

SHREE KARTHIK PAPERS LIMITED

No. 25, 50 Feet Road,
Krishnasamy Nagar, Ramanathapuram,
COIMBATORE - 641 045
Phone : 0422 - 4217174
Fax : 0422 - 4217178
E-mail : shreekarthikpapers@yahoo.com
Website : shreekarthikpapers.in

Factory :
Puliyangandi, Aliyar Nagar,
Kottur Village, Pollachi (T.K.)
Telephone : 04253 - 288648
GST No. : 33AADCS1863K1ZA
CIN : L21012TZ1991PLC003570

SKPL/BSE/2019-20

25.09.2019

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- Furnishing of 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 2018-19 of the company for updation of your records.

Kindly take the same on record.

Yours faithfully
For Shree Karthik Papers Ltd.



Company Secretary

Encl: Annual Report 2018-19

SHREE KARTHIK PAPERS LIMITED



AMOHA

Twenty Eighth Annual Report 2018 - 19

SHREE KARTHIK PAPERS LIMITED

BOARD OF DIRECTORS

Sri M.S. Velu
Chairman & Managing Director

DIRECTOR

Smt. S.S. Velu
Sri P. Kanagavadivelu
Independent Director
Sri P.C. Narendran
Independent Director
Sri R. Uma Shankar
Independent Director
Sri VigneshVelu
Whole Time Director

COMPANY SECRETARY

Sri. V. Rajan

AUDITORS

Statutory Auditors
M/s. K S P V & Co.
Chartered Accountants, Coimbatore

SECRETARIAL AUDITOR

Sri S. Rengasamy
Practising Company Secretary

REGISTERED OFFICE

25 Feet Road, Krishnasamy Nagar
Ramanathapuram,
Coimbatore-641045
Phone: 0422 4217174
Fax 0422 4217178
Email id:shreekarthikpapers@yahoo.com
CIN: L21012TZ 1991PLC003570

REGISTRAR AND SHARE TRANSFER AGENTS

S.K.D.C.Consultants Limited Kanapathy
Towers, III Floor, 1391/A-1 Sathy Road,
Ganapathy, Coimbatore-641006

LISTED STOCK EXCHANGE

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

BANKERS

Kotak Mahindra Bank Ltd.,Coimbatore.

28th Annual General Meeting

Date	: 23 rd September 2019
Day	: Monday
Time	: 3.00 P.M.
Venue	: Sree Annapoorna Kalai Arangam "Dakshin Hall" R.S. Puram Coimbatore - 641002
Book Closure Date	: 17.09.2019 to 23.09.2019 (Both days inclusive)

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SHREE KARTHIK PAPERS LIMITED

NOTICE

NOTICE is hereby given that the TWENTY EIGHTH 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 23rd September 2019 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 2019, Balance Sheet as on that date, the Reports of the Directors and the Auditors' Report thereon.
2. To appoint a Director in place of Smt. Selvambal Sengottu Velu holding DIN No. 01740974 who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. To appoint the Statutory Auditors and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to section 139 and 140 and other applicable provisions of the Companies Act 2013, if any read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the appointment of M/s. T.M. Jeyachandran & Co.(Firm Registration No.012309S) Chartered Accountants, Chennai, as Statutory Auditors of the company by the Board of Directors in their meeting held on 30th August 2019 to fill the casual vacancy caused by the resignation of M/s. K S P V & Co. (Firm Registration No. 15520S) Chartered Accountants, Coimbatore, from 30th August 2019 till the conclusion of the 28th Annual General Meeting at such a remuneration as may be determined and recommended by the Audit Committee in

consultation with the Auditors and duly approved by the Board of Directors be and are hereby approved.

ORDINARY BUSINESS

4. To appoint the Statutory Auditors in the casual vacancy and fix the remuneration and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to section 139 and other applicable provisions of the Companies Act 2013, if any read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. T.M. Jeyachandran & Co. ,(Firm Registration No. 012309S) Chartered Accountants, Chennai be and are hereby appointed instead of be and is hereby appointed as Statutory Auditors of the company for a period of 5 years from 28th Annual General Meeting until the conclusion of the 33rd Annual General Meeting to be held in the calendar year 2024 at such a remuneration as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors..

FURTHER RESOLVED that the Board of Directors of the company be and are hereby authorized for and on behalf of the company to file all necessary forms with the Registrar of Companies and 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

5. To appoint Mr. M.S. Velu as Chairman and Managing Director of the company and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

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"RESOLVED THAT, pursuant to the provisions of Section 196, 197, 198 read with Schedule V and all other applicable provisions, if any of the Companies Act 2013 and the Rules made there under including any statutory modifications or re-enactment thereof, for the time being in force and subject to other statutory approvals as may be necessary, the approval of the members of the company be and is hereby accorded to appoint Sri Muthu Sengottu Velu DIN 0168208 as Chairman and Managing Director of the company for a period of five years commencing from 31.03.2019 on such terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the Statement annexed to the notice convening this meeting, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said appointment and/ or remuneration in such manner as may be agreed to by and between the company and he is liable to retire by rotation.

Terms & Conditions

- 1) Designation: Chairman cum Managing Director
- 2) Term: 5 years with effect from 31-03-2019
- 3) Salary: No remuneration is fixed at present

Resolved further that in the event of no profit or inadequacy of profit, the remuneration payable to Sri Muthu Sengottu Velu, Chairman and Managing Director shall not exceed the limit specified in Section II Part II of Schedule V of the Companies Act 2013 as modified from time to time or such other limits as may be notified by the Government from time to time as minimum remuneration".

Resolved further that the Board/ Nomination and Remuneration Committee of Directors of the company be and is hereby authorized to do all acts, deeds, matters and things as may

be considered necessary desirable or expedient for giving effect to this resolution".

6. 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 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

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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"

By Order of the Board

Place : Coimbatore

(Sd./-) V. Rajan

Date : 30.08.2019

Company Secretary

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 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 17th September 2019 to 23rd September 2019 (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, Kanapathy Towers, 1391/A1 Sathy Road, Ganapathy, Coimbatore-641006 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 after electronic form.

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10. Details of Directors seeking appointment/re-appointment of Sri M.S. Velu, please refer to the statement in respect of Special Business set out at item No. 5 of the Notice of the Annual General Meeting pursuant to Section 102 of the Companies Act 2013. The Board recommends the resolution set out at item No. 5 of the notice for your approval.
11. Electronic copy of the Annual Report for 2018-19 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.
12. Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further Amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 3, 2018 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in dematerialized form with the depositories. Therefore, shareholders are requested to take action to dematerialize of the equity shares of the company promptly.
13. 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 28th Annual General Meeting scheduled to be held on Monday, the 23rd September 2019 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 .

The members who have cast their votes by remote e-voting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

Votes cast by members who hold shares on the cutoff date Viz. .16.09.2019 alone will be considered.
14. The Securities and Exchange Board of India (SEBI) has mandated submission of Income tax Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form should submit the PAN details to the Company or its Registrar and Share Transfer Agents .
15. Members are requested to note that the venue of the 28th Annual General Meeting is " Sree Annapoorna Kalai Arangam, Dakshin Hall, East Arokiasamy Road, R.S. Puram, Coimbatore-641002 on 23rd September 2019.
16. The cut off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be 16th September 2019.

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17. The Board has appointed Sri. S. Rengasamy Practising Company Secretary, Coimbatore 641036 as Scrutinizer for conducting the e-voting process and ballot at AGM.
18. 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 25th September 2019. The results declared along with the Scrutinizers report shall be placed on the website of www.cdsl and also shall be communicated to BSE Limited.
19. 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 and displayed on the website of the company.
- 20. The instructions for shareholders voting electronically are as under:**
- (i) The e-voting period begins on 20.09.2019 at 9.00 A.M. and ends on 22.09.2019 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 16th September 2019 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>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>

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- (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.
- 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.

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(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

Place : Coimbatore

(Sd./-) V. Rajan

Date : 30.08.2019

Company Secretary

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

Item No. 3 and 4

As per the provisions of Section 139(8)(i) of the Companies Act 2013, any casual vacancy in the office of an auditor shall be filled by the Board of Directors within 30 days from the date of resignation of an auditor subject to the approval of the shareholders of the company within 3 months of the recommendation of the Board and said auditor shall hold office till the conclusion of the next Annual General Meeting.

M/s. K S P V & Co., Chartered Accountants, Coimbatore registered with the Institute of Chartered Accountants of India (Firm Registration No. 015520S), due to their internal restructuring consequent to which they are unable to continue as Statutory Auditors of the company, resigned with effect from 21st August 2019. The Board of Directors in their meeting held on 30th August 2019 appointed M/s, T.M. Jeyachandran & Co., Chartered Accountants, Chennai as Statutory Auditors in place of casual vacancy caused due to the resignation of M/s. K S P V & Co. from 30th August 2019 to the conclusion of the 28th Annual General Meeting subject to the approval of the shareholders.

The Board of Directors recommend the appointment of M/s, T.M. Jeyachandran & Co., Chartered Accountants, Chennai (Firm Registration No. 012309S) as Statutory Auditors for a term of 5 years from the conclusion of the 28th Annual General Meeting until the conclusion of

the 33rd Annual General Meeting of the company to be held in the calendar year 2024 at such a remuneration as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors.

