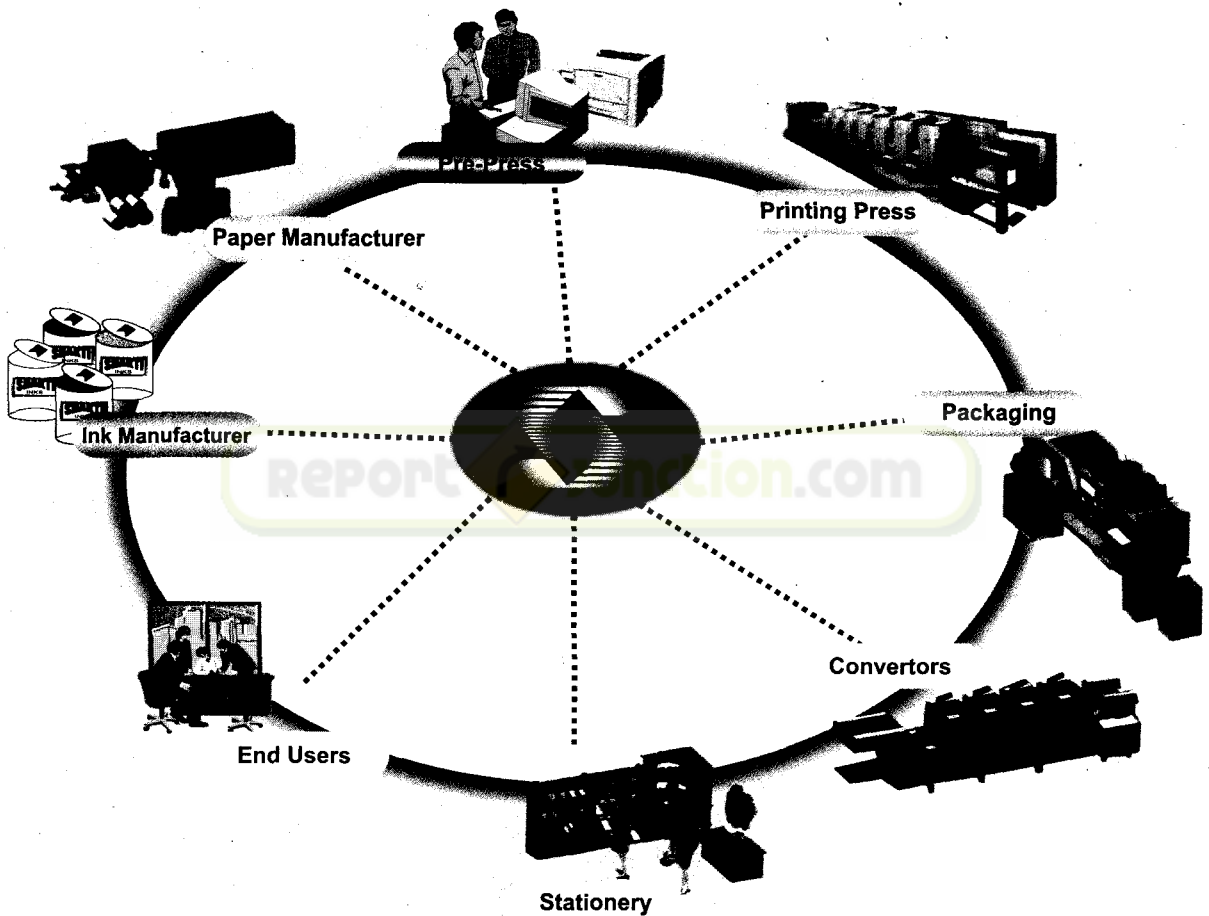


SHAKTI

PRESS LIMITED



13th ANNUAL REPORT 2005-2006

Creating World Class
Paper Printing & Packaging Solutions



COMPANY INFORMATION

BOARD OF DIRECTORS

SURESH KUMAR SHARMA (Chairman & NED)
RAGHAV K. SHARMA (Managing Director)
DEEPAK S. DHOTE (JT. Managing Director)
KAILASHCHAND R. SHARMA (Independent Director)
SADANAND B. HAJARE (Independent Director)
V. RAMCHANDRAN (Independent Director)
UNMESH G. DHOTE

AUDITORS

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

BANKERS

STATE BANK OF INDIA

REGD OFFICE

SHAKTI HOUSE, WARDHA ROAD,
NAGPUR – 440 012

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.)

