dispute is pending
CST ACT 1956	Rs.15,12,822 (Tax) Rs.25,64,365(Penalty)	AY 1995-1996	Central sales tax Appellate
CST ACT 1956	Rs.10,28,089 (Tax)	AY 1999-2000	STAT (AB), CBE
CST ACT 1956	Rs.12,87,898 (Tax)	AY 2000-2001	STAT (AB), CBE
CST ACT 1956	Rs.4,44,575 (Tax)	AY 2003-2004	RS Puram East circle, CBE
CST ACT 1956	Rs.11,28,006 (Tax)	AY 2004-2005	RS Puram East circle, CBE
TNGST ACT	Rs.5,56,710 (Tax)	AY 2004-2005	RS Puram East circle, CBE

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).
- ix. In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- xi. According to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- xvi. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For KSPV & Co.,
Chartered Accountants
ICAI Firm Registration No. 0155205
(Sd./-) **Kalyan Srinath B**
Partner
Membership Number : 227007
Place : Coimbatore
Date : 28.05.2018

SHREE KARTHIK PAPERS LIMITED

ANNEXURE - 2 TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Shree Karthik Papers Limited** on the financial statements for the year ended 31.03.2018]

Para 1 - Report on the Internal Financial Controls over Financial Reporting 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 **Shree Karthik Papers Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Para 2 - 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.

Para 3 - 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 specified under section 143(10) of the Act, 2013 to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 judgement, 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.

Para 4 - 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

SHREE KARTHIK PAPERS LIMITED

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.

Para 5 - 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.

Para 6- 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 March 31, 2018, 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 ICAI.

For KSPV & Co.,
Chartered Accountants
ICAI Firm Registration No. 015520S

(Sd./-) **Kalyan Srinath B**

Partner

Membership Number : 227007

Place : Coimbatore
Date : 28.05.2018

SHREE KARTHIK PAPERS LIMITED

Balance Sheet as at 31st March 2018

(in Rs.)

Particulars	Note No.	As at		
		31st March, 2018	31st March, 2017	1st April, 2016
ASSET:				
Non-current assets				
(a) Property, plant and equipment	2	1829,69,287	1240,68,026	1298,78,627
(b) Capital work-in-progress	2	87,10,000	303,38,315	
(c) Financial assets				
(i) Investments	3	8,500	8,500	8,500
(ii) Other financial assets	4	45,26,128	108,29,485	111,81,600
(d) Deferred tax assets (net)	5	34,67,203		
(e) Other non-current assets	6	327,27,412	180,51,603	13,87,794
Total non-current assets		2324,08,530	1832,95,929	1424,56,521
Current assets				
(a) Inventories	7	2216,09,497	2019,32,053	1801,87,442
(b) Financial assets				
(i) Trade receivables	8	823,46,151	525,56,871	507,79,671
(ii) Cash and cash equivalents	9	1,16,924	6,31,278	5,652
(c) Other current assets	10	149,98,497	133,16,563	101,95,243
Total current assets		3190,71,069	2684,36,765	2411,68,008
Total assets		5514,79,599	4517,32,694	3836,24,529
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	11	955,50,000	955,50,000	955,50,000
(b) Other Equity	12	626,79,766	257,85,117	38,41,708
Total equity		1582,29,766	1213,35,117	993,91,708
Non-current liabilities				
(a) Financial liabilities				
- Borrowings	13	519,49,718	121,07,965	150,12,561
(b) Provisions	14	17,06,295	14,56,698	12,82,147
(c) Deferred tax liabilities (Net)	5		38,00,527	38,72,087
Total non-current liabilities		536,56,013	173,65,190	201,66,795
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	2448,21,834	2546,25,174	2302,88,621
(ii) Trade payables	16	530,98,178	379,80,034	216,39,790
(iii) Other financial liabilities	17	188,32,258	103,61,116	95,26,428
(b) Other current liabilities	18	153,08,695	42,50,969	25,31,193
(c) Provisions	19	1,63,997	1,50,631	79,994
(d) Current Tax Liabilities (Net)	20	73,68,858	56,64,463	
Total current liabilities		3395,93,820	3130,32,387	2840,66,026
Total liabilities		3932,49,833	3303,97,577	2842,32,821
Total equity and liabilities		5514,79,599	4517,32,694	3836,24,529

Significant Accounting Policies & Notes form an integral part of the financial statements

Vide our report of even date attached

For K S P V & Co

Chartered Accountants

ICAI Firm Registration No.0155205

For and on behalf of the Board of Directors

(Sd./-) Kalyan Srinath B

Partner

Membership No. 227007

Place : Coimbatore

Date : 28-05-2018

(Sd./-) M. S. Velu

Chairman & Managing Director

DIN: 0168208

(Sd./-) S. S. Velu

Director

DIN: 01740974

SHREE KARTHIK PAPERS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st, MARCH 2018)

(in Rs.)

Particulars	Note No.	2017-18	2016-17
I. Revenue from operations	21	5722,02,547	4749,05,636
II. Other Income	22	2,34,196	13,48,386
III. Total Income (I + II)		5724,36,743	4762,54,022
IV. Expenses:			
Cost of materials consumed	23	3668,82,984	3005,55,500
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(168,41,103)	28,57,890
Employee benefits expense	25	194,43,169	153,56,017
Finance costs	26	105,51,228	71,49,758
Depreciation and amortization expense	27	100,02,038	81,15,417
Other expenses:	28	1448,77,989	1146,53,712
Total Expenses		5349,16,305	4486,88,294
V Profit before tax (III - IV)		375,20,438	275,65,728
VI Tax Expense	29		
(1) Current tax		76,49,986	56,64,463
(2) Deferred tax charged / (reversed)		89,34,946	(61,834)
(3) MAT Credit Entitlement for current and earlier years		(162,09,161)	
(4) Earlier Year taxes		2,67,070	
VII Profit for the year (V - VI)		368,77,597	219,63,099
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		23,537	(29,416)
Income tax relating to these items		(6,485)	9,726
Total other comprehensive income		17,052	(19,690)
IX Total comprehensive income (VII+VIII)		368,94,649	219,43,409
X Earnings per equity share of face value 10 each	30		
- Basic & Diluted		1.93	1.15

Significant Accounting Policies & Notes form an integral part of the financial statements

Vide our report of even date attached
For K S P V & Co
 Chartered Accountants
 ICAI Firm Registration No. 0155205

For and on behalf of the Board of Directors

(Sd./-) Kalyan Srinath B
 Partner
 Membership No. 227007

(Sd./-) M.S.Velu
 Chairman & Managing Director
 DIN: 0168206

(Sd./-) S.S.Velu
 Director
 DIN: 01740974

Place : Coimbatore
 Date : 28-05-2018

SHREE KARTHIK PAPERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31-03-2018

A. Share Capital

Particulars	(in Rs.) Amount
Balance as at 1st April 2016	955,50,000
Shares issued during the year	-
Balance as at 31st March 2017	955,50,000
Shares issued during the year	-
Balance as at 31st March 2018	955,50,000

B. Other Equity

Particulars	Capital Reserve	Retained Earnings	Other Comprehensive income	(in Rs.) Total
As at 1st April 2016 Profit for the year 2016-17	13,80,000	24,73,241	(11,533)	24,61,708
Transfer to other reserves (if any)	-	219,63,099	-	219,63,099
Other Comprehensive income	-	-	(19,690)	(19,690)
Balance as at 31st March 2017	13,80,000	244,36,340	(31,223)	244,05,117
Profit for the year 2017-18	-	368,77,597	-	368,77,597
Transfer to other reserves (if any)	-	-	-	-
Other Comprehensive income	-	-	17,052	17,052
Balance as at 31st March 2018	13,80,000	613,13,937	(14,171)	612,99,766

Significant Accounting Policies & Notes form an integral part of the financial statements

Vide our report of even date attached.

For K S P V & Co

Chartered Accountants

ICAI Firm Registration No. 0155205.