None of the Directors or Key Managerial Personnel of the company or any other relatives concerned or interested. financially or otherwise in the resolution.

The Board recommends the resolution as set out in item No. 3 and 4 of the notice for your approval.

Item No. 5

The Board of Directors in their meeting held on 29.03.2019 has, subject to the approval of members, appointed Sri M.S. Velu holding DIN No. 01682508 as Chairman and Managing Director of the company for a period of five years from 31.03.2019 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

Since the age of Sri M.S. Velu is above 70 years, it is proposed to seek members approval by passing Special Resolution for the appointment of Sri M.S. Velu as Chairman and Managing Director of the company in terms of the applicable provisions of the Act.

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 appoint him as Chairman and Managing Director of the company..

Terms & Conditions

- 1) Designation: Chairman and Managing Director
- 2) Term: 5 years with effect from 31-03-2019
- 3) Salary: No remuneration is fixed at present

Sri M.S. Velu satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out under section 196(3) of the Act for being

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eligible for appointment. He is not disqualified from being appointed as a Director in terms of section 164 of the Act.

In the event of loss or inadequacy of profits in any financial year of the company during Sri M.S. Velu term of office as Chairman and Managing Director, he shall be entitled to receive remuneration, perquisites and other benefits as provided in the Companies Act or any statutory modifications or enactments thereof.

The above may be treated as written memorandum setting out the terms of appointment of Sri M.S. Velu under section 190 of the Act.

Details of Sri M.S. Velu are provided in the Annexure to the Notice.

Statement of information as required under Schedule V of the Companies Act 2013

I General Information

- 1 Nature of Industry Paper Industry
- 2 Date or expected date of commencement of commercial production:18/12/1991
- 3 Financial Performance (Rs. in lakhs)

Gross Sales	6244.88
Profit/(Loss) before tax	-1207.69
Net Profit after tax	-1233.98
- 4 Foreign Investments or Collaborations if any
There are no Foreign Investments or Collaborations.

II Information about the appointee

- 1 Background details
Sri M.S. Velu is B.E. (Electrical Engineering). He has rich experience in paper industry.
- 2 Past remuneration and other benefits
No remuneration is paid.
- 3 Recognition of awards : Nil
- 4 Job profile and suitability:
Sri M.S. Velu devotes his full time and attention to the business of the company and is

responsible for the general conduct and management affairs of the company, subject to the superintendence, control and supervision of the Board, Sri M.S. Velu has over 3 decades of rich and varied experience in the business of the company which is compatible with the organizational requirements and the company would definitely benefit under his leadership and valuable guidance.

5 Remuneration proposed

No remuneration is fixed at present.

6 Comparative remuneration, profile with respect to industry and size of the company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin.

At present no remuneration is paid.

7 Pecuniary relationship directly or indirectly with the company or relationship with the managerial person if any.

Sri M.S. Velu holds 9972620 equity shares of the company. Sri Vignesh Velu, Whole time Director and Smt. Selvambal Sengottu Velu, Director of the company being relatives may be deemed to be interested in the resolution relating to the appointment and remuneration of Sri M.S. Velu.

III Other Information

- 1 Reasons of loss or inadequate of profits
There is operating profit of Rs.368.77 lakhs for the year 2017-18.
- 2 Steps taken or proposed to be taken for improvement
Adequate steps have been taken for further improvement
- 3 Expected increase productivity and profits measurable terms
Expected increase in productivity and sales shall be 100% in measurable terms.

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Sri M.S. Velu is interested in this resolution set out items No. 5 of the notice. Sri Vignesh Velu, Whole time Director and Smt. Selvambal Sengottu Velu, Director of the company being relatives may be deemed to be interested in the resolution.

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

Item No.6

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.

Place : Coimbatore
Date : 30.08.2019

The Board recommends these resolution 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 bankers. and Created Mortgage /charge in favour of bankers. 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. 6 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./-) V. Rajan
Company Secretary

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ANNEXURE

Details of Directors seeking Appointment and Re-appointment at the 28th Annual General Meeting vide item nos. 2 and 5 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, 2019)	None
Relationship between Directors inter-se	Related to Smt. S.S. Velu and Sri Vignesh Velu

Name	Smt. Selvambal Sengottu Velu
DIN No.	01740974
Date of Birth	15.07.1950
Date of appointment	18.12.1991
Expertise in functional areas	General Management
No. of shares held	4256580
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, 2019)	None
Relationship between Directors inter-se	Related to Sri. M.S. Velu and Sri Vignesh Velu

Place : Coimbatore
Date : 30.08.2019

By Order of the Board
(Sd./-) V. Rajan
Company Secretary

SHREE KARTHIK PAPERS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your company take pleasure in presenting you the Twenty Eighth Annual Report and the Audited Accounts for the year ended 31st March 2019.

FINANCIAL RESULTS AT A GLANCE

(Rs. in lacs)

Particulars	2018-19	2017-18
Revenue from operations	6244.88	5722.03
Other Income	14.45	2.34
Total Income	6259.33	5724.37
Profit from operations before Finance cost, Depreciation and Amortization Expenses and Exceptional items	1073.43	580.73
Less: Finance Cost	134.26	105.51
Depreciation Expenses		100.02
Profit/(Loss) before Exceptional items and tax	(1207.69)	375.20
Exceptional items	-	-
Profit/(Loss) before Tax	(1207.69)	375.20
Less: Current tax		76.50
Deferred Tax		89.35
Mat	26.29	(162.09)
Earlier years		2.67
Profit/(Loss) after tax	(1233.98)	368.77

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 format with effect from April 1, 2016.

In accordance with the provisions of the Companies Act 2013 read with the Companies (Accounts) Rules 2014, applicable accounting standards prescribed by the Institute of Chartered Accountants of India and the provisions of SEBI (LODR) Regulations 2015, the audited financial results are provided in this Annual report.

DIVIDEND

Your Directors do not recommend to pay a Dividend for the year ended 31st March 2019 in view of losses occurred.

OPERATIONS

During the year under review, the company has achieved a turnover of Rs. 6244.88 lakhs as against Rs. 5722.03 lakhs for the previous year.

The Net Loss after tax was Rs. 1233.98 lakhs as against the profit after tax of Rs. 368.77 lakhs during the previous year.

During the year under review the turnover has increased by 9.13% over the previous year but the total expenses has also increased by 39.59% over the previous year and the Company's Net loss after tax is Rs.1233.98 lakhs.

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There was no change in the nature of business of the company during the financial year ended 31st March 2019.

FUTURE OUTLOOK

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

TRANSFER TO RESERVES:

In view of losses incurred during the Financial Year 2018-19, the Board of Directors has decided not to transfer any amount to Reserves during the year under review.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2019 was Rs. 9,55,50,000/-. During the year under review, the Company has not issued any further shares.

CREDIT RATING

During the year under review, the Rating Agency of "Care Rating Limited" maintained the "BB+" rating for the company's long term and short term fund based facilities of Rs. 12.75 crores.

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 2018-19. 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.

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 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.

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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.

CORPORATE SOCIAL RESPONSIBILITY

The provision of Corporate Social Responsibility under sec 135 of the Companies Act 2013 is not applicable to this company during the financial year in view of heavy losses occurred.

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

EXTRACTS OF ANNUAL RETURN

As per requirements of provisions of the Companies Act, 2013, the extract of annual return

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in the prescribed Form MGT 9 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.

The accounting transactions and operations are audited by the Internal Auditor vis.a.vis Internal controls, policies, procedures and deviations, if any, are reported and corrective actions are taken appropriately. During the year under review, no reportable material weakness were observed.

VIGIL MECHANISM

In compliance with the provisions of Section 177 of the Companies Act 2013 and Regulation 22 of SEBI Listing Regulations, 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. The Whistle Blower Policy is available in the website of the company at www.skpl@yahoo.com

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 134 (5) of the Companies Act, 2013, your Directors wish to confirm that -

- i) In the preparation of the annual accounts, the applicable Accounting Standards have been followed.
- ii) the 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.

- iii) The Directors have taken proper and sufficient care as warranted for the maintenance of adequate accounting records in accordance with the provisions of this Act in safeguarding the assets of the Company and for preventing/detecting any incidence of frauds and other irregularities.
- iv) The Annual Accounts have been prepared on a going concern basis.
- v) The Directors had laid down internal financial controls to be followed by the company and that such internal controls are adequate and were operating effectively.
- vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of the provisions of the Companies Act 2013, Smt. Selvambal Sengottu Velu holding DIN No. 01740974 retire from the Board of Directors of the company by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

Sri M.S. Velu holding DIN No. 0168208 was appointed as Chairman and Managing Director of the company for a period of 5 years with effect from 31.03.2019 subject to the approval of the shareholders vide their Board Meeting held on 29th March 2019. Board recommends his appointment as Chairman and Managing Director. Suitable resolution is included in this Notice of the Annual General Meeting for appointing him as Chairman and Managing Director.

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)

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of Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations:

- 1) Sri P. Kanagavivelu
- 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.

The company has received individual affirmation from all the Directors and Senior Management Personnel of the company stating that they have fully complied with the provisions of the Code of Conduct for the Board of Directors and Senior Management Personnel of the company during the Financial Year ended 31st March 2019.

