

SHAKTI PRESS LIMITED

18th ANNUAL REPORT

2010-11

BOARD OF DIRECTORS

SHRI SURESH SHARMA	-	NON EXECUTIVE CHAIRMAN
SHRI RAGHAV K. SHARMA	-	MANAGING DIRECTOR
SHRI DEEPAK S. DHOTE	-	JOINT MANAGING DIRECTOR
SHRI NITIN S. DHOTE	-	WHOLE TIME DIRECTOR
SHRI KAILASHCHAND SHARMA	-	INDEPENDENT DIRECTOR
SHRI SUNDER VENKATRAMAN	-	INDEPENDENT DIRECTOR
SHRI SHREEDHAR PARANDE	-	INDEPENDENT DIRECTOR
SHRI ASHUTOSH POTNIS	-	INDEPENDENT DIRECTOR

AUDITORS

M/S L. B. HAJARE & COMPANY
CHARTERED ACCOUNTANTS
NAGPUR

BANKERS

STATE BANK OF INDIA, NAGPUR

REGD OFFICE

**SHAKTI HOUSE, WARDHA ROAD,
NAGPUR – 440 012**
Shakti_offset@dataone.in
Spl_ngp@sancharnet.in
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 18th Annual General Meeting of the members of the Company will be held at U - 116, Hingana M.I.D.C. Industrial Area, Nagpur – 440 016 (Maharashtra) on Saturday, 24th December, 2011 at 10.00 A. M. 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, 2011 and Profit & Loss Account for the year ended 30th June 2011, along with the Auditor's Report and Director's Report thereon.
2. To appoint the Director in place of Shri Suresh Sharma retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint the Director in place of Shri Kailashchand Sharma 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 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."

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

**Place: NAGPUR
Dated: 20.11.2011**

**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 20th December 2011 to 24th December 2011 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. As a measure of economy, copies of annual report will not be distributed at the Annual General Meeting.
6. 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.
7. 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.
8. Pursuant to the directions of the SEBI the shares of the company are to be compulsorily traded in Demat mode w. e. f. 2nd January 2002. Members may therefore request to convert their Equity Share into Demat mode by opening Demat Account with nearest Depository Participants who are acting as agents to the Depositories viz., NSDL & CDSL.
9. 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.

Brief Profile of Director Seeking / Appointment Re-appointment :

Shri Suresh Kumar Sharma:

Shri Suresh Kumar Sharma is Chairman (Non – Executive Director) of the Company. He is also Promoter – Director of the Company. He was appointed as Director of the Company from 10th May 1993. After completing his graduation he joined the well-known pharma concern in Central India Shree Baidyanath Ayurved Bhawan Pvt. Ltd; as a Jt. Managing Director and under his able guidance, the Baidyanath Group has scaled new heights in the business. He is also holding positions as a Director of other Private Limited Companies of Baidyanath Group. He is having vast experience in field of Ayurved and Pharma more than three decades. He is holding 2,36,200 Equity shares of the Company.

Shri Kailashchand Sharma:

Shri Kailashchand 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 200 Equity shares of the Company.

DIRECTOR'S REPORT

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

Your Directors are pleased to present the Company's 18th 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, 2011.

Particulars	For the year ended 30th June, 2011 (Rupees' 000) (12 Months)	Previous year ended 30th June, 2010 (Rupees' 000) (15 Months)
Gross Turnover	123027.125	245346.839
Profit / Loss before depreciation.....	(2593.741)	(63464.217)
Depreciation.....	12978.071	16079.708
Profit before tax for the year.....	(10384.329)	(79543.925)
Balance of Profit and Loss Account brought Forward from last year	(100314.100)	(20770.175)
Provision for Dividend.....	-----	-----
Corporate tax on dividend.....	-----	-----
Transfer to General Reserve.....	-----	-----
Balance carried to Balance Sheet	(110698.429)	(100314.100)

DIVIDEND:

In view of conservation of resources and setting off previous year's accumulated 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 of Rs.12.30 Crores for the year ended 2010-11. The Company during the year under review has performed reasonably well. Further the Company is also receiving encouraging response especially for the Packaging Unit in the domestic market. 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:

As reported in last Report the Company is concentrating on the existing customers in Printing Division which is giving encouraging results. There is steady growth in the turnover of the Printing Unit which the management are confident to continue in the current year.

PERFORMANCE REVIEW & OUTLOOK:

PRINTING OPERATION:

The Printing Division of the Company having good operation during the year and successful in generating additional business from the existing customers. Your Directors are confident in the current year the Company will acquire more business from the existing customers in addition to new customers. However, the effect of global recession may have an adverse impact on the performance.

STATIONARY DIVISION:

The Company was able to make a foray in the local retail market through the mega stationery stores opened in the heart of the city. The Company was also able to stabilise the Stationary Division after recession by diversifying into other stationary related items like copier paper, diaries and note pads, printed published books.

PAKAGING OPERATION:

This division has received sizeable orders from the new customers it had identified last year. This would result in sizeable growth in the turnover in the current year apart from adding more business from existing customers.

Further 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:

FINANCIAL FACILITIES:

The Company is having financial facilities with the State Bank of India and the same is under SAM (Stress Asset Management). Due to recession and downward trend in the market, the performance of the Company was adversely affected. The Management of the Company are trying their best to improve the position of the Company and requested the Banker for further facilities and the same is under consideration with the State Bank of India. Further the restructuring proposal is also under consideration with State Bank of India and your Directors are hopeful for the same by which the Company will be benefited.

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 have been started during the financial year 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:

Shri Suresh Sharma and Shri Kailashchand Sharma, Director 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).

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.

AUDITOR'S REPORT:

The Auditor's Report is annexed herewith and the explanations to the remarks given by the Auditors in clause (a) to (d) 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.

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 Schedule 15 of 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: 20.11.2011**

**Raghav Sharma
MANAGING DIRECTOR**

**Deepak Dhote
Jt. MANAGING DIRECTOR**

FORM 'A'**FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

	CURRENT YEAR 20010-2011	PREVIOUS YEAR 2009-2010
A. POWER AND FUEL CONSUMPTION :		
1.ELECTRICITY		
a) Purchased		
Units(KWH)...767102.....		
(Rs.)...4106770/-.....	Rs/4106770	Rs /4986840
Rate / Unit (Rs./KWH).....	Rs. 5.35	Rs.5.35
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 2010-2011	PREVIOUS YEAR 2009-2010
Electricity (units)	--	--
Coal (B Grade)	--	--
Furnace Oil	--	--
Other (specify)	--	--
Own power	--	--