For and on behalf of the Board of Directors

(Sd/-) Kalyan Srinath B

Partner

Membership No. 227007

Place : Coimbatore

Date : 28-05-2018

(Sd/-) M.S.Velu

Chairman & Managing Director

DIN: 0168208

(Sd/-) S.S.Velu

Director

DIN: 01740974

SHREE KARTHIK PAPERS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31-03-2018

Particulars	2017-18		2016-17	
	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)
A. Cash flows from operating activities		375,20,438		275,65,728
Profit before tax				
Adjustments for:				
Depreciation and amortization expense	100,02,038		81,15,417	
Interest expense	105,51,228	205,53,266	71,49,758	152,65,175
Operating cash flows before working capital changes		580,73,704		428,30,903
- (Increase)/decrease in inventories	(196,77,444)		(217,44,611)	
- (Increase)/decrease in trade receivables	(297,89,280)		(17,77,200)	
- (Increase)/decrease in financial assets and other assets	(100,54,386)		(194,33,014)	
- (Decrease)/Increase in trade payables	151,18,144		163,40,244	
- (Decrease)/Increase in borrowings, financial liabilities, provisions and other liabilities	34,98,174	(409,04,792)	268,48,178	2,33,597
Cash generated from/(used in) operations		171,68,912		430,64,500
Income taxes refund/(paid)		(62,12,661)		
Net cash used in operating activities - (A)		109,56,251		430,64,500
B. Cash flows from investing activities				(326,43,131)
Purchase of Property, Plant & Equipment		(472,74,984)		(326,43,131)
Net cash generated from / (used in) investing activities - (B)		(472,74,984)		
C. Cash flow from Financing activities				(26,45,985)
Proceeds from non-current borrowings (Net)		463,55,607		(71,49,758)
Interest paid		(105,51,228)		(97,95,743)
Net cash used in financing activities- (C)		358,04,379		
Net decrease in cash and cash equivalents (A+B+C)		(5,14,354)		6,25,626
Cash and bank balances at the beginning of the year		6,31,278		5,652
Less: Bank Balances not considered as Cash & Cash equivalents as per Ind AS 7				
Cash and bank balances at the end of the year		1,16,924		6,31,278

The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.

Significant Accounting Policies & Notes form an integral part of the financial statements:

Vide our report of even date attached
For K S P V & Co
 Chartered Accountants
 ICAI Firm Registration No. 0155205

For and on behalf of the Board of Directors

(Sd./-) Kalyan Srinath B
 Partner
 Membership No. 227007

Place : Coimbatore
 Date : 28-05-2018

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

(Sd./-) S.S.Velu
 Director
 DIN: 01740974

SHREE KARTHIK PAPERS LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

i. Corporate Information:

Shree Karthik Papers Limited having CIN: L21012TZ1991PLC003570 is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed in a recognised stock exchange in India. The registered office of the Company is located at No. 25, 50 Ft Road Krishnasamy Nagar, Ramanathapuram, Coimbatore, TN, 641045.

The Company is primarily engaged in the business of manufacturing of Papers.

ii. General Information and Statement of Compliance with IndAS:

These financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented. These financial statements for the year ended 31 March 2018 are the first financial statements which the Company has prepared in accordance with Ind AS. For all periods up to and including the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, with the date of transition to Ind AS being 1st April 2016. For the purpose of comparatives, financial statements for the year ended 31 March 2017 and opening balance sheet as at 1 April 2016 are also prepared as per Ind AS. The financial statements for the year ended 31 March 2018 were authorized and approved for issue by the Board of Directors on 28-05-2018. Refer Note no. 41 for First time adoption of Ind-AS.

iii. Basis of Preparation:

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

The Financial Statements have been prepared & presented on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on the basis stated above, except for Accounting for Leases that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use under Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

iv. Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumption".

v. Current versus noncurrent classification

The entity presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current, when:

It is expected to be realised or intended to be sold or consumed in normal operating cycle.

It is held primarily for the purpose of trading.

It is expected to be realised within twelve months after the reporting period, or

It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current, when:

It is expected to be settled in normal operating cycle.

It is held primarily for the purpose of trading.

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The entity classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

vi. Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest rupee.

(a) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

vii. Property, Plant and Equipment and Depreciation

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its previous GAAP financial statements as deemed cost at the transition date, viz., 1st April, 2016.

Property, Plant and Equipment (PPE), being fixed assets are tangible items that are held for use in supply of services or for administrative purposes and are expected to be used for more than a period of twelve months. They are measured at cost less accumulated depreciation and any accumulated impairment. Cost comprises of the purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management.

Depreciation on Property, Plant and Equipment (PPE) are provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except for few categories where the company has received technical opinion for adopting higher /lower useful life.

Where the cost of a part of the PPE is significant to the total cost of the PPE and if that part of the PPE has a different useful life than the main PPE, the useful life of that part is determined separately for depreciation.

The Company has used the following useful lives to provide depreciation on its Property, Plant and Equipment:

Class of Assets	Useful Lives
Furniture and fixtures	10 years
Office equipments	5 years
Computers	3 years
Plant and machineries	25 years
River pipeline	30 years
Electrical Fittings	10 years

Improvements to Leasehold Buildings are amortized as depreciation over the lease period, which is considered as the estimated useful life by the management.

The depreciation method applied to an asset is reviewed at each financial year-end and if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, depreciation is charged prospectively to reflect the changed pattern.

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of Property, Plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is de-recognised.

viii. Impairment of Non Financial assets:

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is

recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

ix. Business Combinations:

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interests method.

Other business combinations, involving entities or businesses are accounted for using acquisition method.

The Company has elected not to apply Ind AS 103 'Business Combinations' retrospectively to past business combinations that occurred before the transition date of April 1, 2016.

x. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time-frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

De-recognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2. Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and transaction cost (if any) that is attributable to the acquisition of the financial liabilities is also adjusted.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

b. Trade and other payables

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling

due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortized cost unless designated as fair value through profit and loss at the inception.

c. Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the profit or loss.

De-recognition of Financial Liabilities:

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

3. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4. Compound Financial Instruments:

A financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and is subsequently measured at amortized cost. The residual value is recognized as equity component of other financial instrument and is not re-measured after initial recognition.

The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognized directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortized using effective interest method.

xi. Impairment of Financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

xii. Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

xiii. Inventories:

All inventories are valued at moving weighted average price. Finished goods and Work in progress is computed based on respective moving weighted average price of procured materials and appropriate share of labour and other manufacturing overheads.

Inventories are valued at cost or net realizable value, whichever is lower. Cost also includes all charges incurred for bringing the inventories to their present location and condition. Excise and customs duty accrued on production or import of goods, as applicable, is included in the valuation of finished goods.

Inventories of stores and spare parts are valued at cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

xiv. Revenue Recognition:

a. Sale of goods

The Company recognises sale of goods when the significant risks and rewards of ownership are transferred to the buyer.

b. Interest Income:

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. The expected cash flows are reassessed on a yearly basis and changes, if any, are accounted prospectively.

xv. Leases:

a. Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

b. Company as a Lessee

Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalized at the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless the increase in lease rentals over the period of the lease is to compensate for the inflation cost.

xvi. Employee benefits

1. Short Term and other long term employee benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Compensated leave absences are encashed by employees at year end and no carry forward of leave is permitted as per the leave policy.

2. Post Employment Benefits

a. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Superannuation Fund. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b. Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit

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recognized in OCI in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

xvii. Borrowing costs:

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs are charged to statement of profit and loss.

xviii. Provisions:

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

xix. Contingent liabilities and Contingent Assets:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets are not recognized but are disclosed when the inflow of economic benefits are probable.

xx. Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xxi. Taxes on Income:

Tax expense comprises of current and deferred tax.

a. Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

c. Minimum Alternate Tax:

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. The carrying amount of MAT is reviewed at each reporting date and asset will be written down to the extent the company's right of adjustment would lapse.

Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

xxii. Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Significant accounting judgments, estimates and assumptions:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Company's accounting policies:

a) Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

b) Provision and contingent liability:

On an ongoing basis, the Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss

contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies, the likelihood of which is remote, are not disclosed in the financial statements.

c) Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2018 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

d) Evaluation of indicators for impairment of assets:

The evaluation of applicable indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

e) Defined benefit obligation:

Management's estimate of the Defined Benefit obligation is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the obligation amount and the annual defined benefit expenses.

f) Fair value measurements:

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

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NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31-03-2018

(in Rs.)

2. Property, Plant and Equipment (PPE)

Particulars	Land	Buildings	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Electrical Equipments and Fittings	River Pipeline	Total	Capital work in-progress
Deemed Cost:											
As at April 1, 2016	14,94,405	275,39,113	757,67,147	2,72,057	37,68,529	8,53,080	-	186,31,298	15,47,998	1,98,74,627	-
Acquisitions during 2016-17	-	-	-	-	22,23,056	90,760	-	-	-	21,04,816	-
Disposals during 2016-17	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	14,94,405	275,39,113	757,67,147	2,72,057	60,10,585	9,40,840	-	186,31,298	15,47,998	1,21,82,443	303,38,315
Aspirations during 2017-18	-	272,30,642	378,30,617	2,51,235	-	74,352	94,433	34,25,820	-	899,03,259	-
Disposals during 2017-18	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	14,94,405	547,69,755	1,135,97,764	5,23,292	60,10,585	10,15,392	94,433	220,33,418	15,47,998	20,10,86,742	87,10,000
Accumulated Depreciation:											
As at April 1, 2016	-	22,84,783	36,31,759	40,519	6,31,288	57,471	-	12,56,779	2,72,818	81,15,417	-
Depreciation charged during the year	-	-	-	-	-	-	-	-	-	-	-
Disposals during 2016-17	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	-	22,84,783	36,31,759	40,519	6,31,288	57,471	-	12,56,779	2,72,818	81,15,417	-
Depreciation charged during the year	-	25,82,209	48,39,536	50,024	9,41,723	89,274	6,908	12,99,596	3,71,817	100,02,038	-
Disposals during 2017-18	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	48,66,992	84,71,295	90,543	15,73,008	1,28,745	6,908	25,56,375	4,25,635	181,17,455	-
Net Carrying amount											
As at April 1, 2016	14,94,405	275,39,113	757,67,147	2,72,057	37,68,529	8,53,080	-	186,31,298	15,47,998	1,28,78,627	-
As at March 31, 2017	14,94,405	252,54,330	724,35,988	2,31,538	53,79,297	8,83,369	-	173,54,519	13,35,180	17,40,68,026	303,38,315
As at March 31, 2018	14,94,405	499,02,763	1,051,26,479	4,30,749	44,37,376	8,88,647	87,525	154,76,780	11,22,583	18,29,69,282	87,10,000

The company has elected to use the exemption available under Section 10(1) to continue the carrying value for all its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind AS/As measured as per previous GAAP and use that as its deemed cost at the date of transition (April 1, 2016) as per the following details:

The reconciliation of carrying value as per previous GAAP with deemed cost as per Ind AS:

(in Rs.)

Particulars	Gross Block (At Cost)	Accumulated Depreciation	Net Block as per Previous GAAP/Deemed cost as per Ind AS (As at 1st April 2016)	Ind AS adjustment	Gross block as per Ind AS
Property, plant and equipment:					
Land	14,94,405	-	14,94,405	-	14,94,405
Buildings	483,13,066	192,83,953	275,39,113	-	275,39,113
Plant and Equipment	1830,35,879	1071,68,232	757,67,147	-	757,67,147
Furniture & Fixtures	3,70,080	5,48,023	2,72,057	-	2,72,057
Vehicles	64,13,274	26,24,745	37,88,529	-	37,88,529
Office Equipments	17,06,157	8,48,077	8,58,080	-	8,58,080
Electrical Equipments and Fittings	380,91,751	174,80,453	186,31,298	-	186,31,298
River Pipeline	77,86,464	62,38,466	15,47,998	-	15,47,998
Total	2842,21,076	1543,42,448	1288,78,627	-	1288,78,627

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

3. Non-Current Investments

Particulars	As at 31st March	As at 31st March	As at 1st April
	2018 (in Rs.)	2017 (in Rs.)	2016 (in Rs.)
Investment carried at cost - Unquoted			
- Indus Vikas Patra	8,000	8,000	8,000
- National Savings Certificate	500	500	500
Total	8,500	8,500	8,500
Aggregate amount of unquoted investments	8,500	8,500	8,500

4. Other Non current financial assets

Particulars	As at 31st March	As at 31st March	As at 1st April
	2018 (in Rs.)	2017 (in Rs.)	2016 (in Rs.)
Unsecured, considered good			
- Security deposits	45,26,128	108,29,485	111,81,600
Total	45,26,128	108,29,485	111,81,600

5. Deferred tax assets (Net)

Particulars	As at 31st March	As at 31st March	As at 1st April
	2018 (in Rs.)	2017 (in Rs.)	2016 (in Rs.)
Deferred tax liability			
- On PPE and Intangible assets	137,53,558	42,89,425	42,89,425
A	137,53,558	42,89,425	42,89,425
Deferred tax assets			
- On disallowances under the Income tax Act	10,08,457	4,88,679	4,17,338
- On fair value adjustments for financial instruments	3,143	219	
B	10,11,600	4,88,898	4,17,338
Subtotal - (A-B)	127,41,958	38,00,527	38,72,087
Minimum Alternate Credit (MAT) Credit Entitlement - C	162,09,161		
Net deferred tax liability/(asset) - A - B - C	(34,67,203)	38,00,527	38,72,087

Movement in deferred tax liability/(asset):

Particulars	Deferred tax liabilities/ (assets) as at 01-04-2016	Charge/(credit) to Profit/Loss	Charge/(credit) to OCI	Deferred tax liabilities/ (assets) as at 31-03-2017
	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)
Deferred Tax Liabilities				
- On PPE and Intangible assets	42,89,425	-	-	42,89,425
- On employee benefits expense		9,726	(9,726)	
Deferred Tax Asset				
- On disallowances under the Income tax Act	(4,17,338)	(71,341)	-	(4,88,679)
- On fair value adjustments for financial instruments		(219)	-	(219)
Total	38,72,087	(61,834)	(9,726)	38,00,527

Particulars	Deferred tax liabilities/ (assets) as at 01-04-2017	Charge/(credit) to Profit/Loss	Charge/(credit) to OCI	Deferred tax liabilities/ (assets) as at 31-03-2018
	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)
Deferred Tax Liabilities				
- On PPE and Intangible assets	42,89,425	94,64,133	-	137,53,558
- On employee benefits expense		(6,485)	6,485	
Deferred Tax Asset				
- On disallowances under the Income tax Act	(4,88,679)	(5,19,778)	-	(10,08,457)
- On fair value adjustments for financial instruments	(219)	(2,924)	-	(3,143)
Total	38,00,527	89,34,946	6,485	127,41,958

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(in Rs.)

Particulars	As at 31st March	As at 31st March	As at 1st April
	2018 (in Rs.)	2017 (in Rs.)	2016 (in Rs.)
Advance for capital expense	327,13,352	168,11,975	
Prepaid expenses	14,060	25,692	
Other receivables		12,13,936	13,87,794
Total	327,27,412	180,51,603	13,87,794

7. Inventories

Particulars	As at 31st March	As at 31st March	As at 1st April
	2018 (in Rs.)	2017 (in Rs.)	2016 (in Rs.)
Raw Material	1285,78,710	1172,95,123	799,26,560
Work in progress	415,92,864	338,38,105	352,67,050
Finished Goods	442,27,057	351,40,713	365,69,658
Stores and spares	72,10,866	156,58,112	284,24,174
Total	2216,09,497	2019,32,053	1801,87,442

Note: Inventories are valued at cost or net realisable value, whichever is lower.