Sri M.S. Velu, Chief Executive Officer, Smt. Muthulakshmi, Chief Financial Officer and Sri V. Rajan, Company Secretary are the Key Managerial Personnel (KMP) of the company as per section 203 of the Companies Act 2013.

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 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 2018-19 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, Coimbatore registered with the Institute of Chartered Accountants of India (Firm Registration No. 015520S), due to their internal restructuring consequent to which they are unable to continue as Statutory Auditors of the company, resigned with effect from 21st August 2019. The Board of Directors in their meeting held on 30th August 2019 appointed M/s, T.M. Jeyachandran & Co., (Firm Registration No. 012309S), Chartered Accountants, Chennai as Statutory Auditors in place of casual vacancy caused due to the resignation of M/s. K S P V & Co. from 21st August 2019 to the conclusion of the 28th Annual General Meeting subject to the approval of the shareholders.

M/s. T.M. Jeyachandran & Co. (Firm Registration No. 012309S)Chartered Accountants, Chennai are eligible for appointment and have confirmed that their appointment, if approved, will be in compliance with section 141 of the Companies Act 2013.

Your Board recommends the appointment of M/s. T.M. Jeyachandran & Co., (Firm Registration No. 012309S) Chartered Accountants, Coimbatore (as Statutory Auditors for a term of 5 years from the conclusion of 28th Annual General Meeting until the 33rd Annual General Meeting to be held in the calendar year 2022.

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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.

NO FRAUDS REPORTED BY THE AUDITORS

There is no instance of frauds reported by the Statutory Auditors of the company for the Financial Year under review under section 143(12) of the Companies Act 2013.

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 2018-19. 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. During the year under review, the Company has appointed the Key Managerial Personnel both full time Company Secretary and Chief Finance Officer under section 203 of the Companies Act 2013.

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.

Company is not paying any commission to its Directors/Whole time Director and Managing Director of the company.

LISTING

Your company's shares are listed in BSE Limited. The listing fee to BSE Limited has been duly paid. The shares are regularly traded in BSE Ltd. and were not suspended at any time during the year

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.

INDUSTRIAL RELATIONS

Relationship with employees was cordial throughout the financial year.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

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

Place : Coimbatore

Managing Director

Date : 30.08.2019

DIN : 0168208

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ANNEXURE 1

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

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

CONSERVATION OF ENERGY

Sl. For the years ended on 31st March, 2019 31.03.2019 31.03.2018

A. Power and Fuel Consumption

1	Electricity			
A	Purchased	KWHR	80,61,376	79,96,595
	Total amount	Rs.	5,48,01,701	5,13,29,150
	Rate per Unit	Rs.	6.79	6.1
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)		11338.99	10896.49
	Amount (Rs.)		3,05,17,280	2,70,95,080
4	Consumption per unit of Production			
A	Electricity units per ton		526.78	518.32
B	Others DOB units per ton		0.74	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 3,16,920

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Annexure-2

Management's Discussion and Analysis

1. Industry structure and Developments

Paper industry is one among the high priority industries. The five year plan period 2012-17 concentrates on accelerating growth for Paper Industry. The continuous demand for increase in paper will require a considerable increase in supply from indigenous producers. Out of total paper mills in India, two thirds of the Mills use waste paper, agricultural wastes like 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

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

5. Internal control

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

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

Cordial relations have been maintained in the company. The company had 61 permanent employees as on March 2019.

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 : 30.08.2019

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ANNEXURE-3
FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN as on the Financial Year Ended 31st March 2019

[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 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% 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	200	1900	2100	0.01	200	1900	2100	0.01	4.91
c. CentralGovt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d. State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e. Venture capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f. Insurance companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g. 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	200	122900	123100	0.65	200	122900	123100	0.64	-4.91

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Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
4 Non Institutions									
a. Bodies Corporate									
i. Indian	125191	425600	550791	2.88	138349	385600	523949	2.74	-0.14
ii. Overseas									
b. Individuals									
i. Indl.s/holding Up to 2 lac	1385390	1280100	2665490	13.95	1741168	1248400	2989568	15.64	1.69
ii. Indl.s/holding In excess of 2 lac	865210	377800	1243010	6.51	569985	254800	824785	4.32	-2.19
c. Others	274909	11000	285909	1.50	395898	11000	406898	2.13	0.63
Sub total	2650700	2094500	4745200	24.83	2845400	1899800	4745200	24.83	Nil
Total A+ B	2650900	2217400	4868300	25.48	2845600	2022700	4868300	25.48	
Shares held by custodians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand total	16892600	2217400	19110000	100.00	17087300	2022700	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

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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
01/04/2018	K. Sundara Sharma	254800	1.33	254800	1.33
31/03/2019	At the end of the year			254800	1.33
01/04/2017	Deepinder Singh Poonian	141508	0.74	141508	0.74
08/06/2018	Purchase	326	0.00	141834	0.74
30/06/2018	Purchase	1948	0.01	143782	0.75
06/07/2018	Purchase	550	0.00	144332	0.75
13/07/2018	Purchase	2000	0.02	146332	0.77
20/07/2018	Purchase	1170	0.00	147502	0.77
27/07/2018	Purchase	5	0.00	147507	0.77
03/08/2018	Purchase	1104	0.02	148611	0.78
17/08/2018	Purchase	31734	0.16	180345	0.94
31/08/2018	Purchase	771	0.01	181116	0.95
28/09/2018	Purchase	351	0.00	181467	0.98
05/10/2018	Purchase	5086	0.03	186553	0.98
12/10/2018	Purchase	100	0.00	186653	0.99
02/11/2018	Purchase	2290	0.01	188943	0.99

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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
09/11/2018	Purchase	170	0.00	189113	0.99
23/11/2018	Purchase	15470	0.08	204583	1.09
08/02/2019	Purchase	4374	0.08	208957	1.19
15/02/2019	Purchase	17965	0.08	226922	1.22
01/03/2019	Purchase	12166	0.08	239088	1.25
08/03/2019	Purchase	672	0.08	239490	1.25
29/03/2019	Purchase	146	0.08	239636	1.25
31/03/2019	At the end of the year			239636	1.25
01/04/2018	Crystal Investments Ltd.	150000	0.78	150000	0.78
31/03/2019	At the end of the year			150000	0.78
01/04/2018	Kalam Investments Ltd	135800	0.71	135800	0.71
31/03/2019	At the end of the year			135800	0.71
01/04/2018	Sanjay Kumar Sarawagi	103030	0.54	103030	0.54
31/03/2019	At the end of the year			103030	0.54
01/04/2018	Credit Capital Investment Trust Company	95100	0.49	95100	0.49
31/03/2019	At the end of the year			95100	0.49
11/01/2019	Pradip Kumar Jain				
	Purchase	65100	0.32	65100	0.32
31/03/2019	At the end of the year			65100	0.32
17/08/2018	Pradip Kumar Jain				
	Purchase	12012	0.06	12012	0.06
24/08/2018	Purchase	18738	0.10	30750	0.16
31/03/2019	At the end of the year			30750	0.16
01/04/2018	Shradha Kishore Salvi	88747	0.46	88747	0.46
06/04/2018	Purchase	8200	0.05	96947	0.51
13/04/2018	Purchase	3000	0.01	99947	0.52
20/04/2018	Purchase	1150	0.01	101097	0.53
04/05/2018	Purchase	1000	0.00	102097	0.53
11/05/2018	Purchase	850	0.01	102947	0.54
15/06/2018	Purchase	1050	0.00	103997	0.54
10/08/2018	Purchase	50	0.00	104047	0.54
31/08/2018	Purchase	500	0.01	104547	0.55
21/09/2018	Purchase	500	0.00	105047	0.55
23/11/2018	Sold	1000	0.01	104047	0.54
14/12/2018	Sold	4100	0.02	99947	0.52
25/01/2019	Sold	10000	0.05	89947	0.47
31/03/2019	At the end of the year			89947	0.47

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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
01/04/2018	Sunil Ramgopal Nangalia	80000	0.42	80000	0.42
05/10/2018	Sold	65	0.00	79935	0.42
16/11/2018	Sold	435	0.00	79500	0.42
25/01/2019	Sold	435	0.01	79065	0.41
22/03/2019	Sold	1165	0.00	77900	0.41
29/03/2019	Sold	900	0.00	77000	0.40
31/03/2019	At the end of the year			77000	0.40
01/04/2018	K.T.Kathirvel	131428	0.69	131428	0.69
06/04/2018	Sold	13353	0.07	118075	0.62
13/04/2018	Sold	36979	0.20	81096	0.42
27/04/2018	Sold	10505	0.02	70591	0.40
31/03/2019	At the end of the year			70591	0.40
21/04/2017	Prity Devi Sarawagi	52199	0.27	52199	0.27
31/03/2018	At the end of the year		52199	0.27	

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	0	0.00	0	-
5	P.C. Narendran.	6000	0.03	6000	0.03
6	R. Uma Shankar	205400	1.07	0	-
7	V. Rajan	0	-	0	-
8	Muthulakshmi	0	-	0	-
9	Total	14247700	74.55	14247700	74.55

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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	120357161	187356995		307714156
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
● Addition	8586702	30411452		38998154
● Reduction	10483082	50060342		60543424
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)	118460781	167708105		286168886

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	Nil
	Fee for attending Board/ Committee meetings	Nil
	Commission	Nil
	Others, please specify	Nil
	Total B	Nil
	Total Managerial Remuneration (A+B)	Nil

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

Rs. in lacs

Sl	Particulars	CFO	Secretary
1	Gross Salary	3.24	1.32
	a Salary as per provisions contained in sec.17(1) of the Income tax Act 1961	Nil	Nil
	b Value of perquisites u/s 17(2) of the Income Tax Act 1961	Nil	Nil
	c Profit in lieu of salary u/s 17(3) of Income tax Act 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	CommissionAs % of ProfitOthers specify	Nil	Nil
5	Others pl. specify	Nil	Nil
	Total C	3.24	1.32

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 2019

[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 2019 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 Shree Karthik Papers Limited ("the Company") for the financial year ended on 31st March 2019 according to the provisions of:

- (i) The Companies Act 1956 (the Act) and the rules made thereunder (to the extent applicable
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings does not arise.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The company has not issued any securities during the year under review and hence the question of compliance of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 does not arise.
 - (d) The company has not issued any securities during the year under review and hence the question of compliance of the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 does not arise.