REGISTRAR & TRANSFER AGENT

INTIME SPECTRUM REGISTRY LTD
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (W),
 Mumbai – 400 078 Ph 2596 3838





NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN THAT the 13th Annual General Meeting of the members of the Company will be held at **U-116, M.I.D.C. Industrial Area, Nagpur-440016 (Maharashtra)** on Saturday, the **30th December, 2006** at 3.00 P. 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 at 30th June, 2006 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of **Shri Deepak Dhote** who retires from office by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of **Shri Suresh Kumar Sharma** who retires from office 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 auditors be and are hereby re-appointed as 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."

SPECIAL BUSINESS

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

"RESOLVED THAT Shri V. Ramchandran be and is hereby appointed as a Director of the Company and his appointment is confirmed".

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

"RESOLVED THAT the Accounting / Financial year of the Company, for the year 2006-2007 be and is hereby changed and confirmed as from 1st July, 2006 to 31st March, 2007 and the next Accounting to commence from 1st April, 2007 to 31st March, 2008 and so on.

FURTHER RESOLVED THAT the Accounting Books, records, Papers, documents, etc. for the current Accounting year shall be of Nine months (for this period only) which is from 1st July, 2006 to 31st March, 2007.





"FURTHER RESOLVED THAT the authority be and is hereby accorded to the Board of Directors or any committee / person(s), authorised by the Board, to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts deeds and things as may be necessary, expedient and desirable, for the purpose of giving effect to this Resolution."

7. To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**.

"RESOLVED THAT in accordance with the applicable provisions of the Companies Act., 1956, the Securities Contract (Regulation) Act., 1956, the Listing Agreement with the Stock Exchanges and the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, or any amendment or modification thereof and subject to such other approvals, permissions or sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company ('the Board') or any other committee/ person(s) authorised by the Board, consent be and is hereby accorded to delist the Equity shares of the Company from the Stock Exchange at Ahmedabad, Delhi and Chennai."

"RESOLVED FURTHER that the authority be and is hereby accorded to the Board of Directors or any committee / person(s), authorised by the Board, to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts deeds and things as may be necessary, expedient and desirable, for the purpose of giving effect to this Resolution."

8. To consider and if thought fit, to pass with or without modifications, the following Resolution as a **Special Resolution**.

"RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions, if any of the Companies Act, 1956 or any other Act (including any statutory modification(s) or re-enactment thereof) and in accordance with the provisions of the Articles of Association of the Company and subject to the necessary approvals, permissions and/or sanctions as may be necessary and imposed by Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and any other appropriate authorities, institutions or bodies, if any and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, permissions and/or sanctions, consent of the members be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as "the Board", which term shall include any Committee of Directors duly authorised in this behalf), to issue, offer and allot such number of securities either in the form of equity shares fully paid up or fully or partly convertible warrants/debentures through preferential offer and/or private placement for an amount covered under Authorised Capital of the Company, to the investors (whether Customers, Strategic Partners, Individuals, Institutions, Banks, Bodies, Foreign





Institutional Investors, Mutual Funds, others or any combination thereof or any other category) and whether or not such investors are the existing holders of equity shares of the Company at a price not less than the price determined in accordance with SEBI Guidelines 2000 for Preferential Allotment of Shares and any modification(s) thereof (the said guidelines), on such terms and conditions as the Board of Directors in its absolute discretion may deem fit in accordance with the guidelines, rules and regulations of SEBI/Companies Act, 1956, and other legislation(s) in this regard.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, and execute all such deeds, documents, instruments and writing as they may in their absolute discretion deem necessary or desirable.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or Chairman and Managing Director or Director of the Company to give effect to the aforesaid resolution".

