



**Annual Report
2010-2011**

 **Shree Krishna Paper Mills
& Industries Limited**

BOARD OF DIRECTORS

N.K. Pasari (*Managing Director*)
B.N. Pasari
B.K. Pasari
D.R. Mehta
L.C. Sharma
P.N. Singh

COMPANY SECRETARY

Vikas Gupta

AUDITORS

Singal Bros. & Associates
Chartered Accountants
New Delhi

BANKERS

Bank of India
Dena Bank
The Catholic Syrian Bank Ltd.
Andhra Bank

COST AUDITORS

Vijender Sharma & Associates
Cost Accountants
Delhi

SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
A-40, 2nd Floor
Naraina Industrial Area
Phase-II, New Delhi-110 028
Ph. 011-41410592 to 94
Fax. 011-41410591

REGISTERED OFFICE

16, India Exchange Place
Kolkata – 700 001

CORPORATE OFFICE

4830/24, Ansari Road
Darya Ganj
New Delhi-110 002

WORKS

i) T-4, Old Industrial Area
Bahadurgarh – 124 507
(Haryana)

ii) Plot No. "SPL-A"
RIICO Industrial Area
Vill. Keshwana, Teh. Kotputli
Distt. Jaipur (Rajasthan)

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NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the members of **Shree Krishna Paper Mills & Industries Limited** will be held on Wednesday, the 28th day of September, 2011 at 10.00 a.m. at Aparna Business Centre, 5 Clive House, Strand Road, Kolkata - 700001 (West Bengal), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B. N. Pasari, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. B. K. Pasari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with schedule XIII of the Act and subject to approval of the Central Government and such other necessary approvals as may be applicable, consent of the Company be and is hereby accorded for the re-appointment of Mr. N.K. Pasari, as Managing Director of the Company for a period of five (5) years with effect from 01st January, 2012 upon the terms and conditions, including the remuneration to be paid in the event of inadequacy of profits in any financial year as appearing in the Explanatory Statement

annexed to this notice, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. N.K. Pasari.

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof of the Company be and is hereby authorised to vary the terms and conditions of the appointment of Mr. N.K. Pasari without being required to seek any fresh approval of the members of the Company in this regard and take all necessary steps as may be necessary, proper and expedient to give effect to this resolution."

By order of the Board

New Delhi
24th August, 2011

Vikas Gupta
Company Secretary

NOTES:

1. **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, on a poll, instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting. A blank Proxy Form is enclosed.**
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 07th day of September, 2011 to 14th day of September, 2011 (both days inclusive).
3. In respect of Equity Shares held in physical mode, all Members are requested to notify change in address, if any, to the Company/Registrar & Share Transfer Agent, M/s Link Intime India Private Limited quoting their folio number and changed address with Pin Code. In respect of Equity Shares held in demat mode, all Members are requested to intimate changes with respect to their bank details, mandate, address etc. to their respective Depository Participant.
4. Corporate Members intending to send their authorized representatives to attend and vote at the

meeting are requested to send a duly certified copy of Board Resolution.

5. Pursuant to Section 109A of the Companies Act, 1956 individual shareholders holding shares of the Company singly or jointly in physical form are entitled to make nomination in respect of shares held by them. The relevant Form 2B can be obtained from the Company on request.

6. All the documents referred to in the accompanying Notice are open for inspection by members at the Registered Office of the Company between 10.00 a.m. to 1.00 p.m. on all Working days up to the date of the Annual General Meeting.

7. **Members desirous of asking any question or seeking any information in the meeting are requested to write a letter to the Company Secretary at least seven days before the date of meeting to enable the Management to keep the answer/information ready.**

8. Re-appointment of Directors:

Pursuant to the provisions of Articles of Association, Mr. B. N. Pasari and Mr. B. K. Pasari, Directors are retiring by rotation at the ensuing Annual General Meeting of the Company. The brief resumes of all such Directors and other information as per Clause 49 of the Listing Agreement with the Stock Exchanges are given in the Report on Corporate Governance.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5:

The present term of appointment of Mr. N.K. Pasari, Managing Director of the Company is expiring on 31st December, 2011. Mr. Pasari has been actively involved in the affairs of the Company and keeping in view of the valuable services, significant contributions and increased responsibilities due to expanding activities of the Company, the Board of Directors considers it appropriate to re-appoint Mr. N.K. Pasari, as Managing Director of the Company for a further period of five years with effect from 01st January, 2012 on, inter alia, the following terms & conditions:-

(i) Tenure of Appointment:

For a period of five years commencing from 01st January, 2012

(ii) Nature of Duties:

Mr. N. K. Pasari, subject to the supervision and control of the Board, be entrusted with substantial powers of Management and shall also perform such duties as, from time to time, be entrusted to him including performing duties as requested by the Board from time to time. Mr. Pasari shall devote his whole time and attention towards the business of the Company.

