

SHAKTI PRESS LIMITED

20th ANNUAL REPORT

2012-13

BOARD OF DIRECTORS

SHRI RAGHAV K. SHARMA	-	MANAGING DIRECTOR
SHRI DEEPAK S. DHOTE	-	JOINT MANAGING DIRECTOR
SHRI NITIN S. DHOTE	-	WHOLE TIME DIRECTOR
SHRI KAILASHCHANDRA SHARMA	-	INDEPENDENT DIRECTOR
SHRI SUNDER VENKATRAMAN	-	INDEPENDENT DIRECTOR
SHRI SHREEDHAR PARANDE	-	INDEPENDENT DIRECTOR
SHRI ASHUTOSH POTNIS	-	INDEPENDENT DIRECTOR
SMT SHAILJA SHARMA	-	ADDITIONAL DIRECTOR (WEF 03/12/2013)

AUDITORS

M/s L. B. HAJARE & Co
CHARTERED ACCOUNTANTS
NAGPUR

BANKERS

STATE BANK OF INDIA, NAGPUR
ARVIND SAHAKARI BANK LIMITED, NAGPUR

REGD OFFICE

"SHAKTI HOUSE",
WARDHA ROAD,
NAGPUR – 440 012.
Shakti_offset@dataone.in
shaktipresslimited@gmail.com
Shaktipresslimited.com

WORKS

U – 116, MIDC Industrial Area, Hingana Road,
Nagpur – 440 016
shakti_press@dataone.in

Kh. No. 49, Tah. Hingna, Vill. Mondha
Kanoli Bara Road, Nagpur (M. S.)

Kh. No. 69, Village - Mondha, Tah. Hingna,
Kanoli Bara Road, Nagpur (M. S.)

**REGISTRAR &
TRANSFER AGENT**

LINK INTIME INDIA PRIVATE LTD
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai – 400 078 Ph 022 25963838
Email: mumbai@linkintime.co.in
sujata.poojary@linkintime.co.in

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN THAT, the 20th Annual General Meeting of the members of the Company will be held on Monday, 30th December, 2013 at 02.00 PM at U - 116, Hingana M.I.D.C. Industrial Area, Nagpur – 440 016 (Maharashtra) to transact, with or without modification as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 30th June, 2013 and Profit & Loss Account for the year ended 30th June 2013, along with the Auditor's Report and Director's Report thereon.
2. To appoint the Director in place of Shri Kailashchandra Sharma retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint the Director in place of Shri Ashutosh Potnis retires by rotation, and being eligible offers himself for re-appointment.
4. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, M/s. L. B. Hajare & Co., Chartered Accountants, the retiring Statutory Auditors be and are hereby re-appointed as Statutory Auditors of the Company for financial year 2013-14; to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting on such remuneration and reimbursement of expenses as the Board of Directors may fix on the basis of recommendation made by Audit Committee in that behalf in consultation with the said Auditors, in connection with the Company's Audit."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution:
"RESOLVED THAT, pursuant to Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, the applicable provisions of the Companies Act, 1956 and such other laws, rules, regulations, guidelines or notifications as may be applicable, if any, and subject to approval of audited annual accounts for the financial year 2012-13 by the members of the Company in this Annual General Meeting, the report of the board of directors explaining the reasons of erosion of more than 50% of the peak net worth of the Company as per the audited financial results of the Company for the year ended 30th June 2013 be and is hereby considered and approved.

RESOLVED FURTEHR THAT, consent of the members, be and is hereby accorded to the Board and approve the reference to the Board for Industrial and Financial Reconstruction (BIFR), information and report as potentially sick industrial Company and such other state and central government authorities as may be required and made under the laws, rules, regulations, guidelines and directives for the time being in force in India in the prescribed form and to intimation such other authorities, entities, financial institutions, stock exchanges, body corporates, associations and persons as may be necessary in terms of the agreements, security documents, undertakings, declarations and memorandum of understanding entered into by the Company.

RESOLVED FURTHER THAT, the Board be and is hereby authorised, to submit propose rehabilitation scheme to Hon'ble BIFR, New Delhi and to do all such acts, things and deeds as may be necessary in this regard and to file/ submit all the required forms/ returns/documents with the respective authorities to give effect to above resolution."

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

"**RESOLVED THAT** in accordance with terms of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any amendment to or enactment thereof) and also subject to the approval of statutory authorities/ Central Government, if applicable if any, as may be required and subject to such alterations and modifications, if any, that may be effected by the above authorities in this behalf, consent of the members, be and is hereby accorded for change in designation of Shri Raghav Sharma, Managing Director of the Company as a Chairman Cum Managing Director of the Company for the period of three years with the effect from 1st January 2014 upon the same terms and conditions as to remuneration and otherwise as existing at the time of his appointment as Managing Director of the Company .

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised for the purpose of giving effect to the above resolution, to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings as may be necessary in this regard."

7. To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**.

"**RESOLVED THAT**, in terms of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any amendment to or enactment thereof) and also subject to the approval of statutory authorities, if any, as may be required and subject to such alterations and modifications, if any, that may be effected by the above authorities in that behalf, Shri Nitin Dhote be and is hereby re-appointed as a Whole Time Director of the Company for a period of three years with the effect from 14th January 2013, upon the terms and conditions as to remuneration appended to explanatory statement and that the Board of Directors / Committee be and are hereby authorised to alter and vary such terms and conditions in accordance with the laws in force from time to time as may be agreed to by the Board of Directors / Committee of the Board.

RESOLVED FURTHER THAT, Shri Nitin Dhote, shall not be liable for the retirement by rotation during his tenure as Executive Director of the company.

RESOLVED FURTHER THAT, where in any financial year during the currency of the term of office, the Company has no profits or its profits are inadequate it may pay to Shri Nitin Dhote remuneration by way of salary and perquisites as specified above except the commission, in accordance with Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorised for the purpose of giving effect to the above resolution, to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings as may be necessary in this regard."

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

"**RESOLVED THAT,** in terms of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any amendment to or enactment thereof) and also subject to the approval of statutory authorities, if any, as may be required and subject to such alterations and modifications, if any, that may be effected by the above authorities in that behalf, Smt Shailja Sharma be and is hereby appointed as a Whole Time Director of the Company for a period of three years with the effect from 01st January 2014, upon the terms and conditions as to remuneration appended to explanatory statement and that the Board of Directors / Committee be and are hereby authorised to alter and vary such terms and conditions in accordance with the laws in force from time to time as may be agreed to by the Board of Directors / Committee of the Board.

RESOLVED FURTHER THAT, Smt Shailja Sharma, shall not be liable for the retirement by rotation during his tenure as Executive Director of the company.

RESOLVED FURTHER THAT, where in any financial year during the currency of the term of office, the Company has no profits or its profits are inadequate it may pay to Smt Shailja Sharma remuneration by way of salary and perquisites as specified above except the commission, in accordance with Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorised for the purpose of giving effect to the above resolution, to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings as may be necessary in this regard."

**By order of the Board
For SHAKTI PRESS LIMITED**

**Place: NAGPUR
Dated: 03rd December 2013**

**Raghav Sharma
MANAGING DIRECTOR**

1. **A MEMBER ENTITLED TO ATTEND AND TO VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE MEMBER OF THE COMPANY.**
2. **THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
3. The Register of Members and Share Transfer Books, etc of the Company will remain closed from 26th December 2013 to 30th December 2013 both days are inclusive.
4. Transfers or Transmission requests received during the period of Book Closure shall be considered after reopening of the books.
5. Members are requested to quote Folio Numbers in all correspondences. Members holding shares in identical order of names in more than one folio are requested to write to the Company to consolidate their holding in one folio.
6. Shareholders seeking to require information about accounts to be explained at the meeting are required to furnish the queries to the Company at least 10 (Ten) days in advance of the Annual General Meeting.
7. The shares of the Company are listed with the Bombay Stock Exchange and the Delisting application is pending with the Delhi Stock Exchange Assoc. Ltd and Madras Stock Exchange Ltd.
8. The Ministry of Corporate Affairs, Govt. of India, as a part of its "Green initiative in the Corporate Governance", has issued Circular No. 17/2011 dated 21/04/2011 and Circular No. 18/2011 dated 29/04/2011, permitting service of documents by companies to its shareholders, through electronic mode instead of physical mode. The Company request to its shareholders to registered their Email Id and in case of change in Email Id to update same with Depository and R&TA of the Company.
9. Shareholders are requested to bring their copy of Annual Report at the meeting.
10. At the ensuing Annual General Meeting, Shri Ashutosh Potnis and Shri Kailashchandra Sharma, Directors of the Company, retire by rotation and being eligible, offer themselves for reappointment. Further Shri Raghav Sharma and Shri Nitin Dhote have also been proposed to be re-appointed as stated in the resolution no .6 & 7 respectively. The information or details pertaining to these Directors to be provided in terms of clause 49 of the listing agreement with the Stock Exchanges are annexed herewith.
11. Explanatory statement as required under section 173(2) of the Companies Act 1956 is annexed hereto and forms part of the notice.
12. Report of the Board of Directors on erosion net worth of the Company and causes thereof is annexed with the Explanatory Statement and is forming part of this notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No.05:

The Board of Directors in their meeting held on 30th August 2013 considered the audited financial statement of the Company for the financial year 30th June 2013. The Board of Directors form an firm opinion that as per the Audited Balance Sheet and Profit & Loss Account for the year ended 30th June 2013, the Company has become a Sick Industries Company within the meaning of Section 3(1)(o) of the Sick Industries Companies (Special Provisions) Act 1985, as the accumulated losses exceed the net worth.

In terms of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, if the accumulated losses of an industrial Company, as at the end of any financial year have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years, that Company falls under the category of potentially sick Industrial Company and therefore the fact is required to be reported to Board of Industrial and Financial Restructuring (BIFR) within sixty days from the date of finalization of the audited accounts which is the date of this Annual General Meeting.

As per the audited accounts of the Company for the year ended 30th June 2013 finalized and approved by the board subject to approval of shareholders, the accumulated losses of the Company as at 30th June 2013 amounting to Rs 15.75 Crores have resulted in erosion of more than fifty percent of its peak net worth of Rs 12.98 Crores during the immediately preceding four financial years. A report on such erosion and its causes is required to be submitted before the shareholders for their consideration and approval.

As the entire Networth of the Company is fully eroded, the reference should be made to the Board of Industries & Financial Reconstruction (BIFR), under section 15(1) of Sick Industries Companies (Special Provisions) Act 1985. In order to expedite the matter the Board of Directors form an firm opinion to made reference with Hon'ble BIFR, New Delhi and to put matter before the members of the Company in ensuing Annual General Meeting for the financial year 2012-13.

The Company vide its application dated 14th September 2013, made application to Hon'ble BIFR, New Delhi for their reference. The Hon'ble BIFR vide their letter letter No 3(S-28)/BC/2013 dated 31st October 2013 inform the Company, regarding of registered of our reference with Hon'ble BIFR New Delhi, as Case No 78/2013 and the proceeding is pending with Hon'ble BIFR, New Delhi.

The aforesaid report of erosion of Networth is annexed herewith and is forming part of this notice and explanatory statement.

In view of above, your directors recommend approval of aforesaid information of the shareholders by a special resolution.

None of the directors are interested in above resolution.

REPORT ON EROSION OF NET WORTH, CAUSES THEREOF AND ACTION TAKEN BY COMPANY IN TERMS OF SECTION 23 OF SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT 1985.

In terms of requirements of Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985, a report of board of directors on erosion of more than 50 % of peak net worth during the immediately preceding four financial years along with causes and revival plans is being submitted herewith.

Under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, Net Worth of the Company for present as well as proceeding four financial years is as follows:

Year/ Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Accumulated Losses / P & L Dr. balance. (A)	157,486,678.75	118,106,487.45	110,698,429.97	100,314,100.58	20,770,175.15
Paid-up Equity Capital	65,202,000.00	65,202,000.00	65,202,000.00	65,202,000.00	65,202,000.00
Add – Reserves & Surplus (Excluding Revaluation Reserves)	64,672,000.00	64,672,000.00	64,672,000.00	64,672,000.00	64,672,000.00
Net Worth (B)	129,874,000.00	129,874,000.00	129,874,000.00	129,874,000.00	129,874,000.00
A Exceed B by	27,612,678.75	(11,767,512.55)	(19,175,570.03)	(29,559,899.42)	(109,103,824.85)

Accumulated losses for the year ended 30th June 2013 (Relevant financial year) are Rs15.75 Crores.