8. Trade receivables

Particulars	As at 31st March	As at 31st March	As at 1st April
	2018 (in Rs.)	2017 (in Rs.)	2016 (in Rs.)
Unsecured, considered good Trade receivables	823,46,151	525,56,871	507,79,671
	823,46,151	525,56,871	507,79,671
Sub-Total			
Allowance for doubtful debts (Refer note below)			
Total	823,46,151	525,56,871	507,79,671

Note:
Based on the past experience, there has not been any write off of trade receivables and hence no allowance is made for expected credit loss on trade receivables.

9. Cash and cash equivalents

Particulars	As at 31st March	As at 31st March	As at 1st April
	2018 (in Rs.)	2017 (in Rs.)	2016 (in Rs.)
Balance with Banks In Current Account	91,724	6,30,977	5,652
Cash on Hand	25,200	301	
Total	1,16,924	6,31,278	5,652
Of the above, the balances that meet the definition of Cash and Cash equivalents as per Ind AS 7 "Statement of cash flow" is	1,16,924	6,31,278	5,652

10. Other current assets

Particulars	As at 31st March	As at 31st March	As at 1st April
	2018 (in Rs.)	2017 (in Rs.)	2016 (in Rs.)
Unsecured, considered good			85,01,364
Advances to Suppliers	142,78,114	123,48,631	
Prepaid expenses	11,632	11,632	
Balances with statutory/government authorities	3,13,965		7,18,886
Other Receivables	3,94,786	9,56,300	9,74,993
Total	149,98,497	133,16,563	101,95,243

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11. Equity Share Capital

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	In Numbers	(in Rs.)	In Numbers	(in Rs.)	In Numbers	(in Rs.)
Authorised						
Equity shares of Rs 5/- each	200,00,000	1000,00,000	200,00,000	1000,00,000	200,00,000	1000,00,000
Issued, Subscribed and Paid up						
Equity shares of Rs 5/-each	191,10,000	955,50,000	191,10,000	955,50,000	191,10,000	955,50,000
Total		955,50,000		955,50,000		955,50,000

a) Terms/Rights attached to equity shares :

The company has only one class of equity shares having a par value of ₹ 5 per share. Each equity shareholder is entitled to one vote per share.

b) Details of Shareholders holding more than 5% shares in the company :

Particulars	Equity Shares					
	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MS Velu	99,72,620	52.19%	97,19,120	50.86%	97,19,120	50.86%
Selvambal Velu	42,56,580	22.27%	42,56,580	22.27%	42,56,580	22.27%
	142,29,200	74.46%	139,75,700	73.13%	139,75,700	73.13%

c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	Equity Shares					
	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	In Numbers	(in Rs.)	In Numbers	(in Rs.)	In Numbers	(in Rs.)
Shares outstanding at the beginning/end of the year	191,10,000	955,50,000	191,10,000	955,50,000	191,10,000	955,50,000

d) There are no shares which have been allotted for consideration other than cash, bonus shares and shares bought back in the preceding 5 years.

e) Shares held by the Holding Company : NIL

12. Other Equity (Refer 'Statement of changes in equity')

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	(in Rs.)	(in Rs.)	(in Rs.)
Capital Reserve	13,80,000	13,80,000	13,80,000
Retained earnings	613,13,937	244,36,340	24,73,241
Other comprehensive income	(14,171)	(31,223)	(11,533)
Total	626,79,766	257,85,117	38,41,708

13. Non-Current Financial Liabilities - Borrowings

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Non Current (in Rs.)	Current (in Rs.)	Non Current (in Rs.)	Current (in Rs.)	Non Current (in Rs.)	Current (in Rs.)
Secured Loans						
Term Loans	405,75,179	65,88,308				
Vehicle Loans	9,81,571	7,58,210	16,19,647	7,95,212	10,26,979	5,36,601
Unsecured Loans						
Interest free sales tax loan	104,89,054	35,00,000	104,88,318	35,00,000	139,85,582	35,00,000
	520,45,804	108,46,518	121,07,965	42,95,212	150,12,561	40,36,601
Unamortised portion of upfront processing fee	(96,086)	(37,452)				
Total	519,49,718	108,09,066	121,07,965	42,95,212	150,12,561	40,36,801

SHREE KARTHIK PAPERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

i) Term Loans from Kotak Mahindra Bank Limited:

Term Loan - 1
Terms of repayment : Term loan is repayable in 73 monthly structured installments as on 31.03.2018 amounting to ` 3,83,75,670/-

Security : The Loan is secured by Factory Land and Building at Pollachi.

Rate of interest : The rate of interest is 9.75% p.a

Term Loan - 2
Terms of repayment : Term loan is repayable in 50 monthly structured installments as on 31.03.2018 amounting to ` 87,84,739/-
Security : The Loan is primarily secured by Current assets and Movable assets of the company and collaterally secured by property of the Director.

Rate of interest : The rate of interest is 9.75% p.a

ii) Vehicle Loan from Axis Bank Limited is secured by way of hypothecation of vehicles procured out of such loan. The loan as on 31-03-2018 is repayable in 19 monthly instalments aggregating to ` 6,22,573/- . The interest is payable on monthly basis and the rate of interest is 10.15% per annum.

iii) Vehicle Loan from HDFC Bank Limited is secured by way of hypothecation of vehicles procured out of such loan. The loan as on 31-03-2018 is repayable in 15 monthly instalments aggregating to ` 2,08,794/- . The interest is payable on monthly basis and the rate of interest is 9.65% per annum.

iv) Vehicle Loan from Kotak Mahindra Bank Limited is secured by way of hypothecation of vehicles procured out of such loan. The loan as on 31-03-2018 is repayable in 38 monthly instalments aggregating to ` 7,88,279/- . The interest is payable on monthly basis and the rate of interest is 9.25% per annum.

v) Balance Interest Free Sales-Tax Loan is repayable in 4 equal and yearly instalments as on 31.03.2018

14. Provisions (NonCurrent)

Particulars	As at 31st March 2018 (In Rs.)	As at 31st March 2017 (In Rs.)	As at 1st April 2016 (In Rs.)
Provision for Gratuity (Unfunded) - (Refer note no.31)	17,06,295	14,56,698	12,82,147
Total	17,06,295	14,56,698	12,82,147

15. Current Financial Liabilities - Borrowings

Particulars	As at 31st March 2018 (In Rs.)	As at 31st March 2017 (In Rs.)	As at 1st April 2016 (In Rs.)
Secured	714,53,893	467,25,616	485,28,725
- Working capital loan from banks			
Unsecured	1733,67,941	2078,99,558	1817,59,896
- Loan from Director			
Total	2448,21,834	2546,25,174	2302,88,621

Note:

1) Working capital loan from Bank is secured by way of :

i) First Charge on current assets by way of hypothecation of present and future current assets including book debts and receivables. The loan is repayable on demand.

ii) The above working capital facility is collaterally secured by property of the Director.

iii) The Rate of Interest is in the range of 8.50% to 9.75% p.a

2) Loan from director is interest free and the loan is repayable on demand.

16. Trade payables

Particulars	As at 31st March 2018 (In Rs.)	As at 31st March 2017 (In Rs.)	As at 1st April 2016 (In Rs.)
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	530,98,178	379,80,034	216,39,790
- Others			
Total	530,98,178	379,80,034	216,39,790

Note:

The company is in the process of obtaining confirmation from suppliers who have registered themselves under the "Micro, Small and Medium Enterprises Development Act, 2006". The interest payable, if any, would be provided as and when the liability arises.