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

Place : NAGPUR
Dated : 02.12.2006

Raghav K. Sharma
Managing Director

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The relative explanatory statements pursuant to Section 173 of the Companies Act, 1956 in respect of the businesses under item Nos 5 to 8 set out above are annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **27th December, 2006 to 30th December, 2006** both days inclusive and record date shall be 26th December, 2006.
4. Members holding shares in physical form are requested to notify any change of address, bank mandates, if any to the Registrar & Transfer Agent.
5. Pursuant to Section 205A of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, all unclaimed / unpaid dividend up to the financial year ended 30th June, 1998 has been transferred to the Investor Education and Protection Fund set up by the Central Government account and no claim can be admitted in respect of this fund. Members are therefore requested to encash their dividend warrants immediately for subsequent financial years. Members are requested to write to the Company and / or Registrar and Share Transfer Agents, if any dividend warrant is due and pending to be paid so that fresh / revalidated warrants could be issued by the Company.





6. As a measure of economy, copies of annual report will not be distributed at the Annual General Meeting.
7. Transfers or inter depository transfers received during the period of Book Closure shall be considered after reopening of the books.
8. Members are requested to quote Folio Numbers, client ID No. and DP ID No. in all correspondences. Members holding shares in identical order of names in more than one folio are requested to write to the Registrar & Transfer Agents to consolidate their holding in one folio.
9. 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.
10. 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 requested to convert their equity holdings of the company into demat mode by opening the demat accounts with nearest Depository Participants who are acting as agents to the Depositories viz., NSDL & CDSL. The company has been allotted the ISIN No. **INE 794C01016**.
11. The shares of the Company are listed with the Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001, The Stock Exchange - Ahmedabad, Kamdhenu Complex, Near Polytechnic, Panjara Pole, Ahmedabad-380 015, The Delhi Stock Exchange Association Ltd., DSE House, 3/1, Asaf Ali Road, New Delhi-110002, The Madras Stock Exchange Ltd., 11, Second Line Beach, Chennai-600001. Listing fees have been paid to all the four Stock Exchanges up to March 31st 2006.
12. Profile of Shri Deepak Dhote, the Director - As he is one of the promoters of the Company therefore his profile not been added here.
13. Profile of Shri Suresh Kumar Sharma, the Director who is retiring by rotation and eligible for reappointment :

Shri Suresh Kumar Sharma joined the Board of Directors since the incorporation of the Company. 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 a new heights in the business. He holds directorships in many Companies to name a few as under





Company	Designation
Shree Baidyanath Ayurved Bhawan Pvt. Ltd.	Jt. Managing Director
Siddhayu Ayurvedic Research Foundation Pvt. Ltd.	Director
The Vidarbha Paper Mills Ltd.	Director
Golden Legend Leasing and Finance Ltd.	Director
Alintosch Pharmaceuticals Ltd	Director
Mahalaxmi Commercial Services Ltd	Director
Markdata Power & Energy Limited	Director

14. Profile of Shri V. Ramchandran, appointed as an independent Director :

Shri V. Ramchandran Iyer, commonly known as V. Ramchandran in the Company Secretaries circle is having a vast practical experience as far as the Company Law and allied matters are concerned. He holds a masters degree in Commerce and is an Associate Member of The Institute of Company Secretaries of India. He also holds a degree of CAIIB and has also cleared the Inter Level Examination conducted by The Institute of Cost and Works Accountants of India. He is eligible for sitting fees only and no other remuneration shall be payable to him.

By order of the Board of Directors

Place : NAGPUR
Dated : 02.12.2006

RAGHAV K. SHARMA
MANAGING DIRECTOR



EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**Item No. 5:**

The Corporate Governance Requirements of Clause 49 of the Listing Agreement, requires the Company to appoint an Independent Director, and accordingly the Company has identified Shri V. Ramchandran, a practicing Company Secretary from Nagpur for being appointed as an Independent Director. The Company has received a notice from Shri V. Ramchandran that is not disqualified pursuant to the provisions of Section 274 (1)(g) of the Companies Act, 1956 from being appointed as a Director. The Company is hopeful of being benefited from his vast practical experience in accounting, finance, and corporate matters.