As presented above as per the audited accounts of the Company for the year ended 30th June 2013, the accumulated losses of the Company as at 30th June 2013 amounting to Rs 15.75 Crores have resulted in erosion of more than fifty percent of its peak net worth of during the immediately preceding four financial year. Thus under the provisions of SICA the Company is a potentially sick industrial Company.

CAUSES OF EROSION OF NET WORTH OF THE COMPANY:

1. The Company avail various financial facilities from the State Bank of India. The State Bank of India vide their letter dated, 29th May 2005 informed that the Mid Corporate Credit Committee curtail Cash Credit limit from Rs 5.50 Cr to 2.75 Cr. Due to this unilateral step of the Bank the Company face financial difficulties since year 2008 as the Company was already imported capital equipments (Printing Machines and Automatic Thread Sewing Machine) in the year 2001, against these import, the company had undertaken to Export Goods i.e Printed Books, Stationery, Greeting Cards, Hanging Cards, Cartons, Boxes etc. The total Export Commitment was for Rs.27 Crores; against this the Company had completed commitments worth Rs.15 Crores till 2007-2008. However since our Bank Account turned NPA, the company was not able to enter in to any Major Export, Commitment, in spite of very encouraging and favorable enquiries especially U.S. Middle East and African Countries. Hence the company has applied for extension of time to complete the obligations. The Government Policies are very favorable in these aspects and the extension of time by the DGFT is expected very shortly. The extension sought by the Company is for 4 years.
2. After the Company account transfer to NPA, the Bank has deducted 5% of Turnover without Company consent or confirmation. The Company respected this hasty decision of the Bank and kept unit running with reduced working capital and also promptly keep on depositing 5% amount from each transactions. The Company had deposited Rs. 4,01,84,646.95 (Rs. Four Crores One Lac Eighty Four Thousand Six Hundred Fourty Six and Paise Ninety Five only) till 06th December 2012.
3. After account was transferred to NPA, the Banker stop Bank Guarantee, the Company had accepted various order from the Clients and not accomplished the order as the Bank stop Bank Guarantee, consequences of which the Company suffer and face huge loss.
4. During this period of 2009 -2010, operations of the Company were severely impacted resulting in productivity losses current orders from the customers were cancelled.
5. The SBI through their letter, SAMB:SSS:2012:136:1356, Dated 20.07.2012 informed the Company that the Bank comes out One Time settlement (OTS) scheme of non performing asset and also advice the Company that the Company eligible for One Time settlement (OTS) scheme. As per Company Bank Account detail amount outstanding on date when the Company become NPA is Rs 15, 22,05,828.70 ledger balance. The Company through letter no SPL/HIN/12-13/907 dated 31st July 2012 informed the Bank about acceptance of OTS Scheme also deposited three cheques amounting Rs 76.10 (5% of ledger balance).
6. The SBI once again come with restructuring proposal in year 2012, through letter SAMB/SSS/2086 dated 06th October 2012 in which propose funding aggregating Rs 23.07 offered by Bank in which Bank did not offer Cash Credit and also transfer unemployed interest to Term Loan. As the proposal was not favourable and also not in interest of the Company the management of the Company refuse proposal and informed the Bank as the Company required to pay interest through its own pocket without having any support from Bank.

7. In order to repay SBI outstanding dues through One Time Settlement (OTS) Compromise Scheme, the Company received offer from the Buyer for the purchase of one of the unit of the Company subject to prior permission of the Bank. The Company pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 received the shareholder's consent to the Ordinary Resolution, Sale / Disposal of Whole or Substantially the Whole Undertaking / Division of a Company as specified under Sub-Clause (a) of Sub-Section (1) of Section 293 passed by Postal Ballot, result declared by the Chairman based on Scrutinizer Report dated 17th August 2013. However because along delayed from the Bank of taking effective step, the said prospective buyer refuse to deal with the Company.
8. The Bank approach the DRT for recovery of its outstanding amount. The Company filed written statement with Hon'ble Debt Recovery Tribunal(DRT), Nagpur. Proceeding of DRT is pending till date. The Management of the Company hope a favorable order from Hon'ble Debt Recovery Tribunal(DRT), Nagpur.
9. Because of aforesaid reasons the Company unable to fulfill Export commitment and working only capacity of 20 to 25 % of its installed capacity. The Company have requisite infrastructure for carry out business profitably. As the Company Bank account is Non Performing Account(NPA), the Company can not avail financial facilities from other Banks and has to manage with limited resources; result of which EPCG liabilities, sale tax and labour gratuity which accumulated to not less than Rs 10 Crores. The total loss suffer by the Company is of Rs 40 to 50 Crores during these period.
10. The Company face financial difficulties and it is difficult for the Company to meet both end. Due to non cooperation of the bank, the promoter and management of the Company was effected find difficulty to run the working business since year 2008.

STEPS TAKEN/PROPOSED TO BE TAKEN BY THE COMPANY MANAGEMENT:

1. The Company will take various steps for improvement of operations in consultation with various stakeholders including Central or State Governments, Banks, Financial Institutions, etc.
2. In order to strengthen its financial position, the Company propose to get its debts restructured with the Financial Institutions and banks under Corporate Debt Restructuring (CDR) mechanism comprising of repayment reschedule, reduction/adjustment in interest rates.
3. Propose to creation of additional security and pledge of 100% promoters' shareholding in favour of the Lenders.
4. Preferential allotment of shares of the Company under applicable provisions, sections, rules ad regulation.
5. The Company is focusing upon business segments which may give better price realization.
6. The worker and employees strength is being rationalized to control the personnel cost.
7. Besides the aforesaid, the company has also taken several steps for operational restructuring which are expected to lead to higher efficiency/cost savings.

Item No. 06

Shri Suresh Sharma, resign from the office of chairman of the Company with the effect 14th August 2013 due to his pre occupation. In order to comply with applicable provision, rules and clauses it is required to appointment of Chairman of the Company. Shri Raghav Sharma appointed as Managing Director of the Company and he look after day to day working of the Company. In view of the continuous efforts and contributions made by Shri Raghav Sharma, it is desired that Shri Raghav Sharma be elevated to the higher post. The Board of Directors desired and recommended to the members of the Company to appoint Shri Raghav Sharma as a Chairman Cum Managing Director of the Company for the period of three years with the effect from 01st January 2014.

Shri Raghav Sharma is concerned or interested in the above resolution in his personal capacity, Smt Shailja Sharma being related to Shri Raghav Sharma may be deemed to be interested in the above resolution. No other Director of Company is concerned or interested in the above resolution. This may also be regarded as an abstract of terms of remuneration payable to Shri Raghav Sharma as Chairman cum Managing Director of the Company and memorandum of interest under Section 302 of the Companies Act, 1956.

Item No. 07:

The tenure of Shri Nitin Dhote as Whole Time Managing Director of the Company expired on 13th January 2013. In view of his long association with the Company the Board of Directors considers it desirable in the interest of the Company that the Company should continue to avail of the Benefits of his services. The Remuneration committee at their meeting held on 02nd January 2013, had approved and recommended to the Board of Directors/Members of the Company re-appointment of Shri Nitin Dhote as Whole Time Director of the Company with effect from 14th January 2013 for a period of three (3) years on the payment of the following terms and conditions. The Board of Directors in their meeting held on 03rd December 2013 has considered and approved the re-appointed of Shri Nitin Dhote as the Whole Time Director of the Company for a period of three years with effect from 14th January 2013 subject to consent of the Members of the Company at the ensuing General meeting and requisite permission and approval required if any.

The terms and conditions including remuneration as specified hereunder :

- i. Terms and Conditions governing the employment of Shri Nitin Dhote are as per Rules of the Company applicable from time to time.
- ii. Remuneration pay of Rs. 9,500 per month with the authority to Board to revise / alter from time to time.
- iii. Perquisites and Benefits as per the as per Rules of the Company prevailing from time to time."

Minimum Remuneration : (In case of no profits / profits are inadequate)

Notwithstanding the above, wherein any financial year during the currency of term of office of Shri Nitin Dhote, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to the Whole Time Director by way of salary or other benefits **in accordance with the Schedule XIII to the Companies Act, 1956.**

The Members therefore requested to confirm the re-appointment of Shri Nitin Dhote as a Whole Time Director of the Company on the aforesaid terms and conditions with the authority to Board / Committee to revise / modify the same from time to time.

Shri Nitin Dhote is concerned or interested in the above resolution in his personal capacity, Shri Deepak Dhote being related to Shri Nitin Dhote may be deemed to be interested in the above resolution. No other Director of Company is concerned or interested in the above resolution. This may also be regarded as an abstract of terms of remuneration payable to Shri Nitin Dhote Whole Time Director of the Company and memorandum of interest under Section 302 of the Companies Act, 1956.

Item No. 08:

The Board of Directors Company in their meeting held on 02nd December appointed Smt Shailja Sharma as Additional Director of the Company. The Remuneration committee at their meeting held on 03rd December 2013, had approved and recommended to the Board of Directors/Members of the Company appointment of Smt Shailja Sharma as a Whole Time Director of the Company for a period of three years with effect from 01st January 2014 on the payment of the following terms and conditions. Smt Shailja Sharma has good track of successful record and have vast knowledge in the field of stationary and printing. The Board of Directors considers it desirable in the interest of the Company that the Company should avail of the Benefits of his services. The Board of Directors in their meeting held on 03rd December 2013 has considered and approved appointed of Smt Shailja Sharma as the Whole Time Director of the Company for a period of three years with effect from 01st January 2014 subject to consent of the Members of the Company at the ensuing General meeting and requisite permission and approval required if any.

The terms and conditions including remuneration as specified hereunder:

- i. Terms and Conditions governing the employment of Smt Shailja Sharma are as per Rules of the Company applicable from time to time.
- ii. Remuneration pay of Rs. 9,500 per month with the authority to Board to revise / alter from time to time.
- iii. Perquisites and Benefits as per the as per Rules of the Company prevailing from time to time.

Minimum Remuneration : (In case of no profits / profits are inadequate)

Notwithstanding the above, wherein any financial year during the currency of term of office of Smt Shailja Sharma, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to the Whole Time Director by way of salary or other benefits **in accordance with the Schedule XIII to the Companies Act, 1956.**

The Members therefore requested to confirm the appointment of Smt Shailja Sharma as a Whole Time Director of the Company on the aforesaid terms and conditions with the authority to Board / Committee to revise / modify the same from time to time.

Smt Shailja Sharma is concerned or interested in the above resolution in his personal capacity, Shri Raghav Sharma being related to Smt Shailja Sharma may be deemed to be interested in the above resolution. No other Director of Company is concerned or interested in the above resolution. This may also be regarded as an abstract of terms of remuneration payable to Smt Shailja Sharma as Chairman cum Managing Director of the Company and memorandum of interest under Section 302 of the Companies Act, 1956.

Brief Profile of Director Seeking Appointment / Re-appointment:

Shri Raghav Sharma:

Shri Raghav Sharma is a Commerce Graduate & MBA. He is a promoter Director of the Company. He is Managing Director of the company and Look after the day to day affairs. He is having vast experience in business and management. He has a successful track record and having experience of more than 30 years in printing and stationary Industry. He is holding 426467 equity shares of the Company. He is having Directorship in various Companies like Shakti Offset Pvt Ltd & Sri Krsna Cardboards Pvt Ltd.

Shri Nitin Dhote:

Shri Nitin Dhote is Graduate in Commerce. He is having vast experience in business and management. He has a successful track record and having experience in printing and stationary Industry for more than twenty two years. He is holding twelve thousand equity shares of the Company as on 30th June 2013.

Smt Shailja Sharma:

Smt Shailja is MA Graduate. She is having vast experience in business and management and has a successful track record and having experience of more than 20 years in field printing and stationary. She is holding fifteen thousand seven hundred Equity Shares of the Company.

Shri Kailashchandra Sharma:

Shri Kailashchandra Sharma is Independent Director (Non-Executive Director) of the company. He was appointed as Director of the Company from 30th March 2003. He is a Commerce Graduate and having vast experience in the field of sales and marketing. Company avails his advises from time to time and he has contributed to bring company in good position within Vidharbh. He is holding two hundred Equity shares of the Company.

Shri Ashutosh Potnis:

Shri Ashutosh Potnis is Graduate in Law, and has a successful track record of about 18 years in practice. He has experience in the field of Administration and Management. He has skill and experience in administration and gave valuable suggestion to the Company in various discussions. He is holding ten equity shares of the Company.

DIRECTOR'S REPORT

**TO
THE MEMBERS,
OF SHAKTI PRESS LIMITED.**

Your Directors are pleased to present the Company's 20th Annual Report on the business and operation of the Company together with the Audited Statement of Accounts for the Period & Accounting year ended 30th June, 2013.