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17. Other current financial liabilities

Particulars	(in Rs.)		
	As at 31st March 2018 (in Rs.)	As at 31st March 2017 (in Rs.)	As at 1st April 2016 (in Rs.)
Current maturities of long term debt (Refer note no.13)	108,09,066	42,95,212	40,36,601
Accrued Employee Benefits	25,52,743	17,72,140	-
Other payables and accruals*	54,70,449	42,93,764	54,89,827
Total	188,32,258	103,61,116	95,26,428

* Other payables and accruals represents accrued expenses

18. Other current liabilities

Particulars	(in Rs.)		
	As at 31st March 2018 (in Rs.)	As at 31st March 2017 (in Rs.)	As at 1st April 2016 (in Rs.)
Statutory dues payable	76,69,804	42,50,969	25,31,193
Advances from customers	76,38,891	-	-
Total	153,08,695	42,50,969	25,31,193

19. Provisions

Particulars	(in Rs.)		
	As at 31st March 2018 (in Rs.)	As at 31st March 2017 (in Rs.)	As at 1st April 2016 (in Rs.)
Provision for Gratuity (Unfunded) - (Refer note no.31)	1,63,997	1,50,631	79,994
Total	1,63,997	1,50,631	79,994

20. Current tax liabilities (net)

Particulars	(in Rs.)		
	As at 31st March 2018 (in Rs.)	As at 31st March 2017 (in Rs.)	As at 1st April 2016 (in Rs.)
Provision for taxation (net)	73,68,858	56,64,463	-
Total	73,68,858	56,64,463	-

SHREE KARTHIK PAPERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

21. Revenue from operations

Particulars	2017-18 (in Rs.)	2016-17 (in Rs.)
Sale of products		
Paper	5722,02,547	4749,05,636
Total	5722,02,547	4749,05,636

22. Other income

Particulars	2017-18 (in Rs.)	2016-17 (in Rs.)
Interest income	2,23,233	7,52,960
Insurance claims	-	4,90,193
Miscellaneous receipts	-	99,753
Interest income on financial assets	10,963	5,480
Total	2,34,196	13,48,386

23. Cost of materials consumed

Particulars	2017-18 (in Rs.)	2016-17 (in Rs.)
Opening stock	1172,95,123	799,26,560
Add: Purchases	3781,66,571	3379,24,063
	4954,61,694	4178,50,623
Less: Closing stock	1285,78,710	1172,95,123
Total	3668,82,984	3005,55,500

24. Change in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	2017-18 (in Rs.)	2016-17 (in Rs.)
Opening stock		
Work-in-progress	351,40,713	365,69,658
Finished goods	338,38,105	352,67,050
	689,78,818	718,36,708
Closing stock		
Work-in-progress	415,92,864	351,40,713
Finished goods	442,27,057	338,38,105
	858,19,921	689,78,818
(Increase)/Decrease in inventories	(168,41,103)	28,57,890

25. Employee benefits expense

Particulars	2017-18 (in Rs.)	2016-17 (in Rs.)
Salaries & Wages	175,14,456	144,06,140
Contribution to PF and Other Funds	12,12,315	7,02,052
Staff Welfare Expenses	7,16,398	2,47,825
Total	194,43,169	153,56,017

26. Finance cost

Particulars	2017-18 (in Rs.)	2016-17 (in Rs.)
Interest Expense	105,51,228	71,49,758
Total	105,51,228	71,49,758

27. Depreciation and amortization expense

Particulars	2017-18 (in Rs.)	2016-17 (in Rs.)
Depreciation on Property, Plant and Equipment	100,02,038	81,15,417
Total	100,02,038	81,15,417

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

28. Other expenses

Particulars	2017-18 (in Rs.)	2016-17 (in Rs.)
Consumption of stores and spares	228,77,726	170,06,600
Machinery Maintenance	138,53,076	144,28,168
Building Maintenance	3,38,867	16,893
Office Equipment Maintenance	2,57,038	91,678
Electrical Maintenance	4,82,302	13,527
Vehicle Maintenance and conveyance	21,06,178	10,70,357
Rent	13,91,632	11,55,354
Power, fuel and water charges	793,31,401	675,82,075
Insurance	19,009	1,29,107
Rates and Taxes	12,25,960	2,89,720
Professional Charges	6,83,675	17,56,443
Rebate, Commission and Discount	4,55,791	4,68,793
Packing and Forwarding	62,51,223	71,41,351
Freight Charges	124,87,227	21,22,919
Remuneration to Auditors	1,07,500	1,11,000
Printing and stationery	2,05,835	1,32,480
Advertisement	6,01,859	2,27,100
Postages, Telegrams and Telephone	4,41,698	2,24,124
Other Administrative Expenses	17,59,992	6,86,023
	1448,77,989	1146,53,712

28.1 Remuneration to auditors (excluding service tax/GST)

Particulars	2017-18 (in Rs.)	2016-17 (in Rs.)
a. for Statutory Audit	1,00,000	80,000
b. for Taxation Matters		25,000
c. for Other services	7,500	6,000
	1,07,500	1,11,000

29. Tax expense

Particulars	2017-18 (in Rs.)	2016-17 (in Rs.)
A. Current Tax		
Current tax on profit for the year	76,49,986	56,64,463
Earlier year Taxes	2,67,070	
TOTAL (A)	79,17,056	56,64,463
B. Deferred Tax		
Deferred tax reversal including MAT entitlement	(72,74,215)	(61,834)
TOTAL (B)	(72,74,215)	(61,834)
Tax expense recognized in Statement of Profit and Loss		
TOTAL (A)+(B)	6,42,841	56,02,629
Tax expense recognized in Other Comprehensive Income (c)	6,485	(9,726)
Total Tax Expense	6,49,326	55,92,903

30. Earnings per share

Particulars	2017-18 (in Rs.)	2016-17 (in Rs.)
Profit after tax	368,77,597	219,63,099
No. of Equity shares outstanding	191,10,000	191,10,000
Weighted Average no. of equity shares outstanding during the year	191,10,000	191,10,000
Basic Earnings Per Share (in ₹)	1.93	1.15
Diluted Earnings Per Share (in ₹)	1.93	1.15

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

31 Employee benefits

The details of various employee benefits provided to employees are as under:

A. Defined contribution plans:

Particulars	31-03-2018	31-03-2017
Employer's Contribution to PF	9,25,815	4,86,280
Total	9,25,815	4,86,280

B. Defined benefit plans:

Gratuity liability is provided in accordance with the provisions of the Payment of Gratuity Act, 1972 based on actuarial valuation. The plan provides a lump sum gratuity payment to eligible employee at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

These plans typically expose the Company to actuarial risks such as: interest rate risk, salary risk and longevity risk.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Longevity risk: The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Principal actuarial assumptions:

Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

Particulars	31-03-2018	31-03-2017
Discount Rate	7.63%	7.36%
Expected Return on Assets	0.00%	0.00%
Salary Escalation	6%	6%
Attrition Rate	2%	2%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Amount recognized in Profit and Loss for the year

Particulars	31-03-2018	31-03-2017
Current Service Cost	1,63,861	1,15,518
Net interest on Defined Benefit Obligations	1,22,639	1,00,254
Expenses recognized in the statement of profit and loss	2,86,500	2,15,772

Recognized in Other Comprehensive Income (OCI) for the year

Particulars	31-03-2018	31-03-2017
Actuarial (gains)/losses arising from changes in demographic assumptions		(34,337)
Actuarial (gains)/losses arising from changes in financial assumptions	(47,095)	66,142
Actuarial (gains)/losses arising from experience adjustments	23,558	(2,389)
Amount recognized in OCI for the current period	(23,537)	29,416

Change in present value of defined benefit obligation

Particulars	31-03-2018	31-03-2017
Present value of obligations as at the beginning of the year	16,07,329	13,62,141
Current Service Cost	1,63,861	1,15,518
Interest on Defined Benefit Obligations	1,22,639	1,00,254
Actuarial (gain)/loss on plan obligation	(23,537)	29,416
Benefits paid		
Liability transfer		
Present value of obligations as at the end of the year	18,70,292	16,07,329

Net (Asset)/ Liability recognized in Balance Sheet

Particulars	31-03-2018	31-03-2017	01-04-2016
Present value of obligations	18,70,292	16,07,329	13,62,141
Fair Value of Plan Assets			
Amount recognized	18,70,292	16,07,329	13,62,141

Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Particulars	31-03-2018		31-03-2017	
	Increase	Decrease	Increase	Decrease
Discount rate by 1%	17,10,360	20,54,033	14,62,760	17,74,260
Salary Escalation rate by 1%	20,55,009	17,07,016	17,74,575	14,60,201
Attrition rate by 1%	18,81,909	18,57,818	16,15,375	15,98,754
Mortality rate by 10%	18,70,707		16,07,608	

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

32. Contingent Liability:

(In Rs.)

