SHAKTI PRESS LIMITED

23rd ANNUAL REPORT

2015-16

CIN: L22219MH1993PLC071882

Form B
(Pursuant to Clause 31(a) of the Listing Agreement)

1	Name of the company	SHAKTI PRESS LTD
2	Annual financial statements for the year ended	31st March 2016
3	Type of Audit observation	Qualified Report We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. *a) As told by Management Rs. 4,62,38,812.88/- worth of Debtors are more than 3 years old, the same being Time barred should have been Written off, but no provision for the same had been provided in books of accounts. The same is the case with major portion of Sundry Creditors, as per the management the same is under settlement process.* *b) The details of Quantitative inventory is not being fully maintained, more particularly in terms of raw material consumption, work in progress & finished goods output, hence it is not possible for us to ascertain the exact valuation are therefore we are relying on the valuation of inventory provided by the management.* *c) The Bank credit facilities availed from SBI have became NPA as per RBI guidelines and consequently the said bank had stopped charging interest from 01.07.2008 on its credit Facilities. However till 31.03.2013 Company had been booking the interest part as liability amounting to Rs.1,32,82,292.00/-. However during the year ending 31.03.2014 & 31.03.2015 Company has not provided for the provision of interest payable on the total outstanding amount, which is not in accordance with the generally accepted accounting principles.* *d) The balances of SBI CC A/c appearing in the books of accounts are not in accordance with the bank statements and are subject to reconciliation in process.* *e) The TDS payable by Co. amounting to Rs. 5,82,611.50/- for the period 2002-2009 , as per the management the same is due to unintentional incorrect accounting in the past. As per the management rectification steps for the same is under process.*





		f) The company had written off account worth Rs.34,74,568.13/- as bad debts and Rs. 10,00,000/- as excise duty(for the period 2007-07) wrongly accounted. As per the management the same is irrecoverable (Debtors) as on date. The Company had written off Rs. 5,00,000/- on account of TDS Receivable(for the period 2002-07) being wrongly accounted for. *g) The company has not amortized its Brand value over its useful life, it seems that they have not been following the provisions of AS-26.* *h) The management has not been recognizing deferred tax asset/liability, it is observed that the provisions of AS-22 are not followed. However as the Company is a loss making entity and application would normally result in Deferred Tax Asset creation and the same should be created only if there is **virtual certainty supported by convincing evidence** of sufficient future maintainable profits to realise such deferred tax asset, the same can be considered.* *i) Share Application Money Amounting to Rs. 85,12,000/- is seen standing due for allotment, which is not in accordance with the provisions of Companies act, 1956 & latter Acts. As per the management, the allotment is not possible as the BSE has suspended Companies trading in its Stock Exchange, the shares against the same will be allotted as soon as permitted.* *j) The company had not complied with schedule II of Companies Act, 2013 in relation to depreciation of Fixed Assets, as per the management the rates applied are in accordance to the remaining useful life of the asset. Management had obtained an Expert Certificate for the same.* *k) Company had taken unsecured loan amounting to Rs.9,54,760/- & Rs.10,25,825/- from Mr. Suresh Sharma & Smt. Kalpana Sharma respectively. The same is not in accordance with the provisions of Companies Act, 2013 and previous Acts.*
4	Frequency of observation	**Observation** appeared for Second time



5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Director's report	a) Continuous follow-up and legal proceedings for recovery of same are going on, hence not treated as Bad Debts. b) In Our type of Industry, it is not possible to maintain and ascertain Quantitative Inventory and its value in exact proportion. c) The settlement proceedings with the banks are under consideration and is expected to settle during the current year. d) As mentioned above, the settlement proceedings are under consideration, interest had not been charged as the same had been applied for Waiver. e) The Balance in TDS payable account is due to incorrect entries of Previous years, and there is no such liability standing against us from Income Tax Department. f) Bad Debts are written off on the basis of general prediction. Excise duty written off as there is no such receivable to the Company from Excise Department, the same is due to wrong accounting in previous years. TDS payable had also been written off as the same is not a liability and is just a mistake in accounting. g) The brand valuation of the Company is still expected to stands up to the amount mentioned in the balance sheet. h) The provision for deferred tax is not mandatory in case of Loss making Company. i) As the company is suspended from Stock exchange, the allotment of shares to the members is not possible. The same will be allotted at the earliest as soon as the suspension stands revoke. j) Company is following the old rates specified in the Previous Acts, as it is of the opinion that the rates mentioned in previous acts are appropriate and reflects the balance life of assets more accurately. The company had

		obtained a certificate from an Expert regarding life of assets. k) Unsecured Loan from Mr. Suresh Sharma & Smt Kalpana Sharma are standing in their accounts since long time when Mr Suresh Sharma was director of the Company and same is under dispute, hence not repaid till date.
6	To be signed by- a) Managing Director b) Chief Financial Officer c) Audit Committee Chairman d) Auditors of the Company	Raghav Sharma Bernard Wong Kailashchand Sharma Refer our Audit Report dated 28th May, 2016 on the standalone financial statements of the Company **Shakti Press Ltd** For **MOTWANI & Co.** Chartered Accountants (FRN: 129065W) **CA Surendra Mangrole** Partner (Membership No. 152268)
7	Place & Date	Nagpur 28th May 2016