Particulars	For the year ended 30 th June, 2013 (Rupees' 000) (12 Months)	For the year ended 30 th June, 2012 (Rupees' 000) (12 Months)
Total Income	121256.704	130,203.705
Profit / Loss before depreciation.....	(26366.708)	(5576.745)
Depreciation.....	13013.483	12984.802
Profit before tax for the year.....	(39380.191)	(7408.058)
Balance of Profit and Loss Account brought Forward from last year	(110698.429)	(110698.429)
Provision for Dividend.....	-----	-----
Corporate tax on dividend.....	-----	-----
Transfer to General Reserve.....	-----	-----
Balance carried to Balance Sheet	(39380.191)	(7408.057)

DIVIDEND:

Your Director place on record their sence of concern that on account of lose and carry forward of previous year's losses, your Directors are unable to declare any Dividend for the year under review.

MANAGEMENT DISCUSSION & ANALYSIS:

Your Directors are please to inform you that total income for the year ended 2012-13 is of Rs.12.12 Crores as Compare to Rs 13.03 for the year ended 2011-12. The Company during year ended earned NIL from export of the products. The Company during the year under review has performed reasonably well. The Boards of Directors are trying their best to improve the performance of the Company and hopeful of achieving decent turnover in future.

INDUSTRY STRUCTURE & DEVELOPMENT:

The Company is in the field of manufacturing of paper based printed packaging material including Labels, Duplex Board, Mono Cartons Corrugated Boxes etc and stationary items. As on date the Company is having three manufacturing units.

- 1) At U-116, M. I. D. C. Industrial Area Hingna (Printing Unit).
- 2) At Khasara No. 49, Mondha (Stationary Unit)
- 3) At Plot No 49, Khasara No 69, Mondha (Packaging Unit)

PROSPECTS:

The Management of the Company foresees bright future to the Company.

PERFORMANCE REVIEW & OUTLOOK:

PRINTING OPERATION:

The Printing Division of the Company having good operation during the year. Your Directors are hope in the current year the Company will acquire business from the prospective/existing customers.

STATIONARY DIVISION:

The performance of Stationery Division during the year under review is satisfactory well

PAKAGING OPERATION:

The Company's management is making best efforts to increase the margin by adopting the cost cutting methods in operations of the Company. Your Directors have been successful in improving the positions of the Company and are hopeful for better future.

CORPORATE AFFAIRS:

COST MANAGEMENT:

In the era of competition and recession, the management has successful in adopting Cost Cutting measures in the Company and are able to achieve the marginal success during the year under review. However, the Costing have indispensable area of concern in the Company in relation to the nature of operation. The cost cutting operation is under supervision of Shri Deepak Dhote, Joint Managing Director of the Company.

LISTING OF SHARES:

The Equity shares of the Company listed on Bombay Stock Exchange Ltd, Delhi Stock Exchange Assoc. Ltd and Madras Stock Exchange Ltd. The Board of Directors of the Company has resolved in their meeting held on 31st January 2010 to Voluntary delist Company's scrip from the Delhi Stock Exchange Association Ltd and the Madras Stock Exchange Ltd as there is no trading of Company's shares at the said Exchanges. The Delisting application is pending with both Delhi & Madras Stock Exchange and all necessary documents for delisting have already been submitted.

CORPORATE COMPLIANCES:

During the year under review, the Company has duly filed all necessary Papers, documents, forms, etc with various authorities under the provisions of Companies Act, 1956, Rules, Listing Agreement, SEBI Laws, etc.

TRANSFER OF UNPAID / UNCLAIMED DIVIDEND TO IEPF:

The last Unclaimed / Unpaid Dividend for the Financial Year 2001- 02 have been transferred to Investor Education & Protection Fund of the Central Government according to the provisions of the Companies Act, 1956. The total amount of unpaid / unclaimed dividend for the Financial Year 2001-02 was Rs 1, 42,759/- which was required to be transferred after a period of seven years as per the Provisions of the Companies Act, 1956. The necessary forms/documents have already been filed with the Registrar of Companies, Maharashtra. Upto the there is no unclaimed / unpaid dividend lying with the Company and all unclaimed / unpaid dividend lying with the Company have already transferred to IEPF.

HUMAN RESOURCES:

During the Year under review and having regards to the global recession trends, the Company has been working / operating with minimum staff and employees. However, with the increasing trend of turnover, the Company will recruit / employ the requisite number of staff / employees. Your Company is looking forward to transformed HRD systems in the coming years of operation.

INDUSTRIAL RELATIONS:

During the year under review the overall industrial relations of the Company were cordial.

DIRECTORS:

During the year under review, the Board of Directors has re-appointed Shri Nitin Dhote as a Whole time Director of the Company with effect from 14th January 2013 for a period of three years subject to approval of members at ensuing Annual General Meeting of the Company and requisite permission and approval required if any. Shri Kailashchandra Sharma and Shri Ashutosh Potnis, Directors of the Company, retires by rotation at ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment. Accordingly, their re-appointment forms part of the notice of ensuing Annual General Meeting (AGM).

REPORTING TO BOARD OF INDUSTRIAL AND FINANCIAL RESTRUCTURING (BIFR):

As per the audited accounts of the Company for the year ended 30th June 2013, the accumulated losses of the Company as at the end of the said period have resulted in erosion of more than fifty percent of its peak net worth of the Company during the immediately preceding four financial year. In terms of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, the Company

falls under the category of potentially sick Industrial Company and therefore the fact is required to be reported to Board of Industrial and Financial Restructuring (BIFR) within 60 days from the date of finalisation of the audited accounts. The Board of Director form an firm opinion for filing application with Hon'ble BIFR for their reference. A report on causes of erosion of net worth and steps propose to be taken by the Company will be forming part of the notice of ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, your directors state as under:-

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation;
- ii) that the directors have selected such 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 of the Company for that period;
- iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the directors have prepared the Annual Accounts on a going concern basis.

AUDITORS:

M/s. L. B. Hajare & Co., Chartered Accountants, Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a letter from M/s. L. B. Hajare & Co., Chartered Accountants to the effect that their appointment as auditors, if made, would be within the limits u/s 224 (1-B) of the Companies Act, 1956.

Manish Tayal, Cost Accountant has been appointed as Cost Auditor of the financial year 2012-13. The Company has received a letter from M/s Ujwal Loya & Co, Cost Accountant to the effect that their appointment as Cost Auditors, if made, would be within the limits u/s 224 (1)(B) of the Companies Act, 1956.

AUDITOR'S REPORT:

The Auditor's Report is annexed herewith and the explanations to the remarks given by the Auditors in clause (a) to (j) are hereunder:

Due to recession the operation / business of various parities (debtors) had been temporarily shut down and they gave us assurance for payment of dues to the Company. The Management has already taken reasonable steps by starting business again with the Debtors so that recovery of dues will make.

The physical verification of stocks done by the management and bankers from time to time. The Management has given verification & Valuation report to the Auditors accordingly. Pursuant to

nature of business, there is always possibility of continuous demand of products by customer, as a result, company has to maintain sufficient amount of stock. Management physically verifies stock and makes valuation from time to time.

As bank had charged heavily and in view of the same the Company has applied for restructuring proposal to the bank, and said proposal is under consideration, your Company is in belief that, if said proposal accepted by the Bank, it may likely to waive penal interest and refund of interest already paid. It certainly have positive affect on the profitability of the Company which lead to increase in profit of the Company.

During the year under review, the account of the Company is continue under Stress Asset Management (SAM) with State Bank of India and charging interest at lower rate and therefore the Company has made interest provision on lower side having regards to the same.

Since the account has been transferred to Stress Asset Management (SAM) by the State Bank of India (Banker), the account statements reflecting repayment & interest paid during the year are not reflect in accounts and hence it is subject to reconciliation which shall be done after the restructuring plan approved by the bank.

Holding the Cash Balances with the Company is as per the requirement of the Company's multi fold operations which are at various units located at U-116, Mondha & Stationary Divisions, etc. Having regards to the operations of the Company, the cash balances are required to be maintained. However, the cash balances have decreased/minimized during the Financial year as compared to the previous year.

During the Financial Year, the Company has taken the Internal Audit through the Team of Auditors and during the financial year the Management has improve its Internal Control System. The teams of Chartered Accountants / professional have been appointed to report for internal audit. The Internal Auditors have taken care of Internal auditing of the Company and reported to the management from time to time.

Since it has been brought to the notice regarding liability of TDS from the management of company would take the appropriate step to deposit the same at the earliest. The defaults were due to reasons beyond to the control of the management.

The question of rectification of the receivables regarding excise duty and interest amount there upon does not arise since the entries are correct and payments are yet to be received.

The amortization of brand would be appropriately considered in the best interest of the company.

Merely because of individual break up of retention money and earnest money can be given to the auditors and these amounts are not doubtful.

The deferred tax assets and deferred tax liabilities will be duly considered in accordance to AS 22 and impact of the earlier years also to be considered if the same were not considered earlier.

The impairment loss has not been assessed. The management has belief that the amount recoverable as stated would be recovered.

It would be observed that the net worth of the company has become negative. With the observation of auditors, the amount of negative net worth would further increase. The Board of directors are taking appropriate steps for filing the reference before BIFR and would also take the steps for formulating the plan for making net worth positive at the earliest as well as suitable revival plan for payment of creditors and statutory bodies / private parties etc.

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

The statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed and marked Annexure 'A' which forms part of this Report. Earning and Outgo in respect of foreign exchange mentioned in the Balance Sheet of this Annual Report.

PARTICULARS OF EMPLOYEES:

During the year under review there were no employees receiving remuneration in excess of the limit requiring disclosure as per the provisions of Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975 during the period under review.

CORPORATE GOVERNANCE:

A report on corporate governance including Auditors Certificate on compliance with the conditions of corporate governance under clause 49 of the Listing Agreement is appended to this Report.

COMMITTEES:

The Company is having duly appointed Audit Committee & Remuneration committee of the Board of Directors of the Company with due composition of Independent Directors.

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation for their continued support and co-operation by Bankers, Government Authorities, and other stakeholders. The Directors again very thankful to the Bankers – State Bank of India for extended their co-operation in respect of financial matter during the whole year.

**On Behalf of the Board of Directors,
For SHAKTI PRESS LIMITED**

**PLACE: NAGPUR
DATED: 30th August 2013**

**Raghav Sharma
MANAGING DIRECTOR**

**Kailashchandra Sharma
DIRECTOR**

FORM 'A'

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	CURRENT YEAR 2012-13	PREVIOUS YEAR 2011-12
A. POWER AND FUEL CONSUMPTION :		
1. ELECTRICITY		
a) Purchased Units(KWH)...		
(Rs.)...	Rs 4561775	Rs 4488198
Rate / Unit (Rs./KWH).....	Rs.6.15	Rs.6.10
b) Own Generation		
Through Diesel.		
Units (KWH).....		
Units per ltr. of diesel oil.....		
Cost/unit (Rs.).....		
Through Steam Turbine/Generator		
Units.....	--	--
Units per ltr. of fuel oil/gas.....	--	--
Cost/ unit (Rs.).....	--	--
2. COAL FOR DOMESTIC USE		
(B grade for boiler)		
Qty. (M.T)	--	--
Total Cost (Rs.)	--	--
Average Rate (Rs.)		
3. FURNACE OIL		
Quantity (K. Litres).....	--	--
Total cost (Rs. in Lacs).....	--	--
Average Rate (Rs./K. Litres).....	--	--
4. OTHERS/INTERNAL GENERATION.....		
(Give Details)	--	--
Total Cost	--	--
Rate/unit	--	--
B. CONSUMPTION PER UNIT OF PRODUCTION :		
PARTICULARS		
	CURRENT YEAR 2012-13	PREVIOUS YEAR 2011-1
Electricity (units)	--	--
Coal (B Grade)	--	--
Furnace Oil	--	--
Other (specify)	--	--
Own power	--	--

CERTIFICATION BY CHIEF EXECUTIVE

To,
The Board of Directors
Shakti Press Limited,
Nagpur.

I hereby certify that for the financial year 2012-13 annual accounts, I have reviewed the financial statements and the cash flow and that to the best of my knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2012-13 which are fraudulent, illegal or violative.
4. I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that I have taken the required steps to rectify these deficiencies.
5. I further certify that :
 - (a) there have been no significant changes in internal control during the year,
 - (b) there have been no significant changes in accounting policies during the year,
 - (c) there have been no instances of significant fraud, of which we have become aware, involving management or an employee having significant role in the Company's internal control systems.