Particulars	2017-18	2016-17
Disputed statutory liabilities not provided for	142,15,393	73,94,459

33. Assets taken on operating lease:

The Company, as a Lessee, has entered into various agreements for lease of buildings for its business ranging from one year to five years in the nature of operating lease with an option to renew the lease.

The Future minimum Lease payments are as follows:

(In Rs.)

Particulars	2017-18	2016-17
Within one year	4,20,000	4,20,000
After one year but not more than five years	5,47,000	9,67,000
More than five years	Nil	Nil

34. In the opinion of the Management, the current assets, loans & advances will realize atleast to the extent stated in the Balance Sheet.

35. Segment Information:

The company is in the business of manufacturing of paper which is the only reportable operating segment. Hence, separate disclosure requirements of Ind AS -108 "Segment Reporting" are not applicable.

36. The Company is not covered by ESI Regulation.

37. Additional Information

a) Expenditure in foreign currency - Rs. 67,81,461 /-

b) Earnings in foreign currency - Nil

38. Fair value measurements

I. Financial instruments by category

The carrying value of financial instruments by categories as at 31 March 2018 were as follows:

Particulars	Note	FVTOCI	FVTPL	Amortised cos	Total Carrying value	Total Fair value
	(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)
Financial Assets						
Investments	3	-	-	8,500	8,500	8,500
Trade Receivables	8	-	-	823,46,151	823,46,151	823,46,151
Cash and Cash equivalents	9	-	-	1,16,924	1,16,924	1,16,924
Other financial assets	4	-	-	45,26,128	45,26,128	45,26,128
Financial Liabilities						
Borrowings	12,14	-	-	3075,80,618	3075,80,618	3075,80,618
Trade payables	16	-	-	530,98,178	530,98,178	530,98,178
Other financial liabilities	17	-	-	80,23,192	80,23,192	80,23,192

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

The carrying value of financial instruments by categories as at 31 March 2017 were as follows:

Particulars	Note	FVTOCI	FVTPL	Amortised cos	Total Carrying value	Total Fair value
	(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)
Financial Assets						
Investments	3	-	-	8,500	8,500	8,500
Trade Receivables	8	-	-	525,56,871	525,56,871	525,56,871
Cash and Cash equivalents	9	-	-	6,31,278	6,31,278	6,31,278
Other financial assets	4	-	-	108,29,485	108,29,485	108,29,485
Financial Liabilities						
Borrowings	12,14	-	-	2710,28,351	2710,28,351	2710,28,351
Trade payables	16	-	-	379,80,034	379,80,034	379,80,034
Other financial liabilities	17	-	-	60,65,904	60,65,904	60,65,904

The carrying value of financial instruments by categories as at 1 April 2016 were as follows:

Particulars	Note	FVTOCI	FVTPL	Amortised cos	Total Carrying value	Total Fair value
	(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)
Financial Assets						
Investments	3	-	-	8,500	8,500	8,500
Trade Receivables	8	-	-	507,79,671	507,79,671	507,79,671
Cash and Cash equivalents	9	-	-	5,652	5,652	5,652
Other financial assets	4	-	-	111,81,600	111,81,600	111,81,600
Financial Liabilities						
Borrowings	12,14	-	-	2493,37,783	2493,37,783	2493,37,783
Trade payables	16	-	-	216,39,790	216,39,790	216,39,790
Other financial liabilities	17	-	-	54,89,827	54,89,827	54,89,827

ii. Fair Value Hierarchy

Assets and Liabilities that are disclosed at Amortised Cost for which Fair values are disclosed are classified as Level 3.

If one or more of the significant inputs is not based on observable market data, the respective assets and liabilities are considered under Level 3.

ii. Fair Value Hierarchy

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

SHREE KARTHIK PAPERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2018

Particulars	Note	Level 1	Level 2	Level 3	Carrying Value
Financial Assets					
<i>At amortised costs</i>					
Investments	3	-	8,500	-	8,500
Trade Receivables	8	-	-	-	823,46,151
Cash and Cash equivalents	9	-	-	-	1,16,924
Other financial assets	4	-	-	-	45,26,128
Financial Liabilities					
<i>At amortised costs</i>					
Borrowings	12,14	-	627,58,784	-	3075,80,618
Trade payables	16	-	-	-	530,98,178
Other financial liabilities	17	-	-	-	80,23,192

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2017

Particulars	Note	Level 1	Level 2	Level 3	Carrying Value
Financial Assets					
<i>At amortised costs</i>					
Investments	3	-	8,500	-	8,500
Trade Receivables	8	-	-	-	525,56,871
Cash and Cash equivalents	9	-	-	-	6,31,278
Other financial assets	4	-	-	-	108,29,485
Financial Liabilities					
<i>At amortised costs</i>					
Borrowings	12,14	-	164,03,177	-	2710,28,351
Trade payables	16	-	-	-	379,80,034
Other financial liabilities	17	-	-	-	60,65,904

Fair value hierarchy of financial assets and liabilities measured at fair value as at April 1, 2016

Particulars	Note	Level 1	Level 2	Level 3	Carrying Value
Financial Assets					
<i>At amortised costs</i>					
Investments	3	-	8,500	-	8,500
Trade Receivables	8	-	-	-	507,79,671
Cash and Cash equivalents	9	-	-	-	5,652
Other financial assets	4	-	-	-	111,81,600
Financial Liabilities					
<i>At amortised costs</i>					
Borrowings	12,14	-	190,49,162	-	2493,37,783
Trade payables	16	-	-	-	216,39,790
Other financial liabilities	17	-	-	-	54,89,827

The carrying amounts of trade receivables, cash and cash equivalents, other financial assets, current borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

iii. Valuation technique used to determine fair value

The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of trade receivables, cash and cash equivalents, other financial assets, current borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values.

The estimated fair value amounts as at March 31, 2018 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end.

There were no transfers between Level 1, Level 2 and Level 3 during the year.

SHREE KARTHIK PAPERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

39 Financial Risk Management

The Company's businesses are subject to several risks and uncertainties including financial risks.

The Company's activities expose it to credit risk, liquidity risk and market risk interest rate risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk:	financial assets measured at amortised cost.	Ageing analysis, Credit ratings
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk - Interest rate risk	Long-term borrowings at variable rates	Cash flow forecasting, Sensitivity

a. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The company's credit risk generally arises from Cash and cash equivalents, trade receivables, and other financial assets.