SHREE KARTHIK PAPERS LIMITED

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008 does not arise
- (f) 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.
- (g) The company has not delisted its securities from any of the Stock Exchanges in which it is listed during the period under review and hence the question of complying with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009 does not arise.
- (h) The company has not bought back any securities and hence the question of complying with the provisions of Securities and Exchange Board of India (Buy back of securities) Regulations 2018 does not arise.
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015

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 based on the information provided by the company, its officers and authorized representatives, there are no laws specifically applicable to the company.

I further report that

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. There were changes in the composition of the Board of Directors during the period under review as below which were carried out in compliance with the provisions of the Act.

Sri M.S.Velu was appointed as Chairman and Managing Director with effect from 31.03.2019

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.

Based on the verification of the records and the Minutes, the decisions of the Meetings of the Board/ Committees of the company which were carried out with the consent of all the Directors/ Committee Members and there were no dissenting members as per the Minutes. Further in the Minutes of the General Meeting, the particulars of the members who voted against the resolutions have been properly recorded.

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.

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

Coimbatore
29.05.2019

S. Rengasamy
FCS 3871
COP No.9901

SHREE KARTHIK PAPERS LIMITED

ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To,

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

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

1. Maintenance of secretarial records, devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and ensuring that the systems are adequate and operate effectively are the responsibilities of the management of the company. My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the 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
29.05.2019

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 31th March 2018.
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.
10. Intimations/documents/reports/returns filed with the Stock Exchange pursuant to the provisions of the Listing Agreement during the financial year under report.
11. Closure of Register of Members.

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 2018-19, ratio of the remuneration of Director to the median remuneration of the employees of the company for the financial year 2018-19 are as under:

S. No.	Name of Director and designation	Remuneration of Director for 2018-19	% increase in Remuneration for FY 2018-19	Ratio of remuneration of Director to median remuneration of employees
1	Sri Vignesh Velu Whole time Director	Rs. 24,00,000	Nil	Not applicable
2	V. Rajan Company Secretary	Rs.1,32,000	Nil	Not applicable
3	V.Muthulakshmi Chief Financial Officer	Rs.3,24,000	Nil	Not applicable

2. Percentage increase in the median Remuneration of employees in the Financial Year

The Company has appointed Company Secretary on 01.10.2018 and the Chief Financial Officer was appointed on 29.03.2019

In the Financial year 2018-19 there was no increase in the median remuneration of employees.

3. Number of permanent employees on the rolls of the company

There were 61 permanent employees on the rolls of the company as on 31st March 2019

4. Affirmation that the Remuneration is as per the Remuneration Policy of the Company

It is hereby confirmed that the remuneration paid is as per the remuneration policy of the Company.

SHREE KARTHIK PAPERS LIMITED

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31st MARCH 2019

The Directors present the Corporate Governance report for the year ended 31st March 2019 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: 28th May 2018, 6th August 2018, 13th November 2018 and 11th February 2019.

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 2019 and their attendance at he meeting during the year are as follows:

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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
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.

As on 31st March 2019, the number of Directorship/ Committee membership/ Chairmanship of the Directors is within the limits prescribed under the Companies Act 2013 and that of the SEBI Listing Regulations.

d. **Shareholding of the Non-Executive Director of the company for the year ended 31st March 2019 is as under:**

Sl. No.	Name of Director	No. of shares held as on 31.03.2019
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 11th February 2019. The meeting was attended by all the Directors.

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f. Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act 2013 and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence as specified in section 149(6) of the Companies Act 2013 and Regulation 16(1)(b) of the Listing Regulations.

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

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.

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- e. Compliance with listing and other legal requirements relating to financial statements.
- f. Disclosure of any related party transactions.
- g. Qualifications in the draft audit report.
5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the Management, performance of statutory auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. Approval and subsequent modifications of Related Party transactions.
10. Scrutiny of Inter Corporate loans and Investments.
11. Valuation of undertakings or assets of the company wherever necessary.
12. Evaluation of internal financial control and risk management system.
- 13.. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee met 4 times during the year 2018-19 on 28th May 2018, 6th August 2018, 13th November 2018 and 11th February 2019

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

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

iv. Nomination and Remuneration Committee

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

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- ii. Formulation of criteria for evaluation of performance of Independence Directors and the Board of Directors.
- iii. Devising a policy on diversity of Board of Directors.
- iv. Identifying persons who are qualified to become a Director and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.

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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 .P.C. 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.

During the financial year 2018-19, one meeting was held on 28th May 2018.

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 2018-19. 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 2018-19, one meeting was held on 28.05.2018.

Remuneration paid to the Directors

Details of remuneration paid to the Directors during the year 2018-19

Name of Director	Sitting fees	Remuneration (Rs.)	Total (Rs.)	No. of shares held on 31.03.2019
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.

SHREE KARTHIK PAPERS LIMITED

- 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 review measures taken for effective exercise of voting rights by stake holders
- vii. To review adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar and Share Transfer Agent .
- viii. To do all acts, deeds and things as may be required to be undertaken in terms of the provisions of Companies act 2013 and rules made thereunder:

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

The Committee met four times during the year 2018-19 on 28th May 2018, 6th August 2018, 13th November 2018 and 11th February 2019.

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

Names of Members	Category	Number of meetings attended
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	4

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 2018-19.

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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
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
2017-18	17.09.2018	3.00 P.M.	Sree Annapoorna Kalaiaragam, Dakshin Hall , 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).

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

Smt. S.S. Velu, is a Non-Executive Director of the company. She is having an experience of 20 years of experience in general management of affairs of the company. She was appointed on the Board of Directors of the company on 18.12.1991. Her appointment is liable to retire by rotation and eligible for re-appointment.

She is also a Director in Shree Ganesh Gears Private Limited and Shree Vignesh Wind Mill Private Limited.. She holds 4256580 equity shares in the company.

XI. General Shareholders' Information

Details of Annual General Meeting:

Date of Book Closure : 17.09.2019 to 23.09.2019 (both days inclusive)

Day & Date : 23rd September 2019

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 2018-19 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, 2019

Second Quarter/Half-Yearly Results: Second week of November, 2019

Third Quarter Results: Second week of February, 2020

Fourth Quarter Results: Fourth week of May, 2020

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

89.35% (1,70,75,000 equity shares) of the Company's paid-up Equity capital has been dematerialized up to 31st March 2019. 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 31.03.2019

SHREE KARTHIK PAPERS LIMITED

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
Foreign Institutional Investors	95100	0.50
Directors and Relatives	11000	0.06
Bodies Corporate	513409	2.69
NRI	87794	0.46
Indian Public	4132997	21.62
Total	19110000	100.00

XVI. BSE Market Price data during the Financial Year 2018-19 in Rs.

Month	High	Low
April 2018	19.95	16.00
May 2018	17.75	13.55
June 2018	17.40	12.80
July 2018	16.80	12.95
August 2018	17.85	12.20
September 2018	18.00	12.10
October 2018	14.40	10.60
November 2018	16.00	11.60
December 2018	15.40	11.00
January 2019	15.60	12.32
February 2019	13.70	9.01
March 2019	13.70	9.00

XVII. Distribution of Shareholding as on 31.03.2018

In Value	No. of share holders	%	Amount	%
Upto 5000	6359	97.95	2118182	11.08
5001 - 10000	77	1.18	578590	3.03
10001 - 20000	31	0.48	448504	2.35
20001 - 30000	7	0.11	174129	0.91
30001 - 40000	3	0.05	104776	0.55
40001 - 50000	1	0.01	45500	0.24
50001 - 100000	7	0.11	527853	2.76
100001 and above	7	0.11	15112466	79.08
Total	6492	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.

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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

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 2019.

For and on behalf of the Board

Place : Coimbatore
Date : 29.05.2019

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

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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 31/03/2019 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.
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 (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended 31.03.2019.
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.

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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.