Date: 03.12. 2013
Place: Nagpur

RAGHAV SHARMA
CEO & MANAGING DIRECTOR

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on code of corporate Governance:

The vision and mission statement of the Company is to be a world class printing industry. Your corporation believes that Corporate Governance is a key element in improving the economic efficiency of a firm. Good Corporate Governance also helps to ensure that organization takes into account the interests of a wide range of constituencies, as well as communities. Your Company is abide by transparency and full accountability of Management on various issues pertaining to the Company's business thereby protecting the interest of the shareholders.

2. Board of Directors:

Composition of Board of Directors: The Composition of Board of Directors of the Company as on date is in conformity with Clause 49 of the Listing Agreement.

The Composition of Board of Directors of Shakti Press Limited as on 30th June 2013 as under:

Sr No	Name of the Director	Designation	Category	Attendance		Other Directorship/ Membership	
				Board Meeting	Last AGM	Other BoDs*	Co mm itte e
1.	Suresh Kumar Sharma	Chairman	Non-Executive	NIL	No	07	05
2.	Raghav Sharma	Managing Director	Executive	6	Yes	NIL	NIL
3.	Deepak Dhote	Jt Managing Director	Executive	6	Yes	NIL	02
4.	Nitin Dhote	Whole Time Director	Executive	6	Yes	NIL	1
5.	Kailaschand Sharma	Director	Non-Executive Independent	6	Yes	NIL	02
6.	Sunder Venkatraman	Director	Non-Executive Independent	NIL	No	NIL	02
7.	Shreedhar Parande	Director	Non-Executive Independent	NIL	No	NIL	NIL
8.	Ashutosh Potnis	Director	Non-Executive Independent	6	Yes	NIL	02

* Directorship excludes the directorship of Shakti Press Limited, Foreign and Private Limited Companies.

The Board met Six times on the following dates during the financial year 2012-13

Dates of Board Meetings: 14th August 2012, 15th October 2012, 10th November 2012, 15th February 2013, 15th May 2013 and 25th June 2013.

3. Audit Committee :

The following Directors were the members of the Audit Committee for the year under review:

Sr No	Name of the Director	Category	Nos. of meeting Attended
1.	Ashutosh Potnis	Non-Executive (Independent) Director	04
2.	Kailashchandra Sharma	Non-Executive (Independent) Director	04
3.	Sunder Venkatraman	Non-Executive (Independent) Director	NIL

The term of reference of the Audit Committee which are in accordance with Clause 49 of the Listing Agreement, are as under:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other service.
- c) Reviewing with Management, the annual financial statements before submission to the Board, focusing primarily on :
 - Any change in accounting policies & practices,
 - Major accounting entries based on exercise of judgement by Management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with Accounting Standards.
 - Compliance with Stock Exchange and Legal requirements concerning financial statements.
 - Any related party transaction
- d) Reviewing with the Management, external & internal auditors, and the adequacy of internal control systems and recommending improvements to the Management.
- e) Reviewing the adequacy of internal audit function, 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.
- f) Discussing with internal auditors any significant findings and follow up there on.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussing with external auditors before the audit commences nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- i) Reviewing the Company's financial & risk management policies.
- j) Initiating investigations into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders and creditors.

The Committee reviews the financial Statements before these are placed before the Board. During the period under review, four meetings of the committee were held on 12th August 2012, 08th November 2012, 12th February 2013 and 12th May 2013.

Remuneration Committee

During the year under review the following Directors were members of the remuneration Committee:

Sr No	Name of the Director	Category
1.	Ashutosh Potnis	Non Executive (Independent Director)
2.	Sunder Venkatraman	Non-Executive (Independent) Director
3.	Kailaschand Sharma	Non-Executive (Independent) Director
4.	Deepak Dhote	Executive Director

The details of remuneration paid to the Directors during the year ended on 30th June, 2013 are as under:

Sr No	Name of the Director	Sitting fees (including Committee Meeting)	Salary, Allowance, etc.	Contributions to PF and Superannuation funds, etc
1.	Suresh Kumar Sharma	NIL	N.A.	N.A.
2.	Raghav K. Sharma	NIL	Rs. 25,000 P.M.	As per Rules.
3.	Deepak S. Dhote	NIL	Rs. 25,000 P.M.	As per Rules
4.	Nitin Dhote	NIL	Rs. 9,500 P.M.	As per Rules
5.	Kailaschand Sharma	NIL	N.A.	N.A.
6.	Sunder Venkatraman	NIL	N.A.	N.A.
7.	Shreedhar Parande	NIL	N.A.	N.A.
8.	Ashutosh Potnis	NIL	N.A.	N.A.

The remuneration paid to the Executive Directors are in accordance with the Sections 198, 309, 310, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and having duly considered and approved by the Remuneration Committee. The services rendering by the Executive Directors to the Shakti Press Limited justify the remuneration mentioned above having regards to their knowledge, experience, qualification, etc in the field of Printing & Stationary. The remuneration provides by the Company to the Executive Directors are in accordance with the rational & reasonable principles of Company Jurisprudence and they are deserved for the same having regards & interpretation of Schedule XIII to the Companies Act, 1956 because they (Executive Directors) are managing such company with Debt Liability (Risk) including their personal guarantees of the debt borrowed by the Company and holding such risk & manage a company shall deserve such person to be remunerated with handsome amount. Schedule XIII empowers to give remuneration according to slabs of effective authorised capital. The remuneration of Directors is exclusive of other facilities, perks, etc. The figures given are monetary in nature and not mentioned other perks of non-monetary nature.

Each individual Executive Director have special knowledge, experience and expertise, etc in the field of Printing Industry having regards to the history of Shakti Press Limited.

4. Share Transfer and Investors Grievance Committee:

There were no complaints of shareholder pending and company was continuing to abide by the various statutory and financial obligations it was subject to that there was no default in this regard.

5. General Body Meeting

Sr.No.	Dates of Last three AGMs	Place
1.	30 th December, 2010	U -116, MIDC, Hingna, Nagpur - 440 006 (Maharashtra)
2.	24 th December, 2011	
3.	24 th December, 2012	

Resolution through postal ballot

Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the Company is seeking the shareholder's consent to the Ordinary Resolution for Sale / Disposal of Whole or Substantially the Whole Undertaking / Division of a Company as specified under Sub-Clause (a) of Sub-Section (1) of Section 293 of the Companies Act 1956. The Company had appointed Shri Chandraprakash Jha, Practicing Company Secretary as a Scrutinizer for aforesaid resolution. Scrutinizer submitted his result declaration passing of ordinary resolution with requisite majority.

6. Disclosures:

The details of materially significant related party transaction as disclosed in the enclosed financial statements. The transactions with related parties are in accordance with generally accepted business principles, market trends, rational judgments and by cash at prevalent market rates.

Details of non-compliance, penalties etc imposed by the stock exchanges, SEBI etc. on any matter related to capital markets, during the last three years. NIL

7. Means of Communication

- (a) Half yearly report sent to each household : No
- (b) Quarterly Results: Which newspaper normally published in: Indian Express in English and and Loksatta in Marathi.
- (c) Any website, where displayed: **Bseindia.com & Shaktipresslimited.com**
- (d) Whether it also displays official news releases and the presentation to make to institutional investor or to analyst: Indian Express in English and and Loksatta in Marathi.

8. General shareholder Information

Sr. No	Particulars	
1.	AGM : Date, Day & time	30/12/2013; Monday; Time: 10.00. A M
2.	Venue	Plot No. U-116, MIDC Hingana, Nagpur – 440 016
3.	Financial Year	July 2012-June 2013
4.	Book Closure	26 th December, 2013 to 30 th December 2013 (Both days are inclusive).
5.	Dividend Payment	Not Applicable.
6.	Listing (Stock Exchange)	Bombay, Delhi & Madras Stock Exchange.

7.	Stock Code	526841 (BSE).
8.	Market price Data	As below.
9.	Registrar & Transfer Agents	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078 Ph 022 2596 3838,
10.	Outstanding ADR/GDR of	Not Applicable
11.	Plant Locations	U-116, MIDC, Hingna Road, Nagpur, and two units at Mondha, Kanoli Bara Road, Hingana, Nagpur.
12.	Address for Correspondence	Shakti House, Wardha Road, Nagpur – 440 012 (Maharashtra) Ph No 0712 245618, 2423153 Fax No 0712 2438972

MARKET PRICE DATA: BSE QUOTES HAVING NATIONWIDE ONLINE TRADING TERMINALS –

The Equity shares of the Company have been listed during the year on the Bombay Stock Exchange Limited (BSE), Delhi Stock Exchange Assoc. Ltd and Madras Stock Exchange Ltd. However there is no trading of Company's Shares on Delhi Stock Exchange Assoc. Ltd and Madras Stock Exchange Ltd.

Month	Open Price	High Price	Low Price	Close Price
July-12	12.99	14.24	10.48	13.42
August-12	12.75	16.35	12.12	16.35
September-12	17.15	18.75	14.7	15.25
October-12	14.5	15	14.3	14.3
November-12	14.99	16.4	14.25	14.92
December-12	15.66	16.2	15.5	16.2
January-13	15.4	15.4	12.65	12.65
February-13	12.02	12.02	6.59	7.24
March-13	7.6	11.73	6.27	11.73
April-13	12.31	17.82	12.31	17.82
May-13	18.15	22.3	18.15	19.45
June-13	19.1	21.8	18.75	20.65

Share Transfer System:

The Company has appointed the Common Agency, for all share related matters. The Company has Registrar and Transfer Agent (RTA) viz Link Intime India Private Limited, and acting as a Common Agency and has adequate infrastructure to process the share transfer. The Shares of the Company are traded in compulsory Demat mode for all investors.

Distribution of Shareholding:

Shareholding of Shares	Shareholders		Shares		
	Numbers	% of total nos.	Numbers	Amount	% of total capital
Upto 500	1992	89.25	273909	2739090	7.78
501 to 1000	74	3.32	64241	642410	1.82
1001 to 2000	55	2.46	88388	883880	2.51
2001 to 3000	43	1.93	107534	1075340	3.05
3001 to 4000	6	0.27	21209	212090	0.60
4001 to 5000	8	0.36	39049	390490	1.11
5001 to 10000	17	0.76	140553	1405530	3.99
10001 & Above	37	1.66	2785317	27853170	79.12
Total	2232	100.00	3520200	35202000	100.00

Dematerialisation of Shares: (NSDL & CDSL)

The Company's scrip is under electronic – Demat mode and having connectivity with both the Depositories viz: National Security Depository Services Limited (NSDL) and Central Depository Services India Limited (CDSL) through Registrar and Transfer Agent (RTA) Link Intime India Private Limited, who is acting as a Common Agency. Total 28,01,419 Equity Shares have been dematerialised as on 30th June 2013 representing of the total issued (listed) 35,20,200 Equity Shares and Unlisted 3,00,000 Non-Cumulative Preference Shares of the Company. The International Securities Identification Number (ISIN) of the Company is INE 794C01016.

Further Shareholders having physical holdings hereby requested from the Company to dematerialise their holdings for convenience of the company's share transactions.

Certificate on Compliance of Corporate Governance

I have examined the compliance of conditions of Corporate Governance by Shakti Press Limited, for the year ended 30th June, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial Statements of the Company.

In my opinion and to the best of our information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

I further state that in respect of investor grievances received during the year ended 30th June, 2013 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

Place: Nagpur
Date: 15.10.2012

Sd/-
Kaustubh O Moghe
Practicing Company Secretaries
ACS 31541 & C.P. No. 12486

L.B.HAJARE & Co
CHARTERED ACCOUNTANTS
SITABULDI, NAGPUR- 440012.

AUDITORS' REPORT

To The Members of
SHAKTI PRESS LIMITED
NAGPUR.