Credit risk management

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- A: Low credit risk
- B: Moderate credit risk.
- C: High credit risk

Assets Group	Description of Particulars	Provision for expected credit loss * category
Low credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets 12 month expected credit loss/life time expected credit loss
Moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong.	Nil 12 month expected credit loss/life time expected credit loss
High credit risk	Assets where there is a high probability of default.	Nil 12 month expected credit loss/life time expected credit loss/fully provided for

* Based on the past experience, there have not been any write-off of trade receivables and hence no allowance is made for expected credit loss on trade receivables.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Classification of Financial assets among risk categories:

Credit rating	Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets. (Refundable deposits)	869,97,703	640,26,134	619,75,423
Moderate credit risk	Nil			
High credit risk	Nil			

b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the business, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of Financial Liabilities as at 31 Mar 2018 are as follows:

Particulars	(In Rs.)			
	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	2556,30,900	519,49,718	-	3075,80,618
Trade payables	530,98,178	-	-	530,98,178
Other Financial liabilities	80,23,192	-	-	80,23,192
Total	3167,52,270	519,49,718	-	3687,01,988

Maturities of Financial Liabilities as at 31 Mar 2017 are as follows:

Particulars	(In Rs.)			
	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	2589,20,386	121,07,965	-	2710,28,351
Trade payables	379,80,034	-	-	379,80,034
Other Financial liabilities	60,65,904	-	-	60,65,904
Total	3029,66,324	121,07,965	-	3150,74,289

Maturities of Financial Liabilities as at 1 Apr 2016 are as follows:

Particulars	(In Rs.)			
	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	2343,25,222	150,12,561	-	2493,37,783
Trade payables	216,39,790	-	-	216,39,790
Other Financial liabilities	54,89,827	-	-	54,89,827
Total	2614,54,839	150,12,561	-	2764,67,400

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

Interest rate Risks

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The borrowings are fixed rate borrowings and are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The Company does not have any variable rate borrowing which is subject to interest rate risk.

Particulars	31-03-2018	31-03-2017	01-04-2016
Fixed Rate Borrowings	1342,12,677	631,28,793	675,77,887

SHREE KARTHIK PAPERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

40 Capital Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt).

Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Company:

Particulars	31-Mar-18 (In Rs.)	31-Mar-17 (In Rs.)	01-Apr-16 (In Rs.)
Non-Current Borrowings (Refer Note : 12)	519,49,718	121,07,965	150,12,561
Current Maturities of Long term Debt (Refer Note : 17)	108,09,068	42,95,212	40,36,601
Total Borrowings (a)	627,58,784	164,03,177	190,49,162
Cash and Cash equivalents (Refer Note : 8)	1,16,924	6,31,278	5,652
Total Cash (b)	1,16,924	6,31,278	5,652
Net Debt (c) = (a)-(b)	626,41,860	157,71,899	190,43,510
Share Capital (Refer note no.10)	955,50,000	955,50,000	955,50,000
Other Equity (Refer note no.11)	626,79,766	257,85,117	38,41,708
Total Equity (d)	1,582,29,766	1,213,35,117	993,91,708
Total Capital (e) = (c)+(d)	2,208,71,626	1,371,07,016	1,184,35,218
Gearing Ratio = (c)/(e)	0.28	0.12	0.16

41 First Time adoption of Ind AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

Ind AS 101 First-time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions Deemed Cost

The Company has elected to continue with the carrying value of all of its Property, Plant and equipment recognised as of April 1, 2016 (The transaction date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Ind AS mandatory exceptions Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company has made estimate for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

Government Loans

The Company has measured its Government loan at the carrying value as per previous GAAP at the date of transition to Ind AS in the opening Ind AS Balance Sheet after applying requirements in Ind AS 109 Financial Instruments, and Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance prospectively.

SHREE KARTHIK PAPERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

42 Reconciliation to first time adoption of Ind AS

(i) Balance sheet as on 01-04-2016

Particulars	Nota	Previous GAAP as at 1 April 2016	Reclassification	Other Accounting Adjustment	Ind AS as at 1 April 2016
ASSETS					
1 Non-current assets					
(a) Property, plant and equipment		1298,78,627	-	-	1298,78,627
(b) Financial Assets					
i) Investments		8,500	-	-	8,500
ii) Loans	5	132,86,280	(132,88,280)	-	-
iii) Other financial assets	5	-	111,81,600	-	111,81,600
(c) Other non-current assets	5	-	13,87,794	-	13,87,794
		<u>1431,75,407</u>	<u>(7,18,886)</u>	<u>-</u>	<u>1424,56,521</u>
2 Current Assets					
(a) Inventories		1801,87,442	-	-	1801,87,442
(b) Financial Assets					
i) Trade receivables		507,79,671	-	-	507,79,671
ii) Cash and cash equivalents		5,652	-	-	5,652
iii) Loans	5	94,76,357	(94,76,357)	-	-
(c) Other current assets	5	-	101,95,243	-	101,95,243
		<u>2404,49,122</u>	<u>7,18,886</u>	<u>-</u>	<u>2411,68,008</u>
		<u>3836,24,529</u>	<u>-</u>	<u>-</u>	<u>3836,24,529</u>
EQUITY AND LIABILITIES					
1 Equity					
(a) Share capital		955,50,000	-	-	955,50,000
(b) Other equity	1,2,3,4	47,86,511	-	(9,44,803)	38,41,708
		<u>1003,36,511</u>	<u>-</u>	<u>(9,44,803)</u>	<u>993,91,708</u>
LIABILITIES					
1 Non-Current Liabilities					
(a) Financial liabilities					
i) Borrowings	5	150,12,561	-	-	150,12,561
ii) Provisions	4	-	-	12,82,147	12,82,147
(b) Deferred tax liabilities(net)	2	42,89,425	-	(4,17,338)	38,72,087
		<u>193,01,986</u>	<u>-</u>	<u>8,64,809</u>	<u>201,66,795</u>
2 Current liabilities					
(a) Financial liabilities					
i) Borrowings		2302,88,621	-	-	2302,88,621
ii) Trade payables		216,39,790	-	-	216,39,790
iii) Other financial liabilities	5	40,36,601	54,89,827	-	95,26,428
(b) Other current liabilities	5	80,21,020	(54,89,827)	-	25,31,193
(c) Provisions	4	-	-	79,994	79,994
		<u>2639,86,032</u>	<u>-</u>	<u>79,994</u>	<u>2640,66,026</u>
		<u>3836,24,529</u>	<u>-</u>	<u>-</u>	<u>3836,24,529</u>

SHREE KARTHIK PAPERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(ii) Balance sheet as on 31-03-2017

(In Rs.)

Particulars	Note	Previous GAAP as at 31st March 2017	Reclassification	Other Accounting Adjustment	Ind AS as at 31st March 2017
ASSETS					
1 Non-current assets					
(a) Property, plant and equipment		1240,68,026	-	-	1240,68,026
(b) Capital work-in-progress		303,38,315	-	-	303,38,315
(c) Financial Assets					
i) Investments		8,500	-	-	8,500
ii) Loans	5	120,81,406	(120,81,406)	-	-
iii) Other financial assets	1,5	-	108,67,470	(37,985)	108,29,485
(d) Other non-current assets	1,5	-	180,25,911	25,692	180,51,603
		<u>1664,96,247</u>	<u>168,11,975</u>	<u>(12,293)</u>	<u>1832,95,929</u>

(In Rs.)

Particulars	Note	Previous GAAP as at 31st March 2017	Reclassification	Other Accounting Adjustment	Ind AS as at 31st March 2017
2 Current Assets					
(a) Inventories		2019,32,053	-	-	2019,32,053
(b) Financial Assets:					
i) Trade receivables		525,56,871	-	-	525,56,871
ii) Cash and cash equivalents		6,31,278	-	-	6,31,278
iii) Loans	5	301,16,906	(301,16,906)	-	-
(c) Other current assets:	1,5	-	133,04,931	11,632	133,16,563
		<u>2852,37,108</u>	<u>(168,11,975)</u>	<u>11,632</u>	<u>2684,36,765</u>
		<u>4517,33,355</u>	<u>-</u>	<u>(661)</u>	<u>4517,32,694</u>

EQUITY AND LIABILITIES

1 Equity

(a) Share capital		955,50,000	-	-	955,50,000
(b) Other equity	1,2,3,4	269,04,209	-	(11,19,092)	257,85,117
		<u>1224,54,209</u>	<u>-</u>	<u>(11,19,092)</u>	<u>1213,35,117</u>

LIABILITIES

1 Non-Current Liabilities

(a) Financial liabilities					
i) Borrowings	5	121,07,965	-	-	121,07,965
ii) Provisions	4	-	-	14,56,698	14,56,698
(b) Deferred tax liabilities (Net)	2	42,89,425	-	(4,88,898)	38,00,527
		<u>163,97,390</u>	<u>-</u>	<u>9,67,800</u>	<u>173,65,190</u>

2 Current liabilities

(a) Financial liabilities					
i) Borrowings		2546,25,174	-	-	2546,25,174
ii) Trade payables		379,80,034	-	-	379,80,034
iii) Other financial liabilities	5	42,95,212	60,65,904	-	103,61,116
(b) Other current liabilities	5	96,97,373	(54,46,404)	-	42,50,969
(c) Provisions	4,5	62,83,963	(62,83,963)	1,50,631	1,50,631
(d) Current tax liabilities(Net)	5	-	56,64,463	-	56,64,463
		<u>3128,81,756</u>	<u>-</u>	<u>1,50,631</u>	<u>3130,32,387</u>
		<u>4517,33,355</u>	<u>-</u>	<u>(661)</u>	<u>4517,32,694</u>

SHREE KARTHIK PAPERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(iii) Statement of Profit and Loss for the Year ended 31-Mar-2017

(In Rs.)