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Raghav Sharma (DIN 00588740)
Chairman & Managing Director

Shri Deepak Dhote(DIN 00156108)
Joint Managing Director

Shri Nitin Dhote (DIN 01927677)
Whole Time Director

Smt Shailja Sharma (DIN 05210871)
Whole Time Director

Shri Shreedhar Parate (DIN 00542525)
Independent Director

Shri Sunder Venkatraman (DIN 02153123)
Independent Director

Shri Kailashchandra Sharma (DIN 02431885)
Independent Director

Shri Ashutosh Potnis (DIN 02575429)
Independent Director

CHIEF FINANCIAL OFFICER
Bernard Wong

STATUTORY AUDITORS
M/s. Motwani & Co
First Floor, Block No 310, Sadodaya Plaza,
Near Ram Mandir, Opp May Hospital,
CA Road,
Nagpur 440012

BANKERS
Arvind Sahakari Bank Limited
Digdoh, Hingna, Nagpur- 440 016

REGISTERED OFFICE
"Shakti House"
Wardha Road,
Nagpur–440 012 (INDIA)
Tel. (+) 91- 712- 2423153, 2425518
Email: shaktipresslimited@gmail.com
Website: Shaktipresslimited.com

WORKS
U – 116, MIDC Industrial Area, Hingana Road,
Nagpur – 440 016

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.)
Village: Kolari, Tahsil: Chimur
Ph.07104-235445, 236347,
Fax - 07104-237694.

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: rnt.helpdesk@linkintime.co.in

GRIEVANCE REDRESSAL DIVISION
shaktipresslimited@gmail.com

NOTICE

NOTICE, is hereby given that, **Twenty-third Annual General Meeting** of the Members of the Shakti Press Limited, will be held on **Friday, September 30, 2016 at 11.00 a.m;** at U - 116, Hingna M.I.D.C. Industrial Area, Nagpur – 440 016 (Maharashtra), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2016 and the Statement of Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors, thereon.
2. To appoint a Director in place of **Shri Raghav Sharma (DIN 00588740)** who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri Nitin Dhote (DIN 01927677)** who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Ordinary Resolution**:

   "**RESOLVED THAT,** pursuant to Section 139, 142 and other applicable provisions of Companies Act, 2013 and Rules made there under, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by Board of Directors at their Board Meeting held on 30th August 2016, the appointment of M/s. Pilla Mathur Manuja & Co, Chartered Accountants, (FRN 124471W), in place of M/s Motwani & Co, Chartered Accountant, (129065W) as the statutory auditors of the Company to hold office till the conclusion of the (28th) Annual General Meeting to be held in the Calendar year 2021 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be determined by the audit committee in consultation with the auditors."

SPECIAL BUSINESS:

5. **To re-appoint Shri Nitin Dhote (DIN 01927677) as the Whole-time Director of the Company w.e.f. January 14, 2016 to hold office for a period of three (3) consecutive years** and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

   "**RESOLVED THAT,** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modifications or re-enactments thereof for the time being in force, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), applicable provisions of the Articles of Association of the Company, the Company do hereby approve the re-appointment of **Shri Nitin Dhote (DIN 01927677)** as the Whole-time Director of the Company, for a further period of three(3) years effective 14th January, 2016 on the terms and conditions including payment of existing remuneration as minimum remuneration as set out in the explanatory statement annexed hereto, with liberty to the Board of Directors including any Committee thereof to revise, amend, alter, vary and implement the terms and conditions of re-appointment including payment of remuneration in such manner and as may be permitted in accordance with the provisions of the Companies Act, 2013 read with Schedule V and/or any modifications / amendments thereof.

   RESOLVED FURTHER THAT, in the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of **Shri Nitin Dhote (DIN 01927677)** as the Whole-time Director of the Company, the payment of remuneration comprising of salary, perquisites and commission shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 and be paid as the minimum remuneration.

   RESOLVED FURTHER THAT, Shri Nitin Dhote (DIN 01927677), shall be liable for the retirement by rotation during his tenure as Executive 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."

   The terms and conditions including remuneration as specified hereunder:

   Salary: Salary of Rs. 9,500/ Per month.