Report on the Financial Statements

We have audited the accompanying financial statements of **Shakti Press Limited** which comprise the Balance Sheet as at 30th June, 2013, statement of Profit and Loss Account and the Cash Flow Statement of the Company for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for preparation of these financial statement that gives a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standard referred to in sub section (3c) of section 211 of the Companies Act 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statement that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility to express an opinion these financial statements based on our audit. We have conducted our audit in accordance with the standard on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involve performing procedure to obtain audit evidence about the amount and disclosure in the financial statements. The procedure selected depend on the Auditor's judgments, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment the auditor consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audid procedure that are appropriate in the circumstance. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the managements as well as evaluation the overall presentation of the financial statement

1. We believe that our audit provides a reasonable basis for our opinion, and report that:

- a) *As told by management 3,44,00,000/- worth of debtors are more than five years old and considered unrecoverable , but no provision of bad debts has been passed in the books.*
- b) *The details of quantitative inventory not being fully maintained, more particularly in terms of raw material consumption, work in progress and finished goods output, it is not possible for us to ascertain the exact valuation hence we are relying on the valuation of the inventory provided by the management.*

- c) *The bank credit facilities availed from SBI have become NPA (Non performing Asset) as per RBI Guidelines (Prudential Norms) and consequently the said bank has stopped charging interest from 01.07.08. As a result the company has provided for interest on estimation basis w.e.f. 01.07.08 on its credit facilities with SBI.*
- d) *The balance of SBI CC A/c appearing in the books of accounts of the company are not in accordance with the bank statements provided to us and are subject to reconciliation in process.*
- e) *The TDS is payable by the Company amounting to Rs.16,05,050/- ever since 2008-09 but no proper explanation is received and no requisite effective steps taken by the management.*
- f) *The management has passed the wrong entry in the year 2008-09 of Excise Receivable worth Rs. 41,47,368.61/- and Interest Receivable worth Rs.38,08,282.98/- in the year 2007-08 but they have not taken any corrective steps to rectify these entries till date.*
- g) *The company has not amortised Brand over its useful life, it seems that they have not been following the provisions of AS-26. The quantum of such amortization should be Rs. 2,05,00,000/- as on 30.6.2013.*
- h) *The Company has paid retention money deposit of worth Rs.2,11,090.70/- and earnest money deposit of worth Rs.2,93.472/- ever since 2009-10 and earlier years but the individual party wise break-up is not available with the management. Hence, the recovery is doubtful.*
- i) *The management has not been recognizing deferred tax asset/liability it seems that provisions of AS-22 has not been followed.*
- j) *Impairment is not recognized to the extent that the recoverable amount of assets is less than its carrying amount and is charged to profit & loss a/c as prescribed in AS 28*

Opinion

In our opinion and to the best of our information and according to the explanations given to us, they said financial statements together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view subject to and to the extent as pointed in the Annexure to this report and Note 1(j) of Schedule 15 to Notes to Accounts and Para 2 above forming a part of Auditors Report, in conformity with the accounting principles generally accepted in India.

- a) in the case of Balance Sheet, of the state of affairs of the Company as at 30th June, 2013.
- b) in the case of Profit and Loss Account, of the loss of the Company for the year ended on that date.

Report on other legal and regulatory Requirement

1. As required by the Companies (Auditor's Report) order 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, we give in the annexure a statement on matter specified in paragraphs 4 and 5 of others.
2. As required by section 227 of Act, we report that:
 - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appear from our examination of those books
 - c) The Balance Sheet and Statement of Profit & Loss, dealt with by this Report are in agreement with the books of account.
 - d) In our opinion , the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standard referred to in section (3c) of section 211 of the Companies Act 1956;
 - e) On basis of written representation received from the Directors s on 30th June 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 30th June 2013, from being appointed as Directors in terms of clause (g) of sub section(1) of section (274) of the Companies Act 1956.
 - f) Since the Central Government has not issued any notification as to rate at which the cess is to be paid under section 441 of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For L. B. HAJARE & CO.
CHARTERED ACCOUNTANTS**

**Place: Nagpur
Date: 29th August 2013**

**L.B. HAJARE
(PROPRIETOR)
M.N.39940**

ANNEXURE TO AUDITOR'S REPORT
Re: SHAKTI PRESS LIMITED

(Referred to in Paragraph No.3 of the Auditor's Report of even date)

- (i) a) In our opinion and according to the information and explanation given to us. Company is maintaining proper record showing full particulars including quantitative details and situation of fixed Assets.
- b) Fixed assets have been physically verified by the management at reasonable intervals any material discrepancies noticed have been properly dealt with.
- c) In our opinion and according to the information and explanation given to us no substantial part of fixed assets has been disposed off during the year.
- (ii) a) In our opinion and according to the information and explanation given to us physical verification of inventory has been conducted at reasonable intervals by the management
- b) In our opinion and according to the information and explanation given to us procedure of physical verification followed by the management is reasonable and adequate in relation to size of the company and the nature of its business.
- c) On inspection of the records maintained we are of the opinion that the records in respect of inventory (Raw Material), Work in Progress and Finished Goods are not maintained fully in accordance with the normally accepted practices. We are relying on value of closing stocks as certified and provided by the management.
- (iii) (a) The Company had taken loan from other Companies covered in register maintained under section 301 of the Companies Act, 1956. Such register has not maintained by management.
- (b) The Company has not given loan to other Companies / firms or other parties listed in the register maintained under section 301 of the companies Act, 1956.
- (c) In our opinion and according to the information and explanations given to us, internal control procedures are inadequate commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets, sale of goods, debtor, creditors and cash. Further there is no adequate theft / loss insurance cover for this high cash balance. Further still the balances of outstanding Debtors and Creditors are unconfirmed but only 3,44,00,000/- considered good by the management. During the course of our audit, except for our remarks on cash balance and Debtors and Creditors, high level of inventory as above, we have observed continuing failure to correct major weaknesses in the internal controls.

- (iv) (a) According to the information and explanations given to us, we are of the opinion that all the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion, transactions exceeding the value of Rs 5 Lacs have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of Section 58 A and 58 AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under in respect of deposits. As per the information and explanations given to us no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this respect.
- (vi) The Central Government has prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any products of the company. Accordingly the Company has appointed Cost Auditor, However no cost Audit Report has been received, till date of Audit.
- (vii) (a) Except on few occasions the Company is generally irregular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 30.06.2013 for a period of more than six months from the date they became payable. Except for those items referred to Notes to Accounts in Schedule 15 Item No. 2(2). In respect of Sales tax, the company has not availed Sales Tax Exemption under 1993, Package scheme of Incentives of issued by the government of Maharashtra State vide its sanctioned letter COE No.440012/S/914/E-3/LM/1823 & 1824 dated 24/10/2008.
(c) According to the information and explanation given to us, there is no disputed amount payable in respect of statutory dues.
- (viii) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to a financial institution, bank and its account with SBI has classified as NPA.
- (ix) We are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (x) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xi) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

- (xii) In our opinion, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xiii) Based on information and explanation given to us by the Management, in our opinion, the Term Loans have been applied for the purpose for which they were raised.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xv) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures.
- (xvi) There was no public issue during the year, but increase in capital by way of Share Application money against private placement of equity shares to Lenders and Creditors.
- (xvii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For L.B. HAJARE & CO.,
CHARTERED ACCOUNTANTS,**

**Place : Nagpur
Date :29/08/2013**

**L.B. HAJARE
(PROPRIETOR)
M.No. 039940**

L.B.HAJARE & CO.
CHARTERED ACCOUNTANTS
SITABULDI,NAGPUR-440 012

M/S. SHAKTI PRESS LTD., NAGPUR
BALANCE SHEET AS ON 30 th JUNE, 2013

<u>PARTICULARS</u>	<u>Note</u>	<u>As at 30th June,</u>	<u>As at 30th June,</u>
	<u>No.</u>	<u>2013</u>	<u>2012</u>
		Rupees	Rupees
<u>EQUITY AND LIABILITIES</u>			
I <u>Share Holders Funds</u>			
(a) Share Capital	1	74,851,000.00	65,202,000.00
(b) Reserves & Surplus	2	82,183,897.96	121,564,089.26
II <u>Non-Current Liabilities</u>			
(a) Long Term Borrowings	3	106,109,696.24	108,062,979.24
III <u>Current Liabilities</u>			
(a) Short Term Borrowings	4	114,082,641.18	136,103,919.85
(c) Trade Payables	5	35,123,489.31	29,850,933.02
(d) Other Current Liabilities	6	97,752,639.16	87,010,502.06
(e) Short Term Provisions	7	925,961.00	1,317,547.00
		511,029,324.85	549,111,970.43
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
(a) Fixed Assets	8	301,095,992.27	313,018,231.27
(b) Deferred Tax Assets	9	-	-
(c) Non-Current Investments	10	138,225.00	138,225.00
<u>Current Assets</u>			
(a) Inventories	11	33,363,430.00	41,367,830.00
(b) Trade Receivables	12	97,933,432.02	118,629,671.02
(c) Cash and Cash Equivalents	13	5,894,627.18	3,752,329.43
(d) Short Term Loans and Advances	14	72,603,618.38	72,205,683.71
		511,029,324.85	549,111,970.43

AS PER OUR REPORT OF EVEN DATE
FOR L.B.HAJARE & CO.
CHARTERED ACCOUNTANTS

SHAKTI PRESS LIMITED

L.B. HAJARE
(PROPRIETOR)
PLACE: NAGPUR
DATE: 29/08/2013

RAGHAV K. SHARMA KAILASCHAND SHARMA
(MANAGING DIRECTOR) (DIRECTOR)

L.B.HAJARE & CO.
CHARTERED ACCOUNTANTS
SITABULDI,NAGPUR-440 012

M/S. SHAKTI PRESS LTD., NAGPUR
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30TH JUNE,2013

<u>PARTICULARS</u>	<u>Note</u>	<u>As at 30th June,</u>	<u>As at 30th June,</u>
	<u>No.</u>	<u>2013</u>	<u>2012</u>
<u>REVENUE FROM OPERATIONS</u>		Rupees	Rupees
Sales	14	118,950,867.13	128,877,961.00
Other Income	15	2,305,837.65	1,325,744.74
		TOTAL	
		REVENUE	
		121,256,704.78	130,203,705.74
 <u>EXPENSES</u>			
Cost of Material Consumed	16	102,355,278.81	82,861,195.42
Change in Inventories	17	8,004,400.00	(216,230.00)
Employee Benefits Expenses	18	3,313,239.00	2,655,113.00
Financial Cost	19	4,972,537.33	15,317,584.66
Other Expenses	20	28,977,957.94	24,009,298.14
Depreciation	08	13,013,483.00	12,984,802.00
		TOTAL	
		EXPENSES	
		160,636,896.08	137,611,763.22
 Profit before Tax		(39,380,191.30)	(7,408,057.48)
 Profit Transfer to Balance Sheet		(39,380,191.30)	(7,408,057.48)

AS PER OUR REPORT OF EVEN
DATE
FOR L.B.HAJARE & CO.
CHARTERED ACCOUNTANTS

SHAKTI PRESS LIMITED

L.B. HAJARE
(PROPRIETOR)

RAGHAV K. SHARMA
(MANAGING DIRECTOR)

KAILASCHAND SHARMA
(DIRECTOR)

PLACE : NAGPUR
DATE : 29/08/2013

L.B.HAJARE & CO.
CHARTERED ACCOUNTANTS
SITABULDI,NAGPUR-440 012

M/S. SHAKTI PRESS LTD., NAGPUR
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE,2013

PARTICULARS	Note No.	As at 30th June, 2013		As at 30th June, 2012	
		No. of Shares	Rupees	No. of Shares	Rupees
SHARE CAPITAL					
<u>Share Capital</u>					
A	Authorised Share Capital				
1	Equity Shares of Rs.10/-each	8,000,000	80,000,000.00	8,000,000	80,000,000.00
2	Preference Shares of Rs.100/-each	300,000	30,000,000.00	300,000	30,000,000.00
		8,300,000	110,000,000.00	8,300,000	110,000,000.00
B	Issued Subscribed & Fully Paid up :-				
1	3520200 Equity Shares of 10/- Fully paid up	3,520,200	35,202,000.00	3,520,200	35,202,000.00
	300000 Non Cumulative Redeemable Preference				
2	Share 8% 100/-	300,000	30,000,000.00	300,000	30,000,000.00
3	Share Application Money	-	9,649,000.00	-	-
		3,820,200	74,851,000.00	3,820,200	65,202,000.00

Details of Shareholders Holding More

C	Name of Shareholder	As at 30 June,2013		As at 30 June,2012	
		No of Shares Held	% of Holding	No of Shares Held	% of Holding
1	Raghav K.Sharma	426,467.00	12.11	426,467.00	12.11
2	Sureshkumar Sharma	279,300.00	7.93	236,200.00	6.71
3	Deepak S. Dhote	287,788.00	8.18	287,788.00	8.18
4	Shakti Offset Pvt Ltd	563,775.00	16.02	575,545.00	16.35
		1,557,330.00	44.24	1,526,000.00	43.35

L.B.HAJARE & CO.
CHARTERED ACCOUNTANTS
SITABULDI,NAGPUR-440 012

M/S. SHAKTI PRESS LTD., NAGPUR
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE,2013