Place : Coimbatore
Date : 29/05/2019

For K S P V & Co.,
Chartered Accountants
ICAI Firm Registration No.015520S
Sd/-
Kalyan Srinath B
Partner
M. No. 227007

SHREE KARTHIK PAPERS LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of SHREE KARTHIK PAPERS LIMITED

Opinion

We have audited the accompanying financial statements of Shree Karthik Papers Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>As mentioned in Note no. 7, during fourth quarter Physical verification of Inventory has been carried by the management and it has been observed that some of the inventory items are obsolete and not usable/ saleable and Net Realisable Value of the same is Nil. Hence these are recognised as an expense during the year and are included in the Cost of materials consumed and Changes in inventories in Statement of Profit and Loss account.</p> <p>This requires significant management judgement based on past experience, inventory aging profiles as well as different market factors impacting the sales.</p> <p>Accordingly, the same is considered to be a key audit matter, and disclosure is included in note 7.</p>	<p>Our audit procedures included and were not limited to the following:</p> <p>Our Testing of inventory valuation focused on assessing the appropriateness of the management's judgements when determining realisable value of inventory and the completeness of the assessment.</p> <p>Verifying the value of a sample of inventory items to confirm whether they are held at the lower of cost and net realisable value.</p> <p>Our procedures as mentioned above did not identify any inventory that had been inappropriately charged to the Statement of Profit and loss.</p>

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Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report for example, Corporate overview, Key Highlight's Board's report, Report on Corporate Governance, Management Discussion and Analysis Report, etc., but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

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Report on Other Legal and Regulatory Requirements

1. 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, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. 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 financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For K S P V & Co.,
Chartered Accountants
ICAI Firm Registration No.015520S
Sd/-
Kalyan Srinath B
Partner
M. No. 227007

Place : Coimbatore
Date : 29/05/2019

SHREE KARTHIK PAPERS LIMITED

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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

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principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2019, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KSPV & Co.,
Chartered Accountants
ICAI Firm Registration No. 015520S
(Sd./-) **Kalyan Srinath B**
Partner
Membership Number : 227007
Place : Coimbatore
Date : 29.05.2019

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ANNEXURE -B 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 31.03.2019]

- 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. As informed, material discrepancies noticed in the inventory on physical verification carried out during the year have been properly dealt with in the books of account.
 - 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, incometax, salestax, service tax, value added tax, goods and service tax, customs duty, excise duty on account of any dispute, are as follows:

SHREE KARTHIK PAPERS LIMITED

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. 015520S
(Sd./-) **Kalyan Srinath B**
Partner
Membership Number : 227007
Place : Coimbatore
Date : 29.05.2019

SHREE KARTHIK PAPERS LIMITED

BALANCE SHEET AS AT 31st MARCH 2019

Amt in Rs.

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
Assets			
Non-current assets			
(a) Property, plant and equipment	2	189,681,728	182,969,287
(b) Capital work-in-progress	2	8,710,000	8,710,000
(c) Financial assets			
i. Investments	3	261,500	8,500
ii. Other financial assets	4	10,120,671	4,526,128
(d) Deferred tax assets (net)	5	892,752	3,467,203
(e) Other non-current assets	6	40,761,615	32,727,412
Total non-current assets		250,428,266	232,408,530
Current assets			
(a) Inventories	7	38,571,208	221,609,497
(b) Financial assets			
(i) Trade receivables	8	102,130,598	82,346,151
(ii) Cash and cash equivalents	9	155,302	116,924
(c) Other current assets	10	14,492,140	14,998,497
Total current assets		155,349,248	319,071,069
Total assets		405,777,514	551,479,599
EQUITY AND LIABILITIES			
(a) Equity Share Capital	11	95,550,000	95,550,000
(b) Other Equity	12	(60,860,052)	62,679,766
Total equity		34,689,948	158,229,766
Non-current liabilities			
(a) Financial liabilities			
- Borrowings	13	49,196,424	51,949,718
(b) Provisions	14	2,268,535	1,706,295
Total non-current liabilities		51,464,959	53,656,013
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	214,270,040	244,821,834
(ii) Trade payables	16		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		58,579,500	53,098,178
(iii) Other financial liabilities	17	32,542,718	18,832,258
(b) Other current liabilities	18	14,125,172	15,308,695
(c) Provisions	19	105,178	163,997
(d) Current Tax Liabilities (Net)	20	-	7,368,858
Total current liabilities		319,622,607	339,593,820
Total liabilities		371,087,566	393,249,833
Total equity and liabilities		405,777,514	551,479,599

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

Vide our report of even date attached

For and on behalf of the Board of Directors

(Sd./-) M.S. VELU

(Sd./-) S.S VELU

Chairman and Managing Director

Director

DIN : 0168208

DIN : 01740974

As per our report of even date

For KSPV & Co.,

Chartered Accountants

ICAI Firm Registration No. 015520S

Place : Coimbatore

(Sd./-) V.Muthulakshmi

(Sd./-) V.Rajan

(Sd./-) Kalyan Srinath B

Date : 29.05.2019

Chief Financial Officer

Company Secretary

Partner

Membership Number : 227007

SHREE KARTHIK PAPERS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st, MARCH 2019

			Amt in Rs.	
Particulars	Note	2018 - 19	2017 - 18	
I. Revenue from operations	21	624,487,973	572,202,547	
II. Other income	22	1,444,811	234,196	
III. Total Income (I + II)		625,932,784	572,436,743	
IV. Expenses:				
Cost of materials consumed	23	461,091,383	366,882,984	
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	80,933,147	(16,841,103)	
Employee benefits expense	25	19,807,643	19,443,169	
Finance costs	26	13,425,574	10,551,228	
Depreciation and amortization expense	27	11,811,566	10,002,038	
Other expenses	28	159,632,849	144,877,989	
Total Expenses		746,702,162	534,916,305	
V Profit before tax (III - IV)		(120,769,378)	37,520,438	
VI Tax Expense	29			
(1) Current tax		-	7,649,986	
(2) Deferred tax charged /(reversed)		2,628,605	8,934,946	
(3) MAT Credit Entitlement for current and earlier years		-	(16,209,161)	
(4) Earlier Year taxes		-	267,070	
VII Profit for the year (V - VI)		(123,397,983)	36,877,597	
VIII Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefit obligations		(195,989)	23,537	
Income tax relating to these items		54,154	(6,485)	
Total other comprehensive income		(141,835)	17,052	
IX Total comprehensive income (VII+VIII)		(123,539,818)	36,894,649	
X Earnings per equity share of face value ₹5 each	30			
- Basic & Diluted		(6.46)	1.93	

Significant Accounting Policies and Notes on accounts

For and on behalf of the Board of Directors		As per our report of even date
(Sd./-) M.S. VELU	(Sd./-) S.S VELU	For KSPV & Co.,
Chairman and Managing Director	Director	Chartered Accountants
DIN : 0168208	DIN : 01740974	ICAI Firm Registration No. 015520S
Place : Coimbatore	(Sd./-) V.Muthulakshmi	(Sd./-) V.Rajan
Date : 29.05.2019	Chief Financial Officer	Company Secretary
		(Sd./-) Kalyan Srinath B
		Partner
		Membership Number : 227007

SHREE KARTHIK PAPERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2019

Particulars	2018-19		2017-18	
	in ₹	in ₹	in ₹	in ₹
A. Cash flows from operating activities				
Profit before tax		(120,769,378)		37,520,438
Adjustments for:				
Depreciation and amortization expense	11,811,566		10,002,038	
	<u>13,425,574</u>	<u>25,237,140</u>	<u>10,551,228</u>	<u>20,553,266</u>
Operating cash flows before working capital changes		(95,532,238)		58,073,704
- (Increase)/decrease in inventories	183,038,289		(19,677,444)	
- (Increase)/decrease in trade receivables	(19,784,447)		(29,789,280)	
- (Increase)/decrease in financial assets and other assets	(13,122,389)		(10,054,386)	
- (Decrease)/increase in trade payables	5,481,322		15,118,144	
- (Decrease)/increase in borrowings, financial liabilities, provisions and other liabilities	<u>1,037,098</u>	<u>156,649,873</u>	<u>3,498,174</u>	<u>(40,904,792)</u>
Cash generated from/(used in) operations		61,117,634		17,168,912
Income taxes refund/(paid)		(7,368,858)		(6,212,661)
Net cash used in operating activities - (A)		<u>53,748,776</u>		<u>10,956,251</u>
B. Cash flows from investing activities				
Purchase of Property, Plant & Equipment		(18,524,007)		(47,274,984)
Purchase of Shares		(253,000)		
Net cash generated from / (used in) investing activities - (B)		<u>(18,777,007)</u>		<u>(47,274,984)</u>
C. Cash flow from Financing activities				
Proceeds from non-current borrowings (Net)		(21,507,817)		46,355,607
Interest paid		(13,425,574)		(10,551,228)
Net cash used in financing activities - (C)		<u>(34,933,391)</u>		<u>35,804,379</u>
Net decrease in cash and cash equivalents (A+B+C)		38,378		(514,354)
Cash and bank balances at the beginning of the year		116,924		631,278
Less: Bank Balances not considered as Cash & Cash equivalents as per Ind AS 7		-		-
Cash and bank balances at the end of the year		<u>155,302</u>		<u>116,924</u>