   All other expenses incurred by the appointee, in connection with the business of the company to be reimbursed."

   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."

On behalf of the Board
For SHAKTI PRESS LTD

Place: Nagpur
Date: August 30, 2016

(Raghav Sharma)
00588740
CHAIRMAN & MANAGING DIRECTOR

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No: 05

The tenure of Shri Nitin Dhote as the Whole-time Director of the Company expired on 13th January 2016. 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 Nomination and Remuneration Committee at their meeting held on 10th January 2016 had approved and recommended to the Board of Directors/ Members of the Company recommend to reappointment of Shri Nitin Dhote as the Whole-time Director of the Company with effect from 14th January 2016 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 30th August 2016 has recommend to the Members of the Company the re-appointed of Shri Nitin Dhote as the Whole-time Director of the Company with effect from 14th January 2016 for a period of three (3) years.
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 V of the Companies Act, 2013.

The Members therefore requested to confirm the re-appointment of Shri Nitin Dhote as the 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.

None of the other Directors/ Key Managerial Personnel of the Company/ their relatives is in any way, concerned or interested, financially or otherwise, except Shri Nitin Dhote is deemed to be concerned or interested in the resolution, which pertains to his re-appointment and Shri Deepak Dhote being relative of Shri Nitin Dhote is deemed to be concerned or interested in the resolution set out.

On behalf of the Board
For SHAKTI PRESS LTD

Place: Nagpur
Date: August 30, 2016

(Raghav Sharma)
00588740
CHAIRMAN & MANAGING DIRECTOR

NOTES

1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2) Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3) MEMBER / PROXY SHOULD BRING THE ATTENDANCE SLIP ENCLOSED HEREWITH, DULY FILLED IN, FOR ATTENDING THE MEETING.
4) The proxy shall not have the right to speak at the meeting.
5) An Explanatory Statement required under Section 102(1) of the Companies Act, 2013 in respect of the Special Businesses to be transacted at the meeting is annexed hereto.
6) Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Directors proposed to be appointed/ re-appointed in this meeting are annexed to this notice.
7) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24th September 2016 to Friday, 30th September 2016 (both days inclusive)
8) All relevant documents referred in the Explanatory Statement shall be open for inspection, upto two days prior to the said meeting, at the Registered Office of the Company on all working days during 12.00 PM to 02.00 PM and at the meeting.
9) Members holding shares in physical form are requested to address all their correspondences including change of address, mandates etc. to the Registrar and Transfer Agents (RTA) viz. M/s. Linkintime India Pvt Ltd, registered office at, C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai – 400078; and the Members holding shares in dematerialized form are requested to approach their respective Depository Participants for the same.
10) Since shares of the Company are listed on the Stock Exchanges compulsorily in demat mode, shareholders holding shares in physical mode are strictly advised to get their shares dematerialized.
11) The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participant at the earliest, to enable the Company to use the same for serving documents to them electronically. Shareholders holding shares in physical form may kindly register their e-mail IDs to the RTA by sending an e-mail at rnt.helpdesk@linkintime.co.in. The Annual Report of the Company and other documents proposed to be sent through e-mail will also be made available on the Company's website i.e. www.shaktipresslimited.com. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants.
12) **E-Voting:**
   i. In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Listing Regulations, the Company is pleased to provide the e-voting (remote e-voting) facility to its members and the business set out in the notice may be transacted through the remote e-voting.
   ii. The Company is also offering the facility for voting by way of physical ballot at the AGM. The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote at the AGM through ballot for all businesses specified in the notice.
   iii. However, the Members who have exercised their right to vote by remote e-voting may attend the AGM but shall not be entitled to vote at the AGM.
   iv. **Voting rights of the member/ beneficial owners (for remote e-voting and voting at AGM) shall be reckoned on shares registered in the name of the member/ beneficial owners as on the cut-off date i.e. 23rd September, 2016. A person who is not a Member on the cut-off date shall treat this notice for information purposes only.**
   v. The Company has engaged the services of Central Depository Services Limited ("CDSL") as the Agency to provide e-voting facility.
   vi. The Board of directors has appointed Mr. Kaustubh Onkar Moghe (ACS No. 31541) Practicing Company Secretary, as the Scrutinizers for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner and he have communicated his willingness to be appointed for the said purpose.
   vii. The Scrutinizers after scrutinizing the votes cast at the meeting and through remote e-voting, not later than forty eight hours of conclusion of the Meeting, will make a consolidated scrutinizers' report and submit the same to the Chairman/ a person duly authorised by the Chairman in this regards, who shall declare the results. The results declared along with the consolidated scrutinizers' report shall be placed on the website of the Company viz.