<u>PARTICULARS</u>	<u>Note</u>	<u>As at 30th June,</u>	<u>As at 30th June,</u>
	<u>No.</u>	<u>2013</u>	<u>2012</u>
		Rupees	Rupees
A <u>RESERVES & SURPLUS</u>	02		
1 General Reserve		61,772,000.00	61,772,000.00
2 Special Capital Incentive from SICOM Ltd.		2,900,000.00	2,900,000.00
3 Revaluation Reserve		174,998,576.71	174,998,576.71
		239,670,576.71	239,670,576.71
B Balance in Statement of Profit & Loss:-			
Opening Balance		(118,106,487.45)	(110,698,429.97)
Add:- Profit & Loss for the Year		(39,380,191.30)	(7,408,057.48)
Closing Balance		(157,486,678.75)	(118,106,487.45)
Total		82,183,897.96	121,564,089.26
<u>LONG TERM BORROWINGS</u>	03		
(a) Term Loan (Rupee) A/c.		69,695,842.19	69,695,842.19
(b) Term Loan (FCNR) A/c.		(8,060,469.00)	(8,060,469.00)
(c) SBI Cash Credit A/c.		27,543,719.05	29,544,002.05
(d) SBI WCTL		9,575,881.00	9,575,881.00
(e) SBI FITL		7,307,723.00	7,307,723.00
(g) Future Capital Holding Ltd, Nagpur		16,500.00	-
(h) Bajaj Finance Ltd, Nagpur		30,500.00	-
Total		106,109,696.24	108,062,979.24
<u>SHORT TERM BORROWINGS</u>	04		
1 Aditi Multi Commodities Pvt Ltd,Mumbai		12,900,000.00	12,900,000.00
2 Albeli Leasing & Finance Pvt Ltd		61,154.00	55,645.00
3 Amtik International Ltd, Mumbai		6,400,000.00	6,400,000.00
4 Anand Bagaria (HUF),Nagpur		250,000.00	250,000.00
5 Balvinderkaur Khanduja, Nagpur		-	300,000.00
6 Centurian HDFC Bank O/D A/c 095		4,724,566.18	5,109,179.45
7 Centurian HDFC Bank O/D A/c 113		4,267,735.11	4,613,263.14
8 Centurian HDFC Bank O/D A/c 130		1,754,174.89	1,871,822.26
9 Deepak S. Dhote		-	413,000.00
10 Dinkar Dattatraya Ingle, Nagpur		200,000.00	-
11 Haldiram Foods International Ltd, Nagpur		1,500,000.00	1,500,000.00
12 Jitendra Madan, Nagpur		50,000.00	-
13 Kalpana Sharma,Nagpur		933,417.00	849,333.00
14 Madhusudhan Sundardas Mehta, Nagpur		-	100,000.00
15 Mahalaxmi Commercial Services Pvt Ltd		3,516,198.00	3,199,452.00

Nagpur			
16	Markdat Advertising Pvt Ltd Nagpur	1,140,369.00	1,037,642.00
17	Monica Bhagwaghar, Nagpur	100,000.00	-
18	Mukesh Deodutta Gupta, Nagpur	-	3,600,000.00
19	New Mount Trading & Investment Ltd	2,500,000.00	8,500,000.00
20	Nidhi Commodities Pvt Ltd, Mumbai	7,100,000.00	7,100,000.00
21	Nova Marketing Pvt Ltd, Nagpur	9,366,268.00	6,097,811.00
22	Prasidh Commercial Services Pvt Ltd, Nagpur	9,444,427.00	6,168,929.00
23	Raghav K. Sharma	-	914,000.00
24	Ramdulari Agrawal, Nagpur	100,000.00	-
25	Rukshad N. Bhagwaghar, Nagpur	100,000.00	-
26	Ravikant Mahadeoprashad Shukla, Nagpur	50,000.00	50,000.00
27	Salasar Multi Commodity Pvt Ltd, Mumbai	4,400,000.00	4,400,000.00
28	Sarsan Securities Pvt Ltd, Mumbai	7,000,000.00	7,000,000.00
29	Sau. Jaishree Omprakash Tiwari, Nagpur	100,000.00	-
30	Shailja Raghav Sharma	-	375,000.00
31	Shailja Sharma, Nagpur	-	1,137,091.00
32	Shakti Offset Pvt Ltd	-	945,000.00
33	Shakti Offset Works	-	2,560,000.00
34	Shantanu R. Sharma, Nagpur	299,757.00	1,230,000.00
35	Shashant Consultant, Mumbai	1,000,000.00	1,000,000.00
36	Shonavi Creations, Nagpur	3,175,000.00	3,175,000.00
37	Shri Guru Ramdas Oil Mill, Nagpur	200,000.00	200,000.00
38	Siddhayu Aurvedic Reserch Pvt Ltd, Nagpur Smt. Pannakumari Navalchand Pugliya, Nagpur	137,571.00 50,000.00	150,580.00 50,000.00
39			
40	Sri Krisna Cardboard Pvt Ltd	-	4,900,000.00
41	Suman Sales & Services Pvt Ltd, Mumbai	9,700,000.00	9,700,000.00
42	Sundaram Multi Pap Ltd, Mumbai	-	5,200,000.00
43	Super Offset Pvt Ltd	-	965,000.00
44	Sureshkumar Sharma, Nagpur	868,753.00	790,494.00
45	T.B. Musle, Nagpur	100,000.00	-
46	Tarabai S. Rathi, Nagpur	-	100,000.00
47	Update Marketing Pvt Ltd, Nagpur	7,688,251.00	6,995,678.00
48	Vidhi Sales Pvt Ltd, Mumbai	6,200,000.00	6,200,000.00
49	Vinson Industries Pvt Ltd. Visakhapatanam	6,705,000.00	8,000,000.00
		114,082,641.18	136,103,919.85
	TRADE PAYABLE	05	
1	Sundry Creditors (Annexure Attached)	34,973,489.31	29,700,933.02
2	Auditors Remuneration	150,000.00	150,000.00
		35,123,489.31	29,850,933.02
	OTHER CURRENT LIABILITIES	06	
	Arvind Sahakari Bank Ltd, Nagpur C/A No.		
1	21/265	770,608.77	-
2	Bank Interest Payable	52,184,845.00	52,184,845.00
3	Other Credit Balance	29,909,842.89	19,843,304.89
4	SBI Unrealised Interest (Rupee Term Loan)	13,282,292.00	13,282,292.00
5	State Bank of India C/A No. 30087879417	-	89,640.67
6	TDS Payable	1,605,050.50	1,610,419.50

		97,752,639.16	87,010,502.06
	<u>SHORT TERM PROVISIONS</u>		
	07		
1	ESIC A/c Contractor Payable	3,093.00	4,884.00
2	ESIC A/c Payable	9,078.00	20,031.00
3	Excise Duty Payable	221,549.00	111,997.00
4	Grampanchayat Tax Payable	20,500.00	20,500.00
5	Labour Welfare Fund Payable	192.00	318.00
6	Power & Electricity Payable	387,322.00	785,900.00
7	Professional Tax Payable	3,025.00	3,000.00
8	Providend Fund Payable	35,636.00	150,289.00
9	Remuneration to Director Payable	92,500.00	54,500.00
10	Salary Payable	15,926.00	13,767.00
11	Tahsildar Hingna (N.A.Tax Mondha)	68,040.00	68,040.00
12	Wages Payable	66,298.00	78,447.00
13	Water Charges Payable	2,802.00	5,874.00
		925,961.00	1,317,547.00
	<u>DEFERRED TAX ASSETS</u>		
	09		
	Opening Balance		-
	Add :- Deferred Tax for the Year		-
	<u>NON-CURRENT INVESTMENTS</u>		
	10		
	Long Term Investments (At Cost, Fully Paid Up)		
	Other Than Trade (Unquoted)		
	(a) Investment in Equity Instruments		
	Shares of Berar Housing Finance Ltd.(2000		
1	Shares)	24,000.00	24,000.00
2	Shares of Samta Sahakari Bank Ltd.(50 Shares)	5,000.00	5,000.00
3	Shares of Enbee Plantations Ltd.	5,000.00	5,000.00
4	Shares of Kedia Distillers Ltd.(500 Shares)	85,125.00	85,125.00
5	Shares of Madhya Desh Paper Ltd.	16,100.00	16,100.00
	(b) Aggregate amount of unquoted investments		
1	National Savings Certificate	3,000.00	3,000.00
		138,225.00	138,225.00
	<u>INVENTORIES</u>		
	11		
A	RAW MATERIAL		
1	Binding Cloth & Thread	14,210.50	82,767.62
2	Chemicals	-	79,738.00
3	Gums & Adhesives	425,185.00	148,316.40
4	Oils & Lubricants	75,839.00	201,394.00
5	Other Consumables	541,521.34	307,990.46
6	Packing Material	80,592.24	213,779.02
7	Paper	12,896,603.40	14,337,487.57
8	Pigments & Ink Chemicals	732,586.08	1,070,830.00
9	Process Material	150,458.49	153,856.00
		14,916,996.05	16,596,159.07
B	FINISHED GOODS	972,580.00	327,500.00
C	WORK-IN-PROCESS	17,473,853.95	24,444,170.93
		33,363,430.00	41,367,830.00

<u>TRADE RECEIVABLE</u>	12		
Overdue for a Period Exceeding Six Months (Annexure Attached)		97,933,432.02	118,629,671.02
Other Receivables			
		97,933,432.02	118,629,671.02
<u>CASH & BANK BALANCES</u>	13		
1 Bank of Maharashtra C/A No. 600106399		10,088.00	2,170.00
2 Cash in Hand (Factory)		5,872,503.20	3,553,468.20
3 IDBI Bank C/A A/c 51012010000922		-	196,691.23
4 State Bank of India C/A No. 30087879417		12,035.98	-
		5,894,627.18	3,752,329.43
<u>SHORT TERM LOANS & ADVANCES</u>	14		
1 Advance to Director		567,824.00	567,824.00
2 Advances to Parties		51,964,088.52	52,627,607.92
3 E.C.G.C Pre-Paid Insurance		2,735.00	2,735.00
4 Earnest Money (GCOMMFL, Anand)		20,000.00	10,000.00
5 Earnest Money (M.S.Bureau, Pune)		50,000.00	50,000.00
6 Earnest Money Deposit		293,472.00	293,472.00
7 Excise (50%Capital)		16,303.00	8,525.00
8 Excise (Capital)		4,491.00	10,300.00
9 Excise (Personal Ledger A/c)		46,790.00	-
10 Excise Duty		4,147,368.61	4,147,368.61
11 Excise Duty FDR (IDBI Bank Ltd)Sitabuldi Branch		425,935.00	1,012,553.00
12 Nagpur		-	376,192.00
13 FDR of Margin Money with Bank SBI A/c		6,173,748.00	5,676,601.00
14 Interest Receivable		3,808,282.98	3,808,282.98
15 Margin Money FDR SBI (LIC of India)		68,250.00	68,250.00
16 Margin Money FDR SBI (LIC of India)		45,500.00	45,500.00
17 MSEB,Nagpur		458,000.24	405,094.24
18 Retention Money Deposit		211,090.70	211,090.70
19 Sales Tax Paid against Appeals		938,016.00	849,410.00
20 Security Deposit (GCOMMFL,Anand)		80,000.00	80,000.00
21 Security Deposit (MSEB Mondha II)		117,800.00	117,800.00
22 Security Deposit (MSEB Mondha Project)		120,997.00	120,997.00
23 Security Deposit (MSSC LTD Akola)		141,496.71	141,496.71
24 Security Deposit (Water Department)		13,326.00	13,326.00
25 Security Deposit A/c		13,024.00	13,024.00
26 Service Tax		73,737.00	130,520.16
27 Staff Advance		1,065,706.35	555,676.35
28 TDR SBI A/c (MPCB, Nagpur)		25,000.00	25,000.00
29 TDS A/c IT		1,027,564.13	302,648.13
30 TDS A/c WC		264,642.49	264,642.49
31 VAT Receivable		418,429.65	269,746.42
		72,603,618.38	72,205,683.71

L.B.HAJARE & CO.
CHARTERED ACCOUNTANTS
SITABULDI,NAGPUR-440 012

M/S. SHAKTI PRESS LTD., NAGPUR
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE, 2013