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

For and on behalf of the Board of Directors		As per our report of even date
(Sd./-) M.S. VELU	(Sd./-) S.S VELU	For KSPV & Co.,
Chairman and Managing Director	Director	Chartered Accountants
DIN : 0168208	DIN : 01740974	ICAI Firm Registration No. 015520S
Place : Coimbatore	(Sd./-) V.Muthulakshmi	(Sd./-) Kalyan Srinath B
Date : 29.05.2019	Chief Financial Officer	Partner
	(Sd./-) V.Rajan	Membership Number : 227007
	Company Secretary	

SHREE KARTHIK PAPERS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st, MARCH 2019

A. Share Capital					(in ₹)
Particulars					Amount
Balance as at 1st April 2018					95,550,000
Shares issued during the year					-
Balance as at 31st March 2019					95,550,000

B. Other Equity					(in ₹)
Particulars	Capital Reserve	Retained Earnings	Other Comprehensive income	Total	
As at 1st April 2018	1,380,000	61,313,937	(14,171)	61,299,766	
Profit for the year 2018-19	-	(123,397,983)	-	(123,397,983)	
Transfer to other reserves (if any)	-	-	-	-	
Other Comprehensive income	-	-	(141,835)	(141,835)	
Balance as at 31st March 2019	1,380,000	(62,084,046)	(156,006)	(62,240,052)	

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

For and on behalf of the Board of Directors			
(Sd./-) Mrs. S.S VELU	(Sd./-) M.S. VELU		As per our report of even date
Director	Chairman and Managing Director		For KSPV & Co.,
DIN : 01740974	DIN : 0168208		Chartered Accountants
			ICAI Firm Registration No. 015520S
			(Sd./-) Kalyan Srinath B
Place : Coimbatore	(Sd./-) V.Muthulakshmi	(Sd./-) V.Rajan	Partner
Date : 29.05.2019	Chief Financial Officer	Company Secretary	Membership Number : 227007

SHREE KARTHIK PAPERS LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

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 Ind AS:

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.

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 in to 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.

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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 non-current 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.

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(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.

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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

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- 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

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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

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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.

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.

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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.

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xv. 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 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.

xvi. 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.

xvii. 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.

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xviii. 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.

xix. 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.

xx. 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.

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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.

xxi. 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.

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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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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, 2017	1,494,405	27,539,113	75,767,147	272,057	6,010,585	940,840	-	18,611,298	1,547,998	132,183,443	30,338,315
Additions during 2017-18	-	27,230,642	37,830,617	251,235	-	74,552	94,433	3,421,820	-	68,903,299	-
Disposals during 2017-18	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	1,494,405	54,769,755	113,597,764	523,292	6,010,585	1,015,392	94,433	22,033,118	1,547,998	201,086,742	8,710,000
Additions during 2018-19	-	3,000,000	13,258,846	-	2,202,969	-	62,192	-	-	18,524,007	-
Disposals during 2018-19	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	1,494,405	57,769,755	126,856,610	523,292	8,213,554	1,015,392	156,625	22,033,118	1,547,998	219,610,749	8,710,000
Accumulated Depreciation											
As at April 1, 2017	-	2,284,783	3,631,759	40,519	631,288	57,471	-	1,256,779	212,818	8,115,417	-
Depreciation charged during the year	-	2,582,209	4,839,526	50,024	941,721	69,274	6,908	1,299,559	212,817	10,002,038	-
Disposals during 2017-18	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	4,866,992	8,471,285	90,543	1,573,009	126,745	6,908	2,556,338	425,635	18,117,455	-
Depreciation charged during the year	-	3,308,551	5,836,162	57,595	759,526	70,185	17,614	1,549,117	212,816	11,811,566	-
Disposals during 2018-19	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	8,175,543	14,307,447	148,138	2,332,535	196,930	24,522	4,105,455	638,451	29,929,021	-
Net Carrying amount											
As at March 31, 2018	1,494,405	49,902,763	105,126,479	432,749	4,437,576	888,647	87,525	19,476,780	1,122,363	182,969,287	8,710,000
As at March 31, 2019	1,494,405	49,594,212	112,549,163	375,154	5,881,019	818,462	132,103	17,927,663	909,547	189,681,728	8,710,000

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Particulars	Amt in Rs.	
	As at 31.03.2019	As at 31.03.2018
3-Non-Current Investments		
Investment carried at cost - Unquoted		
- Indus Vikas Patra	8,000	8,000
- National Savings Certificate	500	500
- Gita Power Ventures Ltd (22,000 equity shares of FV Rs. 10 each)	253,000	-
Total	261,500	8,500
Aggregate amount of unquoted investments	261,500	8,500
4- Other Non current financial assets		
Unsecured, considered good		
Security deposits	10,120,671	4,526,128
Total	10,120,671	4,526,128
5- Deferred tax assets (Net)		
Deferred tax liability		
- On PPE and intangible assets	15,465,901	13,753,558
A	15,465,901	13,753,558
Deferred tax assets		
- On disallowances under the Income tax Act	139,100	1,008,457
- On fair value adjustments for financial instruments	10,392	3,143
B	149,492	1,011,600
Sub-total - (A-B)	15,316,409	12,741,958
Minimum Alternate Credit (MAT) Credit Entitlement - C	16,209,161	16,209,161
Net deferred tax liability/(asset) - A - B - C	(892,752)	(3,467,203)
6 - Other non-current assets		
Advance for capital expense	30,188,352	32,713,352
Tax payment pending Adjustments (Net)	10,573,263	-
Prepaid expenses	-	14,060
Total	40,761,615	32,727,412
7 - Inventories		
Raw Material	26,151,935	128,578,710
Work in progress	1,222,080	41,592,864
Finished Goods	3,664,694	44,227,057
Stores and spares	7,532,499	7,210,866
Total	38,571,208	221,609,497

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

Consequent to the technical evaluation and Physical stock verification, Inventory amounting to Rs. 16,46,14,036 (PY : NIL) has been found obsolete and not usable/ saleable and Net Realisable Value of the same is Nil. Hence these are recognised as an expense during the year and are included in the Cost of materials consumed and Changes in inventories in Statment of Profit and Loss account.

8 - Trade receivables

Unsecured, considered good		
Trade receivables	102,130,598	82,346,151
Sub-Total	102,130,598	82,346,151
Allowance for doubtful debts (Refer note below)	-	-
Total	102,130,598	82,346,151

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.

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Amt in Rs.

Particulars	As at	As at
	31.03.2019	31.03.2018
9 -Cash and cash equivalents		
Balance with Banks		
In Current Account	132,702	91,724
Cash on Hand	22,600	25,200
Total	155,302	116,924
Of the above, the balances that meet the definition of Cash and Cash equivalents as per Ind AS 7 “ Statement of cash flow” is	155,302	116,924

10 - Other current assets

Unsecured, considered good		
Advances to Suppliers	13,967,408	14,278,114
Prepaid expenses	14,060	11,632
Balances with statutory/government authorities	-	313,965
Other Receivables	510,672	394,786
Total	14,492,140	14,998,497

11 - Equity Share Capital

Particulars	As at 31st March 2019		As at 31st March 2018	
	In Numbers	in ₹	In Numbers	in ₹
Authorised				
Equity shares of ₹ 5/- each	20,000,000	100,000,000	20,000,000	100,000,000
Issued, Subscribed and Paid up				
Equity shares of ₹ 5/- each	19,110,000	95,550,000	19,110,000	95,550,000
Total	19,110,000	95,550,000	19,110,000	95,550,000

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	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MS Velu	9,972,620	52.19%	9,972,620	52.19%
Selvambal Velu	4,256,580	22.27%	4,256,580	22.27%
	14,229,200	74.46%	14,229,200	74.46%

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

Particulars	As at 31st March 2019		As at 31st March 2018	
	In Numbers	in ₹	In Numbers	in ₹
Shares outstanding at the beginning/end of the year	19,110,000	95,550,000	19,110,000	95,550,000

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

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Amt in Rs.

Particulars	As at	As at
	31.03.2019	31.03.2018
12 - Other Equity (Refer 'Statement of changes in equity')		
Capital Reserve	1,380,000	1,380,000
Retained earnings	(62,084,046)	61,313,937
Other comprehensive income	(156,006)	(14,171)
Total	(60,860,052)	62,679,766

13 - Non-Current Financial Liabilities - Borrowings

Particulars	As at 31st March 2019		As at 31st March 2018	
	Non Current	Current	Non Current	Current
Secured Loans				
Term Loans	34,760,139	10,362,483	40,575,179	6,588,308
Vehicle Loans	1,865,593	985,342	981,571	758,210
Unsecured Loans				
Term Loans	5,637,536	7,795,964	-	-
Interest free sales tax loan	6,991,790	3,500,000	10,489,054	3,500,000
- Unamortised portion of upfront processing fee	49,255,058	22,643,789	52,045,804	10,846,518
	(58,634)	(37,452)	(96,086)	(37,452)
Total	49,196,424	22,606,337	51,949,718	10,809,066

i) Term Loans from Kotak Mahindra Bank Limited:

Term Loan - 1

Terms of repayment: Term loan is repayable in 62 monthly structured installments as on 31.03.2019 amounting to ₹ 3,39,65,425/-

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 40 monthly structured installments as on 31.03.2019 amounting to ₹ 71,66,735/-

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

Business Loan from Kotak Mahindra Bank Limited:

Terms of repayment: Term loan is repayable in 15 monthly structured installments as on 31.03.2019 amounting to ₹ 39,63,891/-

Security: The Loan is based on the above term loans and its securities

Rate of interest: The rate of interest is 9.25% 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 31-03-2019 is repayable in 8 monthly installments aggregating to ₹ 2,74,325/-. The interest is payable on monthly basis and the rate of interest is 10.15% per annum.