None of the Directors is interested in the Resolution.

Item No. 6:

The Company was facing lot of problems since the Accounts were required to be prepared on half yearly basis i.e. June and March every year, just for the Income Tax purpose. In order avoid the complexities and to have a coherency as far as the accounts are concerned, the Board of Directors of the Company has vide its meeting dated 29.11.2006 (ext 02.12.2006) decided that the Accounting year of the Company, for the year 2006-07 shall be from 1st July, 2006 to 31st March, 2007 and the next Accounting year to commence from 1st April, 2007 to 31st March, 2008 and so on. As a part of good Corporate Governance, the Board recommends the resolution for consent of the Members.

Item No. 7:

The Securities and Exchange Board of India (SEBI) has issued the Securities and Exchange Board of India (Delisting) Guidelines, 2003, (herein after referred to as the 'Delisting Guidelines') incorporating among other provisions for delisting of securities of a body corporate voluntarily by a promoter or an acquirer or any person other than the Stock Exchanges.

The equity shares of the Company are listed on the following stock exchanges in India:

The Bombay Stock Exchange Limited, Mumbai

The Stock Exchange, Ahmedabad

Madras Stock Exchange, Chennai

The Delhi Stock Exchange Association Limited, New Delhi



With the extensive networking of The Bombay Stock Exchange Limited, Mumbai (BSE) as also the extension of BSE terminals to other cities as well as the investors have access online dealings in equity shares of the Company. The bulk of the trading in the Company's equity shares in any case takes place on the BSE and the trading in the Company's equity shares on all the other stock exchanges were nil. Keeping in view the above facts, the resolution proposed before the members of the Company in the ensuing AGM for delisting of equity shares from Ahmedabad, Delhi and Chennai Stock Exchanges.

The proposed delisting of the Company's equity shares from Ahmedabad, Delhi and Chennai Stock Exchanges as and when takes place will not affect the investor as the BSE has its terminals to other cities in the entire Country through which the investors have access online dealings in equity shares of the Company. The proposed delisting is subject to revocation of suspension of trading in scrip by the Bombay Stock Exchange Limited.

The Directors recommend the resolution for adoption by the members.

None of the Directors of the Company is interested in the resolution.

Item No. 8:

The Company has proposed and passed the Resolution U/s 81(1A) of the Companies Act, 1956 at Last AGM before AGM of 24.12.2005 but not got the in-principle approval from the Bombay Stock Exchange Limited due to suspension of trading. This time Company is expecting to get the revocation of suspension of trading and able to infuse the funds through Private Placement of Equity Shares. The activities of the Company and to structure the financials of the Company viz reshuffle the Capital Structure of the Company through infusing the funds or conversion of unsecured loans into Equity Shares with the consent of the unsecured creditors and/or allotting the Shares for funds provided by the promoters and their associates. The Company is in dire need of funds to infuse and it can be done / possible only by way of preferential issue and for this purpose the resolution u/s 81(1A) of the Companies Act, 1956 is required. To infuse the funds in the company is the need of the day for the Company to have substantive Structure and legal compliances / approval should not be the hurdle for it including the BSE approval or revocation. The terms and conditions to issue such shares are mentioned in the Special Resolution under this item. The aforesaid resolution required only because Board of Directors of the Company are able to mobilise funds for the company easily without any hurdle and for that they can mobilise it through private placement.





Issue of further shares required to follow the procedure under Section 81(1A) of the Companies Act, 1956 and for that offering shares first to existing Shareholders. To offer shares to existing shareholders required high cost and long time span and therefore in accordance with the provision of Section 81 (1A) of the Companies Act, 1956 Special Resolution is recommended for the convenience of the Board of Directors of the company.

With reference to this, Directors hereby desire put up before the Shareholders of the Company the motion for Issue of further shares and requires a Special Resolution in the ensuing Annual General Meetings of the Members of the Company.

Your directors recommend the resolution for your approval.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

On behalf of the Board of Directors

RAGHAV SHARMA
MANAGING DIRECTOR