<u>S.NO.</u>	<u>PARTICULARS</u>	<u>Note No.</u>	<u>As at 30th June, 2013</u> Rupees	<u>As at 30th June, 2012</u> Rupees
	<u>SALES</u>	<u>14</u>		
	<u>Sales & Job Work Receipts :-</u>			
i)	Gross Sales		129,876,663.13	137,644,597.00
	a. Domestic	129,876,663.13		
	b. Export	0.00		
ii)	Job Work Receipts		55,002.00	
	Packing & Forwarding Charges			
iii)	Recovered		545,600.00	357,420.00
			130,477,265.13	138,002,017.00
	Less :- Excise duty		8,499,894.00	6,387,131.00
	Less :- VAT+CST		3,026,504.00	2,736,925.00
			11,526,398.00	9,124,056.00
	Net Sale		118,950,867.13	128,877,961.00
	<u>OTHER INCOME</u>	<u>15</u>		
	<u>Other Income</u>			
i)	Dividend Received		4,200.00	4,200.00
ii)	Remission		-	-
iii)	Other Income		2,301,637.65	1,321,544.74
			2,305,837.65	1,325,744.74
	TOTAL INCOME		121,256,704.78	130,203,705.74
	<u>COST OF MATERIAL CONSUMED</u>	<u>16</u>		
	<u>Add. Purchases of :</u>			
1	Book Binding Cloth & Thread		-	33,196.00
2	Calender Tin Patti		379,658.50	304,270.62
3	Gum & Adhesives		2,144,312.00	2,112,260.40
4	Ink		-	211,162.00
5	Light Diesel Oil		922,167.80	1,051,920.00
6	M/c Cleaning Material		116,815.00	232,800.00
7	Offset Plates & Chemicals		2,441,016.75	2,098,939.83
8	Oils & Lubricants		683,305.48	1,032,535.00
9	Packing Material		3,973,559.45	1,063,675.02
10	Paper		96,596,621.06	76,965,127.67
11	Pigments & Ink Chemicals		3,971,591.13	3,117,212.30
12	Process Material		556,000.97	2,419,833.00
			111,785,048.14	90,642,931.84
	Less: Excise & VAT		9,429,769.33	7,781,736.42

		102,355,278.81	82,861,195.42
<u>CHANGES IN INVENTORIES</u>	<u>17</u>		
Opening Stock			
Raw Material		16,596,159.07	20,620,080.00
Finished Goods		327,500.00	765,780.00
Work-in-Progress		24,444,170.93	19,765,740.00
		41,367,830.00	41,151,600.00
Less:- Closing Stock			
Raw Material		14,916,996.05	16,596,159.07
Finished Goods		972,580.00	327,500.00
Work-in-Progress		17,473,853.95	24,444,170.93
		33,363,430.00	41,367,830.00
		8,004,400.00	(216,230.00)
<u>EMPLOYEE BENEFIT EXPENSES</u>	<u>18</u>		
1 Contribution to ESI		270,266.00	153,765.00
2 Contribution to Labour Welfare Fund		4,998.00	2,172.00
3 Contribution to PF		244,224.00	252,841.00
4 Wages to Workers		1,707,184.00	1,730,990.00
5 Workers Welfare Expenses		1,086,567.00	515,345.00
	TOTAL RS.	3,313,239.00	2,655,113.00
<u>FINANCIAL COSTS</u>	<u>19</u>		
Interest to Bank		1,152,549.33	11,683,282.66
Interest to Unsecured		3,819,988.00	3,634,302.00
		4,972,537.33	15,317,584.66
<u>OTHER EXPENSES</u>	<u>20</u>		
1 Accounting Charges & Supervision Charges		208,500.00	212,500.00
2 Advertisement Charges		332,785.00	108,513.00
3 Audit Fees		150,000.00	166,667.00
4 Bank Commission & Charges		801,141.50	552,726.00
5 Carriage Inward		2,234,345.00	1,189,115.00
6 Carriage Outward		1,546,073.28	1,301,312.50
7 Commission & Brokerage		44,948.00	16,068.00
8 Computer Expenses		101,924.00	56,968.00
9 Consultancy Charges		470,230.00	450,871.00
10 Conveyance Charges		1,335,148.00	1,001,968.87
11 Diwali Gift		20,900.00	53,409.00
12 Excise Duty		-	240,900.00
13 Export Expenses		-	354,387.00
14 Factory Expenses		2,495,664.00	2,397,083.00
15 Filing Fees		73,328.00	34,939.00
16 Import Expenses		(3,673.00)	420,745.00
17 Income Tax (Wealth Tax)		35,609.00	-
18 Inspection Fees		-	21,200.00
19 Insurance Expenses		208,645.00	276,916.50
20 Legal Expenses		281,460.00	349,325.00
21 Licence Fees		21,000.00	8,000.00

22	LBT Expenses	11,545.00	-
23	Listing Fees	27,000.00	30,336.00
24	Membership Subscription	51,394.00	109,351.25
25	Newspaper & Periodicals	5,523.00	5,618.00
26	Octroi Expenses	81,816.00	177,231.00
27	Office Expenses	545,314.00	394,774.00
28	Outside Job Charges	1,379,778.00	1,176,389.00
29	Pooja & Functions Expenses	101,936.00	162,453.00
30	Postage & Telegrams	77,870.12	115,277.17
31	Power & Electricity Charges	4,861,392.00	4,519,639.74
32	Preliminary Exp. W/o	-	78,860.13
33	Printing & Stationery	214,972.30	63,098.03
34	Process Expenses	409,484.00	372,649.00
35	Professional Charges	245,873.00	317,886.75
36	Professional Tax Co.	5,000.00	2,500.00
	Reimbursement of Medical		
37	Exp.(Directors)	98,524.00	73,606.00
38	Remission a/c	92,334.80	83,123.03
39	Remuneration to Directors	654,000.00	654,000.00
40	Rent Rates & Taxes	243,829.00	119,850.00
41	Repairs & Maintenance to Elect.Installations	104,114.00	53,205.00
	Repairs & Maintenance to Factory		
42	Bldg.	211,145.00	105,639.00
43	Repairs & Maintenance to Generator	26,850.00	8,190.00
44	Repairs & Maintenance to Machinaries	327,750.00	431,952.48
45	Repairs & Maintenance to Office Equipment	18,000.00	6,850.00
	Repairs & Maintenance to		
46	Vehicles	1,070,368.00	538,446.00
47	Retainership Charges	1,006,140.00	427,499.00
48	Salaries to Office Staff	423,314.00	391,101.00
49	Sales Promotion Expenses	893,189.00	621,608.68
50	Sales Tax Expenses	673,876.00	19,376.00
	Secreterial Department		
51	Expenses	14,261.00	12,429.00
52	Security Service Charges	989,710.00	566,227.00
53	Service Tax	5,662.00	22,644.00
54	Stores & consumable	2,583,509.94	2,452,629.32
55	Telephone Expenses	289,172.00	250,720.00
56	Tender Fees	1,500.00	4,000.00
57	Travelling Expenses	822,220.00	389,149.69
58	Water Charges	51,564.00	37,376.00
	TOTAL RS.	28,977,957.94	24,009,298.14

SHAKTI PRESS LIMITED, NAGPUR.
STATEMENT OF DEPRECIATION FOR THE YEAR ENDED ON 30TH JUNE, 2013

NOTE No. 8

Sr. No	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK AS ON 30.06.2013		
		Gross Block As on 01.07.2012	Additions during the year	Disposals	Gross Block As on 30.06.2013	Gross Block as per Revaluation	Upto Last Year		For the Year	TOTAL
I	<u>LAND</u>									
a)	MIDC LAND LEASEHOLD	6,544,800.00	-	-	6,544,800.00	6,544,800.00	-	-	-	6,544,800.00
b)	MONDHA	131,162,000.00	-	-	131,162,000.00	131,162,000.00	-	-	-	131,162,000.00
II	<u>FACTORY BUILDINGS</u>									
a)	MIDC	13,406,818.67	-	-	13,406,818.67	19,733,337.00	6,326,518.33	426,801.00	6,753,319.33	12,980,017.67
b)	MONDHA	37,372,386.89	-	-	37,372,386.89	53,129,239.00	15,756,852.11	1,836,576.00	17,593,428.11	35,535,810.89
III	<u>ELECTRICAL INSTALLATION</u>									
a)	MIDC	424,056.14	-	-	424,056.14	2,676,580.25	2,252,524.11	172,074.00	2,424,598.11	251,982.14
b)	MONDHA	2,573,790.50	-	-	2,573,790.50	4,000,000.00	1,426,209.50	147,014.00	1,573,223.50	2,426,776.50
IV	<u>MACHINERIES</u> (INCLUDING OFFICE EQUIP.)	79,046,051.31	954,244.00	3,000.00	79,997,295.31	198,268,145.64	118,270,850.33	9,675,400.00	127,946,250.33	70,321,895.31
V	<u>FURNITURE & FIXTURES</u>	1,052,384.96	-	-	1,052,384.96	2,187,413.75	1,135,028.79	138,463.00	1,273,491.79	913,921.96

SHAKTI PRESS LIMITED
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VI	<u>VEHICLES</u>	935,942.80	140,000.00	-	1,075,942.80	6,496,360.00	5,420,417.20	617,155.00	6,037,572.20	458,787.80
VII	<u>BRANDS</u>	40,500,000.00	-	-	40,500,000.00	40,500,000.00	-	-	-	40,500,000.00
	TOTAL	313,018,231.27	1,094,244.00	3,000.00	314,109,475.27	464,697,875.64	150,588,400.37	13,013,483.00	163,601,883.37	301,095,992.27
	<i>Previous Year</i>	<i>338,500,068.92</i>	<i>203,786.00</i>	<i>108,699.33</i>	<i>338,595,155.59</i>	<i>463,220,682.25</i>	<i>124,625,526.66</i>	<i>12,978,071.71</i>	<i>137,603,598.37</i>	<i>325,617,083.88</i>

Shakti Press Ltd. Nagpur

Cash Flow Statement as per AS - 3 For the year ending 30.06.2013

Particulars	Amount	Amount	Amount	Amount
	F.Y. 2012-13	F.Y. 2011-12	F.Y. 2011-12	F.Y. 2011-12
	Rupees	Rupees	Rupees	Rupees
<u>A. Cash Flow from Operating</u>				
<u>Activities</u>				
Net Profit / (Loss) Before Tax (Excluding extra ordinary items)	(39,380,191.30)		(7,408,057.48)	
Adjustment for Non Cash Items:				
Add:				
Depreciation for the year	13,013,483.00		12,984,802.00	
Pre. Expenses W/off	-		78,860.13	
Loss on Sale of Investment/ Fixed Assets			-	
Fringe Benefit Tax	-		-	
Interest Expense	4,972,537.33		15,317,584.66	
Provision for Expenses	-		-	
Less:				
Gain on sale of investement/Fixed Assets	-		-	
Interest Income/ Other Income	4200.00		4,200.00	
Operating Profit before working capital changes				
Add:				
Decrease in Accounts receivable	20,696,239.00		-	
Decrease in Inventories	8,004,400.00		-	
Decrease in Deposits	-		-	
Increase in accrued Liability	10,742,137.10		10,205,652.14	
Increase in accounts payable	5,272,556.29		977,187.90	
Increase in Provisions	-		-	
Less:				
Increase in Accounts receivable	-		29,956,439.87	
Increase in Inventories	-		216,230.00	
Increase in Deposits	-		-	
Decrease in Long Term Borrowings	1,953,283.00		-	
Increase in Advances	397,934.67		-	
Decrease in accounts payable	-		-	
Decrease in Short Term Borrowings	22,021,278.67		-	
Decrease in Provisions	391,586.00		54,042.39	
Cash Generated from Operating Activities				
Less: Income Tax Paid	-		-	
Net Cash from Operating Activities				
Add: Profit from Extra Ordinary Item	-		-	
Less: Loss from Extra Ordinary Item	-		-	

(a) Total Cash from Operating Activities	(1,447,120.92)	1,925,117.09
<u>B. Cash Flow from Investing Activities</u>		
<u>Activities</u>		
Add:		
Sale of Fixed Assets, Investments	3,000.00	5,000.00
Loans & Advances received Back	-	14,774,831.82
Interest & Dividend received	4,200.00	4,200.00
Less:		
Purchase of Fixed Assets	1,094,244.00	390,949.39
Loans & Advances Given	-	-
(b) Net Cash from investing Activities	(1,087,044.00)	14,393,082.43
<u>C. Cash Flow from Financing Activities</u>		
Add:		
Proceeds from Issuance of Share Capital	9,649,000.00	-
Loans & Advances Taken	-	6,550,369.66
Less:		
Repayment of Pref.Capital/ Debentures/ Loans & Deposits		11,072,000.00
Interest & Dividend Paid	4,972,537.33	15,317,584.66
(c) Net Cash from Financing Activities	4,676,462.67	(19,839,215.00)
Net Increase (+)/ Decrease(-)/ in cash & Cash Equivalent	-	2,142,297.75
Cash & Cash Equivalent at the beginning of the period	3,752,329.43	7,273,344.91
Less:-FDR of Margin Money with SBI (considered in Deposit)	-	3,752,329.43
Cash & Cash Equivalent at the end of the period	5,894,627.18	3,752,329.43