(iii) Salary, allowances and perquisites:

- a) Basic Salary: Rs. 25,000/- (Rupees Twenty Five Thousand), the annual increments will be determined by the Board subject to maximum basic salary of Rs.75,000/- (Rupees Seventy Five Thousand) per month.
- b) House Rent Allowance: @ 50% of the salary per month.
- c) Provident Fund: As per rules of the Company read with Provident Fund Act, 1952.
- d) Gratuity: 15 days salary for every completed year of service.
- e) Earned Leave: As per rules of Company as applicable to senior Executives from time to time.
- f) Medical Expenses: Re-imbursment of medical expenses incurred for self and family members subject to a ceiling of 10% of salary.
- g) Leave Travel Concession: For self and family twice in a block of 4 years to any place in India or abroad in accordance with the rules of the Company.
- h) Education Expenses: Re-imbursment of actual expenses on the education of dependent children.
- i) Club Fee: Fee of clubs subject to a maximum of two clubs excluding life membership & entrance fee.



- j) Personal Accident Insurance: As per rules of the Company.
- k) Car & Expenses: Use of Company's Car with driver and telephone at residence for official purposes.
- l) Bonus: As per rules of the Company.

(iv) Other terms of appointment:

- a) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and perquisites as specified above as minimum remuneration.
- b) The terms as to remuneration of the said re-appointment may be altered and varied from time to time by the Board of Directors as it may, in its discretion deem fit, within the ceiling limits in that behalf laid down in Schedule XIII of the Companies Act, 1956 as in force from time to time.
- c) This appointment may be terminated by Company at any time before the expiry of the term by giving notice of not less than three months in writing or salary and allowances in lieu thereof. No severance fee shall be paid on such termination. The appointee shall also have the right to relinquish his office at any time before the expiry of the term by giving to the Company notice of not less three months in writing.

This may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for the approval of the Members.

Mr. N.K. Pasari is deemed to be interested or concerned in the resolution as it pertains to his re-appointment. Further Mr. B.N. Pasari and Mr. B.K. Pasari are also interested or concerned in this resolution, as they are related to each other. No other Director is concerned or interested in this resolution.

By order of the Board

New Delhi
24th August, 2011

VIKAS GUPTA
Company Secretary

ADDENDUM TO NOTICE DATED 24TH AUGUST, 2011 CONVENING 39TH ANNUAL GENERAL MEETING OF SHREE KRISHNA PAPER MILLS & INDUSTRIES LIMITED SCHEDULED TO BE HELD ON 28TH SEPTEMBER, 2011 AT 10.00 A.M. AT APARNA BUSINESS CENTRE, 5 CLIVE HOUSE, STRAND ROAD, KOLKATA-700001.

Attention of the members is invited to the Notice of 39th Annual General Meeting of the members of the Company dated 28th September, 2011. Notice is further given that the following item of business shall be included in the aforesaid notice as a new Item No. 6 under Special Business:

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

- (a) "RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force, and as may be enacted from time to time), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and other applicable regulations, if any, the Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such conditions and modification as may be considered appropriate and subject to the approval of Shareholders in General Meeting, consent of the Board be and is hereby accorded to offer, issue and allot, for cash consideration, on preferential basis 6,50,000 Equity Shares of Rs.10/- each for cash at premium as may be decided under SEBI Regulations to M/s Gopala Sales Pvt. Ltd. on such terms as may be deemed appropriate in the best interest of the Company and the Equity Shares so issued shall rank pari-passu with the existing Equity Shares of the Company.
- (b) RESOLVED FURTHER THAT the relevant date in relation to the above Preferential issue of equity shares for the purpose of determining the issue price by the Company pursuant of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 would be 27th August, 2011, being the date 30 days prior to the date of this resolution.
- (c) RESOLVED FURTHER THAT the equity shares shall be locked in for a period of one year from the date of their allotment.
- (d) RESOLVED FURTHER THAT Shri N. K. Pasari, Managing Director and Shri Vikas Gupta, Company Secretary be and are hereby severally authorized to get the said shares listed with Bombay Stock Exchange, to issue share certificates, to file allotment returns, to file all the necessary documents/returns and do all such acts, deeds and things which are necessary to give effect to the above decision of the Board."

By order of the Board

Sd/-

Vikas Gupta

Company Secretary

New Delhi
26th August, 2011



Shree Krishna Paper Mills & Industries Limited

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

To meet its funds requirement, the Company proposes to raise financing through the issue of Equity Shares on a preferential basis to M/s Gopala Sales Pvt. Ltd. at a rate as may be decided.