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- iii) Vehicle Loan from HDFC Bank Limited is secured by way of hypothecation of vehicles procured out of such loan. The loan as on 31-03-2019 is repayable in 3 monthly installments aggregating to ₹ 43,789/-. 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 31-03-2019 is repayable in 28 monthly installments aggregating to ₹ 5,76,619/-. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.
- v) Vehicle Loan from Kotak Mahindra Bank Limited is secured by way of hypothecation of vehicles procured out of such loan. The loan as on 31-03-2019 is repayable in 47 monthly installments aggregating to ₹ 19,56,198/-. The interest is payable on monthly basis and the rate of interest is 9.14% per annum.
- vi) Unsecured Loan from Capital First Limited as on 31-03-2019 is repayable in 29 monthly installments aggregating to ₹ 34,31,220/-. The interest is payable on monthly basis and the rate of interest is 16% per annum.
- vii) Unsecured Loan from Equitas Small Finance Bank Limited as on 31-03-2019 is repayable in 18 monthly installments aggregating to ₹ 31,22,823/-. The interest is payable on monthly basis and the rate of interest is 17% per annum.
- viii) Unsecured Loan from Capital Float Limited as on 31-03-2019 is repayable in 17 monthly installments aggregating to ₹ 37,36,228/-. The interest is payable on monthly basis and the rate of interest is 18% per annum.
- viii) Unsecured Loan from Magma Fincorp Limited as on 31-03-2019 is repayable in 18 monthly installments aggregating to ₹ 31,43,229/-. The interest is payable on monthly basis and the rate of interest is 17.5% per annum.
- v) Balance Interest Free Sales Tax Loan is repayable in 3 equal and yearly installments as on 31.03.2019

Particulars	Amt in Rs.	
	As at 31.03.2019	As at 31.03.2018
14 - Provisions (Non-Current)		
Provision for Gratuity (Unfunded) - (Refer note no.31)	2,268,535	1,706,295
Total	2,268,535	1,706,295
15 - Current Financial Liabilities - Borrowings		
Secured		
- Working capital loan from banks	70,487,225	71,453,893
Unsecured		
- Loan from Director	143,782,815	173,367,941
Total	214,270,040	244,821,834

Note:

- 1) Working capital loan from Bank is secured by way of :
- 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.
 - The above working capital facility is collaterally secured by property of the Director.
 - The Rate of Interest is in the range of 9.55% to 10.35% p.a
- 2) Loan from director is interest free and the loan is repayable on demand.

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Particulars	Amt in Rs.	
	As at 31.03.2019	As at 31.03.2018
16 - Trade payables		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	58,579,500	53,098,178
Total	58,579,500	53,098,178
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". As on the balance sheet date the company has not identified any suppliers who are registered under the said act hence amount and interest payable to such suppliers is considered as NIL. The interest payable, if any, would be provided as and when the liability arises.		
17 Other current financial liabilities		
Current maturities of long term debt (Refer note no.13)	22,606,337	10,809,066
Accrued Employee Benefits	2,846,200	2,552,743
Other payables and accruals*	7,090,181	5,470,449
Total	32,542,718	18,832,258
* Other payables and accruals represents accrued expenses		
18 Other current liabilities		
Statutory dues payable	11,125,231	7,669,804
Advances from customers	2,999,941	7,638,891
Total	14,125,172	15,308,695
19 Provisions		
Provision for Gratuity (Unfunded) - (Refer note no.31)	105,178	163,997
Total	105,178	163,997
20 Current tax liabilities (net)		
Provision for taxation (net)	-	7,368,858
Total	-	7,368,858
21 Revenue from operations		
Sale of products		
Paper	624,487,973	572,202,547
Total	624,487,973	572,202,547
22 Other income		
Interest income	600,642	223,233
Scrap sales	219,880	-
Insurance charges	612,560	-
Interest income on financial assets	11,729	10,963
Total	1,444,811	234,196

SHREE KARTHIK PAPERS LIMITED

Particulars	Amt in Rs.	
	As at 31.03.2019	As at 31.03.2018
23: Cost of materials consumed		
Opening stock	128,578,710	117,295,123
Add: Purchases	358,664,608	378,166,571
	487,243,318	495,461,694
Less: Closing stock	26,151,935	128,578,710
Total	461,091,383	366,882,984
24: Change in inventories of finished goods, stock-in-trade and work-in-progress		
Opening stock		
Work-in-progress	41,592,864	35,140,713
Finished goods	44,227,057	33,838,105
	85,819,921	68,978,818
Closing stock		
Work-in-progress	1,222,080	41,592,864
Finished goods	3,664,694	44,227,057
	4,886,774	85,819,921
(Increase)/Decrease in inventories	80,933,147	(16,841,103)
25: Employee benefits expense		
Salaries & Wages	17,567,520	17,514,456
Contribution to PF and Other Funds	1,196,136	1,212,315
Staff Welfare Expenses	1,043,987	716,398
Total	19,807,643	19,443,169
26: Finance cost		
Interest Expense	12,835,354	10,551,228
Other Borrowing Cost	590,220	
Total	13,425,574	10,551,228
27: Depreciation and amortization expense		
- Depreciation on Property, Plant and Equipment	11,811,566	10,002,038
Total	11,811,566	10,002,038
28: Other expenses		
Power, fuel and water charges	89,311,288	79,331,401
Consumption of stores and spares	14,316,214	22,877,726
Machinery Maintenance	19,716,543	13,853,076
Building Maintenance	8,758,455	338,867
Office Equipment Maintenance	777,410	257,038
Electrical Maintenance	2,183,177	482,302
Vehicle Maintenance and conveyance	3,014,887	2,106,178
Rent	1,070,632	1,391,632
Insurance	512,954	19,009
Rates and Taxes	1,458,879	1,225,960
Professional Charges	869,525	683,675
Rebate, Commission and Discount	491,012	455,791
Packing and Forwarding	6,161,559	6,251,223

SHREE KARTHIK PAPERS LIMITED

Particulars	Amt in Rs.	
	As at 31.03.2019	As at 31.03.2018
Freight Charges	8,153,562	12,487,227
Remuneration to Auditors	132,500	107,500
Printing and stationery	502,904	205,835
Advertisement	494,486	601,859
Postages, Telegrams and Telephone	634,414	441,698
Other Administrative Expenses	1,072,448	1,759,992
	159,632,849	144,877,989
28.1: Remuneration to auditors (excluding service tax/GST)		
a. for Statutory Audit	132,500	100,000
b. for Taxation Matters	-	-
c. for Other services	-	7,500
	132,500	107,500
29: Tax expense		
A. Current Tax		
Current tax on profit for the year	-	7,649,986
Earlier year Taxes	-	267,070
TOTAL (A)	-	7,917,056
B. Deferred Tax		
Deferred tax including MAT entitlement	2,628,605	(7,274,215)
TOTAL (B)	2,628,605	(7,274,215)
Tax expense recognized in Statement of Profit and Loss		
TOTAL (A)+(B)	2,628,605	642,841
Tax expense recognized in Other Comprehensive Income (c)	(54,154)	6,485
Total Tax Expense	2,574,451	649,326
30: Earnings per share		
Profit after tax	(123,397,983)	36,877,597
No. of Equity shares outstanding	19,110,000	19,110,000
Weighted Average no. of equity shares outstanding during the year	19,110,000	19,110,000
Basic Earnings Per Share (in ₹)	(6.46)	1.93
Diluted Earnings Per Share (in ₹)	(6.46)	1.93

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31. Employee benefits

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

A. Defined contribution plans:

Particulars	As at	As at
	31.03.2019	31.03.2018
Employer's Contribution to PF	888,704	925,815
Total	888,704	925,815

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	As at	As at
	31.03.2019	31.03.2018
Discount Rate	7.75%	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		
Current Service Cost	163,045	163,861
Net Interest on Defined Benefit Obligations	144,387	122,639
Expenses recognized in the statement of profit and loss	307,432	286,500

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Particulars	As at 31.03.2019	As at 31.03.2018
Recognized in Other Comprehensive Income (OCI) for the year		
Actuarial (gains)/losses arising from changes in demographic assumptions	529	-
Actuarial (gains)/losses arising from changes in financial assumptions	(18,384)	(47,095)
Actuarial (gains)/losses arising from experience adjustments	213,845	23,558
Amount recognized in OCI for the current period	195,990	(23,537)
Change in present value of defined benefit obligation		
Present value of obligations as at the beginning of the year	1,870,292	1,607,329
Current Service Cost	163,045	163,861
Interest on Defined Benefit Obligations	144,387	122,639
Actuarial (gain)/loss on plan obligation	195,990	(23,537)
Benefits paid	-	-
Liability transfer	-	-
Present value of obligations as at the end of the year	2,373,714	1,870,292
Net (Asset)/ Liability recognized in Balance Sheet		
Present value of obligations	2,373,714	1,870,292
Fair Value of Plan Assets	-	-
Amount recognized	2,373,714	1,870,292

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	As at 31st March 2019		As at 31st March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate by 1%	2,183,715	2,591,293	1,710,360	2,054,033
Salary Escalation rate by 1%	2,593,311	2,179,073	2,055,009	1,707,016
Attrition rate by 1%	2,387,765	2,358,624	1,881,909	1,857,818
Mortality rate by 10%	2,374,148	-	1,870,707	-

32. Contingent Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Disputed statutory liabilities not provided for	14,215,393	14,215,393

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

34 **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.