FOR L. B. HAJARE & CO.
CHARTERED ACCOUNTANTS

(L. B. HAJARE)
PROPRIETOR
M. No. 39940
PLACE: NAGPUR
DATE :29/08/2013

RAGHAV K. SHARMA KAILASCHAND SHARMA
(MANAGING DIRECTOR) (DIRECTOR)

Schedule - 15: Notes on Accounts

1. Significant Accounting Policies :-

a) General :-

The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting and are in accordance with Mandatory Accounting Standards.

b) Fixed Assets :-

Fixed assets are stated at cost excluding taxes and excise duty but include freight and other incidental expenses incurred in relation to acquisition and installation of the same. CENVAT credit available under Central Excise Act, 1944 and Custom Act, 1962 if any, are excluded from the value of the fixed assets.

c) Income Tax According to the Accounting standard 22

As there is no taxable profit therefore the provision for Income Tax has not been made.

d) Sales :-

Sales are recognised, net of returns, on despatch of goods to customers and are reflected in the accounts at gross realizable value i.e. inclusive of freight and packing and forwarding charges recovered but exclusive of Excise Duty, Education Cess and Sales Tax / MVAT.

e) Employees Retirement Benefits :-

Company's contribution to Provident Fund is charged to Profit and Loss Account. Provision for gratuity liability and for value of unutilized leave due to employees is not made on the basis of accrual valuation but is accounted for on actual payment basis.

f) Inventories :-

Raw materials, stores, spare parts, loose tools and equipment are valued at cost. Finished products and stock-in-process are valued at lower of cost or market / net realisable value.

g) Miscellaneous / Deferred Revenue / Preliminary Expenses

Preliminary and Share issue expenses are being amortized over a period of ten years.

h) Loans :- Debit balance of ₹80,60,469/- in SBI FCNR Term Loan is in fact excess payment to be adjusted against Rupee Term Loan account of ₹6,96,95,842.19/-. Both accounts are not reconciled as per bank accounts and are pending set-off against each other in view of SBI stand of companies account as per NPA w.e.f. 01.07.08.

i) Listing :-

j) The equity shares companies were relisted w.e.f. 27.02.09.

k) The provision for bank interest payable on SBI Term Loan Rupee A/c has not been made for current year Rs 5,21,84,845/-

2. Contingent liability not provided for in respect of :

	(Rupees'000)	
	30.06.2013	30.06.2012
[1] Bank Guarantees issued against		
a) Bond Issue to Central Excise department for Removal of goods without payment of Excise Duty	-	-
b) Against Machinery Imported under EPCG License, wherein duty has been paid at concessional rates.	18,450.00	18,450.00

c) Maharashtra Pollution Control Board 25.00 25.00

[2]Sales Tax Demands pending in Appeal 6,23,22.35 5,74,46.07

	<u>BST</u>	<u>CST</u>	
A.Y. 1995-96	30,47,187.00	80,44,572.00	
A.Y. 1997-98	3,34,789.00	0.00	
A.Y. 1998-99	13,07,401.00	25,23,838.00	
A.Y. 1999-00	30,60,000.00	38,87,000.00	
A.Y. 2000-01	54,88,000.00	9,25,000.00	
A.Y. 2001-02	37,41,566.00	14,65,000.00	
A.Y. 2002-03	64,47,895.00	30,39,675.00	
A.Y. 2003-04	51,61,611.00	21,74,239.00	
A.Y. 2004-05	38,28,260.00	29,70,000.00	
A.Y. 2008-09	18,98,413.00	29,77,903.00	
	3,43,15,122.00	2,80,07,227.00	6,23,22,349.00

3. Depreciation has been charged on Written Down Value method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

4. Related Party Statement as per accounting standard 18.

(A) Related Party and their relationship

Associates

Shree Baidyanath Ayurved Bhavan Pvt. Ltd., Nagpur
 Shree Baidyanath Ayurved Bhavan Pvt. Ltd., Seoni
 Shree Baidyanath Ayurved Bhavan Pvt. Ltd., Jhansi
 Shakti Offset Pvt. Ltd., Nagpur
 Super Offset Pvt. Ltd., Nagpur
 Shivart, Nagpur
 Shakti Offset Works, Nagpur
 Sankalp Marketing & Management Services, Nagpur
 Siddhayu Ayurvedic Research Foundation Pvt. Ltd., Bahadura
 Siddhayu Ayurvedic Research Foundation Pvt. Ltd., Wadsa
 Siddhayu Ayurvedic Research Foundation Pvt. Ltd., Nagpur
 Albeli Leasing & Finance Pvt. Ltd. Nagpur
 Markdata Advertiseing Pvt. Ltd., Nagpur
 Mahalaxmi Commercial Services Pvt. Ltd., Nagpur
 Nova Marketing Pvt. Ltd, Nagpur

Prasidh Commercial Services Pvt. Ltd., Nagpur
Update Marketing Pvt. Ltd., Nagpur
Shri Suresh Kumar Sharma, Nagpur
Mrs Kalpana Sharma, Nagpur

(B) Transaction with Related Parties (In Rs)

Purchase of Goods	81,43,954.68
Sale Goods	1,35,87,877.00
Amount Paid on their behalf	52,94,238.00
Loan Given	NIL
Loan Taken	NIL
Amount Paid on our behalf	15,79,128.00
Amount Received on our behalf	NIL
Payment received against Bills	2,25,94,482.00
Payment made against Bills	NIL
Interest Paid	28,38,424.00
Interest Received	NIL
Directors Remuneration	6,54,000.00

5. Earning Per Share as per Accounting Standard 20

	(Rupees'000)	
	30.06.2013	30.06.2012
(a) Weighted average number of equity shares of Rs 10/- each.		
i) Number of share at the beginning of the year	3520200	3520200
ii) Number of share at the end of the year	3520200	3520200

Weighted average number of equity shares outstanding during the year

(b) Net Profit/(Loss) after tax available for equity share Holders	NIL	NIL
(c) Basic and diluted earnings per share	NIL	NIL
6. Interest includes: -		
Interest payment on C/C. A/c. (including commission)	NIL	3675.00
Interest payment on Term Loan	NIL	6825.00
Others	NIL	4817.58
TOTAL	NIL	15317.58

7. **Payment to Auditors include: -**

For Audit fees (Statutory)	95.00	95.00
For Tax Audit Fees	30.00	30.00
For Other Matters (Certification & Taxation)	25.00	25.00
TOTAL	150.00	150.00

8. The company deals in only one related segment of business i.e. printing, packaging & stationary with manufacturing facilities at three places. Hence segment wise reporting is not necessary as specified in accounting standard 17

9. Previous year's figures have been re-grouped wherever necessary.

10. Current / previous year's figures have been taken in rupees thousands.

11. Transactions in Foreign Currencies are recognized at rates existing at the time of transaction. Year end balances of receivables were NIL.

12. **Research & Development**

There is no expenditure on research & development.

13. Impairment is not recognized to the extent that the recoverable amount of the assets is less than its carrying amount & is charged to Profit & Loss A/c. as prescribed by the ICAI in AS-28.

14. Additional information pursuant to Part-II of Schedule-VI of the Companies Act, 1956.

	(Rupees'000)	
	30.06.2013	30.06.2012
A) Particulars of capacity, Production, Stock & Turnover.		
Class of Goods -		
Printing of Packaging & other material		
i) Licensed capacity (per annum)	--	--
ii) Installed capacity (per annum) (as certified by management)	321.00	321.00
iii) Production	--	--

	(Rupees'000)			
	<u>30.06.2013</u>		<u>30.06.2012</u>	
	<u>Qty.</u>	<u>Amount</u>	<u>Qty.</u>	<u>Amount</u>
iv) Sales		118950.87		128877.96
Job Work Receipts	--	--	--	--
v) Stock				
PAPER: (in Reams)				
Opening Stock	37775	18717.75	36784	16961.12
Closing Stock	25287	12896.60	37775	18717.75
INK: (in Kgs)				
Opening Stock	--	--	--	--
Closing Stock	--	--	--	--
COATING MATERIAL: (in Ltr)				
Opening Stock	--	--	12	0.07
Closing Stock	--	--	--	--
WORK IN PROGRESS				
Opening Stock	--	24444.17	--	19765.74
Closing Stock	--	17473.85	--	24444.17
FINISHED GOODS				
Opening Stock	--	327.50	--	765.78
Closing Stock	--	972.58	--	327.50
OTHERS				
Opening Stock	--	--	--	--
Closing Stock	--	--	--	--
<u>B) Raw Material Consumed</u>				
Paper (Reams)	18367.25	88162.90	23353.55	73563.65
Ink (Kgs)	--	--	--	--
Coating Material (Ltrs)	--	--	--	--
Others	--	--	--	--

	<u>30.06.2013</u>		<u>30.06.2012</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
C) i) Value of Consumption of imported raw materials	--	--	--	--
ii) Value of Consumption of Indigenous raw material	81726.15	--	4488.20	--
iii) Value of Consumption of Imported Components and spare parts	--	--	--	--
iv) Value of Consumption of Indigenous components and spare parts	--	--	--	--
TOTAL	81726.15	--	4488.20	--

	(Rupees'000)	
	30.06.2013	30.06.2012
1. FOB Value of Exports (Deemed Export)	--	--
2. The Company is supporting supplier to exporter under EPCG Scheme		
Direct Export	--	--
Deemed Export	--	--
3. Expenditure in Foreign Currency on		
i) Technical Know-how	--	--
ii) Others	--	--
4. Value of imports calculated		
i) Raw Material	--	--
ii) Components & Spare parts	--	--
Amount remitted during the year in foreign Currencies on account of dividends	--	--

Computation of net profit in accordance with Section 349 of the Companies Act, 1956 for the year ended 30th June, 2013 (Not required since no commission is paid)

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR L. B. HAJARE & CO.

CHARTERED ACCOUNTANTS

L.B. HAJARE

PROPRIETOR

M.N.39940

PLACE: NAGPUR

DATE: 29/08/2013

RAGHAV K. SHARMA KAILASCHANDRA SHARMA

(MANAGING DIRECTOR) (DIRECTOR)

Auditor's Certificate

We have examined the above Cash Flow Statement of Shakti Press Limited for the year ended 30th June 2013. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and the Balance Sheet of the Company covered by our Report of the Company.

For L. B. HAJARE & CO.
CHARTERED ACCOUNTANTS

L.B. HAJARE
(PROPRIETOR)
M.N.39940

Date: 15th October 2012
Place: Nagpur

SHAKTI PRESS LIMITED

Regd Office: 'Shakti House', Wardha Road, Nagpur - 440012

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)

Folio No./ Client Id _____

I certify that I am a registered Shareholder/beneficiary of the Company and hold _____ Equity shares.
I hereby record my presence at the Nineteenth Annual General Meeting of the Company, to be held on Monday, the 30th December 2013 at 02.00 PM at U-116, M.I.D.C. Hingna Industrial Area, Nagpur and at any adjournment thereof.

Name of the Member/proxy in Block Letter _____

Member's/Proxy's signature _____

NOTES:

1. A member/proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance duly signed.
2. If you intend to appoint a proxy, please complete the proxy form given below and deposit it at the Company's Registered Office at least 48 hours before the meeting.

SHAKTI PRESS LIMITED

Regd. Office: Shakti House, Wardha Road Nagpur-12

PROXY FORM

I/We _____
of _____ in the district of _____ being a member/members of Shakti Press Ltd.,
hereby appoint _____ of _____ in
the district of _____ or failing him/her _____ of _____ in the
district of _____ to act as my/our Proxy to attend and vote for me/us and on my/our behalf at the
Nineteenth Annual General Meeting of the Company, to be held on Monday, the 30th December 2013 at 02.00
PM at U-116, M.I.D.C. Hingna Industrial Area, Nagpur and at any adjournment thereof.

Signed : _____

Place : _____

Dated : _____

Affix
15 Paise
Revenue
Stamp

NOTE : This proxy form duly completed must be received at the Company's Registered Office at least 48 hours before the commencement of meeting