The details of such issue, in accordance with Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, are as follows:

1. Objects of the issue of the Company : To part finance the proposed capital expenditure requirements
2. Proposal of the Promoters / Directors/ Key management persons to subscribe to the offer. : No Promoter/Director intends to subscribe to the offer.
3. Proposed time within which the allotment shall be complete. : Which is within Fifteen days from the date of passing this resolution.
4. Pre-issue and post issue shareholding pattern of the Company. : Please see table below.
5. Identity of the Proposed allottee and the percentage of post preferential issued capital that may be held by them. : The proposed allottee is M/s Gopala Sales Pvt. Ltd. The said allottee shall hold 6.43% of Post Preferential issued capital of the company.

S. No.	Category	Pre-Issue		Post-Issue	
		No. of Shares	% of Share holding	No. of Shares	% of Share holding
1.	Promoters, Directors, their relatives and Associates	5730280	60.62%	5730280	56.73%
2.	Other's like Corporate Body and Indian Public	2521400	26.68%	3171400	31.39%
3.	NRI/OCB	1200000	12.70%	1200000	11.88%
	Total	9451680	100.00%	10101680	100.00%

In terms of Section 81 (1A) of the Companies Act, 1956, a public Company may offer its shares to persons other than its existing shareholders if a Special Resolution to that effect is passed in Annual General Meeting. The consent of the members is, therefore, sought to authorize the Board of Directors to issue the Equity Shares in the manner set out in the resolution at item no.6.

In accordance with the requirements prescribed under the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, a copy of the certificate issued by M/s Singal Bros. & Associates, Chartered Accountants, Statutory Auditors of the Company, certifying that the issue of the Securities is in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, will be available for your inspection at the meeting.

Accordingly, the Board recommends that the resolution set out in Item No. 6 in the Notice convening this meeting be adopted.

None of the Directors of the company is in any way concerned or interested in the proposed resolution.

By order of the Board

Sd/-

Vikas Gupta

Company Secretary

New Delhi
26th August, 2011

DIRECTORS' REPORT

The Board of Directors of your Company is pleased to present its 39th Annual Report and the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

	(Rs. in '000)	
	2010-11	2009-10
Sales including export sales	10,69,183	6,13,943
Profit / (Loss) before Interest & Depreciation	32,300	(6,771)
Depreciation	50,766	45,751
Profit / (Loss) before Interest & Taxation	(18,466)	(52,522)
Interest and financial charges	71,496	50,033
Profit / (Loss) before Taxation	(89,962)	(1,02,555)
Provision for Taxation	18,595	17,959
Profit/ (Loss) after Tax	(71,367)	(84,596)
Balance brought forward from previous years	(1,50,512)	(65,916)
Balance carried to Balance Sheet	(2,21,879)	(1,50,512)

During the year under review, the sales of the Company has increased from Rs. 6,13,943 thousands to Rs.10,69,183 thousands, registering approx. 74.15% growth. Due to non receipt of expected net sales realisation (NSR) and sharp increase in the prices of waste paper, the Company has suffered losses during the year. Apart from these two major external factors, the Company was doing well in all other areas. With the overall improvement in the market, the performance of the Company has improved during the current financial year 2011-12 and hence, your Directors are hopeful for much better performance in the current year. As per provisions of law, necessary intimation will be send to Board for Industrial and Financial Reconstruction within prescribed time.

DIVIDEND

The Directors are unable to recommend any dividend on equity shares due to the losses during the year under review. Further, 4% dividend aggregating to Rs. 2324 thousands (including dividend distribution tax) on the outstanding 4% cumulative redeemable preference shares has also been accumulated.

CURRENT OUTLOOK

Sustenance of economic growth momentum would manifest itself in a favourable domestic demand scenario for paper sector during the current year. The Indian Paper Industry has close linkages with economic growth and growth in education as higher industrial output leads to increased demand of paper. The improving domestic demand & valuation and the rise in global prices together will help paper industry to perform better in the coming years.

CORPORATE GOVERNANCE

Your Company has always placed major thrust on managing its affairs with diligence, transparency, responsibility and accountability. The Compliance report on Corporate Governance together with a certificate from the Auditors of the Company regarding full compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchange(s) forms part of Annual Report.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and rules framed there under.

DIRECTORS

In accordance with Articles of Association of the Company and the provisions of the Companies Act, 1956, Mr. B. N. Pasari and Mr. B. K. Pasari are retiring by rotation and, being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting of the Company.

The term of appointment of Mr. N.K. Pasari as Managing Director will expire on 31st December, 2011. The Board proposed to re-appoint him as Managing Director for a further period of 5 years w.e.f. 01st January, 2012. The resolution for re-appointment and remuneration has been put up for approval of the members.

The Board of Directors recommends their re-appointment.