35 The Company is not covered by ESI Regulation.

36 **Additional information**

- Expenditure in foreign currency - Rs. 2,83,857 /-
- Earnings in foreign currency - Nil

37 Fair value measurements

i. Financial instruments by category

The carrying value of financial instruments by categories as at 31 March 2019 were as follows:

in ₹

Particulars	Note	FVTOCI	FVTPL	Amortised cost	Total Carrying value	Total Fair value
Financial Assets						
Investments	3	-	-	261,500	261,500	261,500
Trade Receivables	8	-	-	102,130,598	102,130,598	102,130,598
Cash and Cash equivalents	9	-	-	155,302	155,302	155,302
Other financial assets	4	-	-	10,120,671	10,120,671	10,120,671
Financial Liabilities						
Borrowings	13,15	-	-	286,072,801	286,072,801	286,072,801
Trade payables	16	-	-	-	-	-
Other financial liabilities	17	-	-	9,936,381	9,936,381	9,936,381

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

in ₹

Particulars	Note	FVTOCI	FVTPL	Amortised cost	Total Carrying value	Total Fair value
Financial Assets						
Investments	3	-	-	8,500	8,500	8,500
Trade Receivables	8	-	-	82,346,151	82,346,151	82,346,151
Cash and Cash equivalents	9	-	-	116,924	116,924	116,924
Other financial assets	4	-	-	4,526,128	4,526,128	4,526,128
Financial Liabilities						
Borrowings	13,15	-	-	307,580,618	307,580,618	307,580,618
Trade payables	16	-	-	-	-	-
Other financial liabilities	17	-	-	8,023,192	8,023,192	8,023,192

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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)

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2019
in ₹

Particulars	Note	Level 1	Level 2	Level 3	Carrying Values
Financial Assets					
At amortised costs					
Investments	3	-	8,500	-	8,500
Trade Receivables	8	-	-	-	102,130,598
Cash and Cash equivalents	9	-	-	-	155,302
Other financial assets	4	-	-	-	10,120,671
Financial Liabilities					
At amortised costs					
Borrowings	13,15	-	71,802,761	-	286,562,526
Trade payables	16	-	-	-	58,579,500
Other financial liabilities	17	-	-	-	9,936,381

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

Particulars	Note	Level 1	Level 2	Level 3	Carrying Values
Financial Assets					
At amortised costs					
Investments	3	-	8,500	-	8,500
Trade Receivables	8	-	-	-	82,346,151
Cash and Cash equivalents	9	-	-	-	116,924
Other financial assets	4	-	-	-	4,526,128
Financial Liabilities					
At amortised costs					
Borrowings	13,15	-	62,758,784	-	307,580,618
Trade payables	16	-	-	-	53,098,178
Other financial liabilities	17	-	-	-	8,023,192

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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, 2019 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.

38 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	Cash and cash equivalents, trade receivables, 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 analysis

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

SHREE KARTHIK PAPERS LIMITED

Assets Group	Description of category	Particulars	Provision for expected credit loss *
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.

Classification of Financial assets among risk categories:

(in ₹)

Credit rating	Particulars	31-Mar-19	31-Mar-18
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets (Refundable deposits)	112,668,071	86,997,703
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

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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 2019 are as follows: (in ₹)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	214,270,040	49,196,424	-	263,466,464
Trade payables	-	-	-	-
Other Financial liabilities	32,542,718	-	-	32,542,718
Total	246,812,758	49,196,424	-	296,009,182

Maturities of Financial Liabilities as at 31 Mar 2018 are as follows: (in ₹)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	244,821,834	51,949,718	-	296,771,552
Trade payables	-	-	-	-
Other Financial liabilities	18,832,258	-	-	18,832,258
Total	263,654,092	51,949,718	-	315,603,810

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.

(in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018
Fixed Rate Borrowings	142,289,986	134,212,677

39 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.

SHREE KARTHIK PAPERS LIMITED

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	(in ₹)	
	As at 31.03.2019	As at 31.03.2018
Non-Current Borrowings (Refer Note : 13)	49,196,424	51,949,718
Current Maturities of Long term Debt (Refer Note : 17)	22,606,337	10,809,066
Total Borrowings (a)	71,802,761	62,758,784
Cash and Cash equivalents (Refer Note : 8)	155,302	116,924
Total Cash (b)	155,302	116,924
Net Debt (c) = (a)-(b)	71,647,459	62,641,860
Share Capital (Refer note no.11)	95,550,000	95,550,000
Other Equity (Refer note no.12)	-60,860,052	62,679,766
Total Equity (d)	34,689,948	158,229,766
Total Capital (e) = (c)+(d)	106,337,407	220,871,626
Gearing Ratio = (c)/(e)	0.67	0.28

40 Related Party Disclosures:

(i) List of related parties with whom transactions have taken place during the year 2018-19 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

SHREE KARTHIK PAPERS LIMITED

(ii) Related Party Transactions:

Particulars	Key Management Personnel		Other	
	2018-19	2017-18	2018-19	2017-18
Remuneration	2,400,000	2,400,000	-	-
Purchase of Wind Energy		-	2,770,664	3,321,456
Loan from Directors (Op Bal)	173,367,941	207,899,558		-
Add: Received / (Repaid) during the year (Net)	(29,585,126)	(34,531,617)	-	-
Loan From directors (CL bal)	143,782,815	173,367,941	-	-
Amount Payable	1,099,581	942,498	6,476,555	5,047,178
Amount Receivable	-	-	2,050,130	800,000

- 41 Previous years figures have been regrouped, reclassified and rearranged wherever necessary to conform to the current years classification.
- 42 Figures have been rounded off to the nearest rupee.

For and on behalf of the Board of Directors

(Sd./-) **M.S. VELU**

Chairman and Managing Director
DIN : 0168208

(Sd./-) **S.S VELU**

Director
DIN : 01740974

As per our report of even date
For KSPV & Co.,
Chartered Accountants
ICAI Firm Registration No. 015520S

Place : Coimbatore
Date : 29.05.2019

(Sd./-) **V.Muthulakshmi**
Chief Financial Officer

(Sd./-) **V.Rajan**
Company Secretary

(Sd./-) **Kalyan Srinath B**
Partner
Membership Number : 227007

SHREE KARTHIK PAPERS LIMITED

CIN : L2102TZ1991PLC003570

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

PHYSICAL BALLOT FORM

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the Annual General Meeting of the company to be held on Monday, the 23rd September 2019 at 3.00 p.m. at Sree Annapoorna Kalai Arangam, Dakshin Hall, East Arokiasamy Road, R.S. Puram, Coimbatore-641002 and at any adjournment thereof in respect of such resolutions set out in the notice convening the meeting, as are indicated below:

Reso- lution NO.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		No. of Shares	For	Against
1	Consider and adopt the financial statements of the company for the year ended 31st March 2019.		<input type="checkbox"/>	<input type="checkbox"/>
2	Re-appointment of Smt. Selvambal Sengottu Velu (DIN 01) who retires by rotation as a Director.		<input type="checkbox"/>	<input type="checkbox"/>
3	To appoint Statutory Auditor and fixing their remuneration.		<input type="checkbox"/>	<input type="checkbox"/>
4	To appoint Sri M.S. Velu as Chairman and Managing Director of the company for a period of 5 years from 31.03.2019 to 30.0.2024.		<input type="checkbox"/>	<input type="checkbox"/>
5	To pledge/ mortgage of movable and immovable properties and to Create/modify of charge to the bankers for their working capital limit under section 180(1)(a) of the Companies Act 2013.		<input type="checkbox"/>	<input type="checkbox"/>

Place :

Date :

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

** Email ID.....

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

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 23rd September, 2019. 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 23rd September, 2019. (5.00 P.M) will be strictly treated as if the reply from the member has not been received.
2. The form should be signed by the member as per the specimen signature registered with the company / Depository Participants. In case of joint holding, the form should be completed and signed by the first named member and in his / her absence, by the next named joint holder. There will be one form for every Folio / Client ID irrespective of the number of joint holders. A Power of Attorney (POA) holder may vote on behalf of a member, mentioning the registration number of the POA or enclosing an attested copy of the POA. Exercise of vote is not permitted through proxy.
3. For shares held by Companies, Bodies Corporate, Trusts, Societies, etc. the duly completed form should be accompanied by a certified true copy of the board resolution / authorization together with attested specimen signature(s) of the duly authorized signatory(ies).
4. Votes should be cast, in case of each resolution, either in favour or against by putting the tick (3) mark in the column provided for assent/dissent. Members may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed the member's total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" for that resolution and the shares held will not be counted under either head.
5. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on 17th September, 2019 ("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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