Particulars	Note	Previous GAAP for the year 2016-17	Other Accounting Adjustment	Ind AS for the year 2016-17
I INCOME				
Revenue from operations		4749,05,636		4749,05,636
Other income	1	13,42,906	5,480	13,48,386
TOTAL INCOME		4762,48,542	5,480	4762,54,022
II EXPENSES				
Cost of materials consumed		3005,55,500		3005,55,500
Changes in inventories of finished goods, work-in-progress and stock-in-trade		28,57,890		28,57,890
Employee benefits expense	4	151,40,245	2,15,772	153,56,017
Finance cost		71,49,758		71,49,758
Depreciation and amortisation expense		81,15,417		81,15,417
Other expenses	1	1146,47,571	6,141	1146,53,712
TOTAL EXPENSES		4484,66,381	2,21,913	4486,88,294
III PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		277,82,161	(2,16,433)	275,65,728
Exceptional items				
IV PROFIT BEFORE TAX		277,82,161	(2,16,433)	275,65,728
Income tax expense				
Current tax		56,64,463		56,64,463
Deferred tax charged/(reversed)	2		(61,834)	(61,834)
V PROFIT AFTER TAX		221,17,698	(1,54,599)	219,63,099
VI OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefit obligations	3		(29,416)	(29,416)
Income tax relating to these items	2		9,726	9,726
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX			(19,690)	(19,690)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		221,17,698	(1,74,289)	219,43,409

(iv) Equity Reconciliation Under Ind AS

Particulars	Note	As at 31-03-2017 (In Rs.)	As at 01-04-2016 (In Rs.)
As per previous GAAP			
1,91,10,000 (previous year : 1,91,10,000) Equity shares of ₹ 5 each		955,50,000	955,50,000
Capital Reserve		13,80,000	13,80,000
Retained earnings		255,24,209	34,06,511
Total Equity as per previous GAAP- A		1224,54,209	1003,36,511
(Add)/Less: Ind AS adjustments			
Fair Valuation of rental deposits	1	(661)	
Provision for Gratuity	4	(16,07,329)	(13,62,141)
Tax adjustments	2	4,88,898	4,17,338
Total adjustments under Ind AS- B		(11,19,092)	(9,44,803)
Total equity as per Ind AS- (A+B)		1213,35,117	993,91,708

SHREE KARTHIK PAPERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(v) Reconciliation of total comprehensive income for the year ended 31-03-2017

Particulars	Note	(in Rs.)
Net Profit after tax as per previous GAAP (A)		221,17,698
IND AS Adjustments :		
Fair Valuation of rental deposits	1	(661)
Employee benefit expenses	4	(2,15,772)
Tax adjustments	2	61,834
Total Ind AS adjustments (B)		(1,54,599)
Profit after tax as per Ind AS (A+B)		219,63,099
Other Comprehensive Income		
Remeasurements of post-employee benefits - Net of tax	2,3	(19,690)
Total Comprehensive Income for the year		219,43,409

(vi) Reconciliation of Statement of Cash flows:

Impact of Ind AS adoption on the statement of cash flow for the year ended 31st March, 2017

Particulars	Note	For the year ended March 31, 2017		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS
Net cash generated from/(used in) operating activities	1,2,3,4	433,23,111	(2,58,611)	430,64,500
Net cash generated from/(used in) investing activities	-	(326,43,131)	-	(326,43,131)
Net cash generated from/(used in) financing activities	1,2,3,4	(100,54,354)	2,58,611	(97,95,743)
Net Increase/(Decrease) in cash and cash equivalents	-	6,25,626	-	6,25,626
Cash and cash equivalents as at the beginning of the year	-	5,652	-	5,652
Bank Balances not considered as Cash and Cash equivalents	-	-	-	-
Cash and cash equivalents as at the end of the year	-	6,31,278	-	6,31,278

(vii) Notes to the reconciliation

1. Financial Assets at Amortised cost

Under previous GAAP, the security deposits were carried at nominal value. Ind AS requires these assets to be measured at fair value and subsequently these assets are measured at amortized cost. At the initial recognition, the company has recognised the difference between deposit fair value and nominal value as prepaid rental expenses and same is being recognised as rental expenses on straight line basis over the lease period. Further, Company recognises notional interest income on these deposit over the lease term.

2. Tax impact on adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

3. Other comprehensive income

Under previous GAAP, there was no concept of 'Other Comprehensive Income' (OCI). Under Ind AS, certain items of incomes and expenses needs to be recognised under the Other Comprehensive Income, such as remeasurement gains/losses of defined employee benefits, fair valuation gains /losses of financial assets designated through OCI, etc. A reconciliation of the profit/loss as per previous GAAP to profit/loss as per Ind AS has been presented.

4. Provision for Gratuity

Under the previous GAAP, gratuity expenses were provided for as and when incurred. The Company has decided to provide for gratuity on conversion to IND AS.

5. Reclassifications under Ind AS

Assets and Liabilities have been regrouped/reclassified wherever required to conform to the requirements of Ind AS.

SHREE KARTHIK PAPERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

43 Related Party Disclosures:

(i) List of related parties with whom transactions have taken place during the year 2017-18 and relationship:

(a) Key Management Personnel:

- Mr. M.S. Velu

- Mr. Vignesh Velu

(c) Others: (Enterprise over which key management personnel are able to exercise significant influence)

- Shree Ganesh Gears Private Limited

- Shree Vignesh Windmill Private Limited

(ii) Related Party Transactions:

(in Rs.)

Nature of Transactions	Key Management Personnel:		Others	
	2017-18	2016-17	2017-18	2016-17
Remuneration	24,00,000	24,00,000	-	-
Purchase of Wind Energy	-	-	33,21,456	44,31,965
Loan from Directors (Op Bal)	2078,99,558	1817,59,896	-	-
Add: Received / (Repaid) during the year (Net)	(345,31,617)	261,39,662	-	-
Loan from Loan From directors (CL bal)	1733,67,941	2078,99,558	-	-
Advance received (Net)	-	-	8,00,000	-
Amount Payable	9,42,498	-	50,47,178	24,82,983
Amount Receivable	-	-	8,00,000	-

44 Previous years figures have been regrouped, reclassified and rearranged wherever necessary to conform to the current years classification.

45 Figures have been rounded off to the nearest rupee.

Vide our report of even date attached

For K S P V & Co

Chartered Accountants

ICAI Firm Registration No. 0155205

For and on behalf of the Board of Directors

(Sd./-) Kalyan Srinath B

Partner

Membership No. 227007

Place : Coimbatore

Date : 28-05-2018

(Sd./-) M.S. Velu

Chairman & Managing Director

DIN: 0168208

(Sd./-) S.S. Velu

Director

DIN: 01740974

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 17th September, 2018. 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 16th September, 2018. (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 (✓) 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 10th September, 2018 ("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.

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SHREE KARTHIK PAPERS LIMITED

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