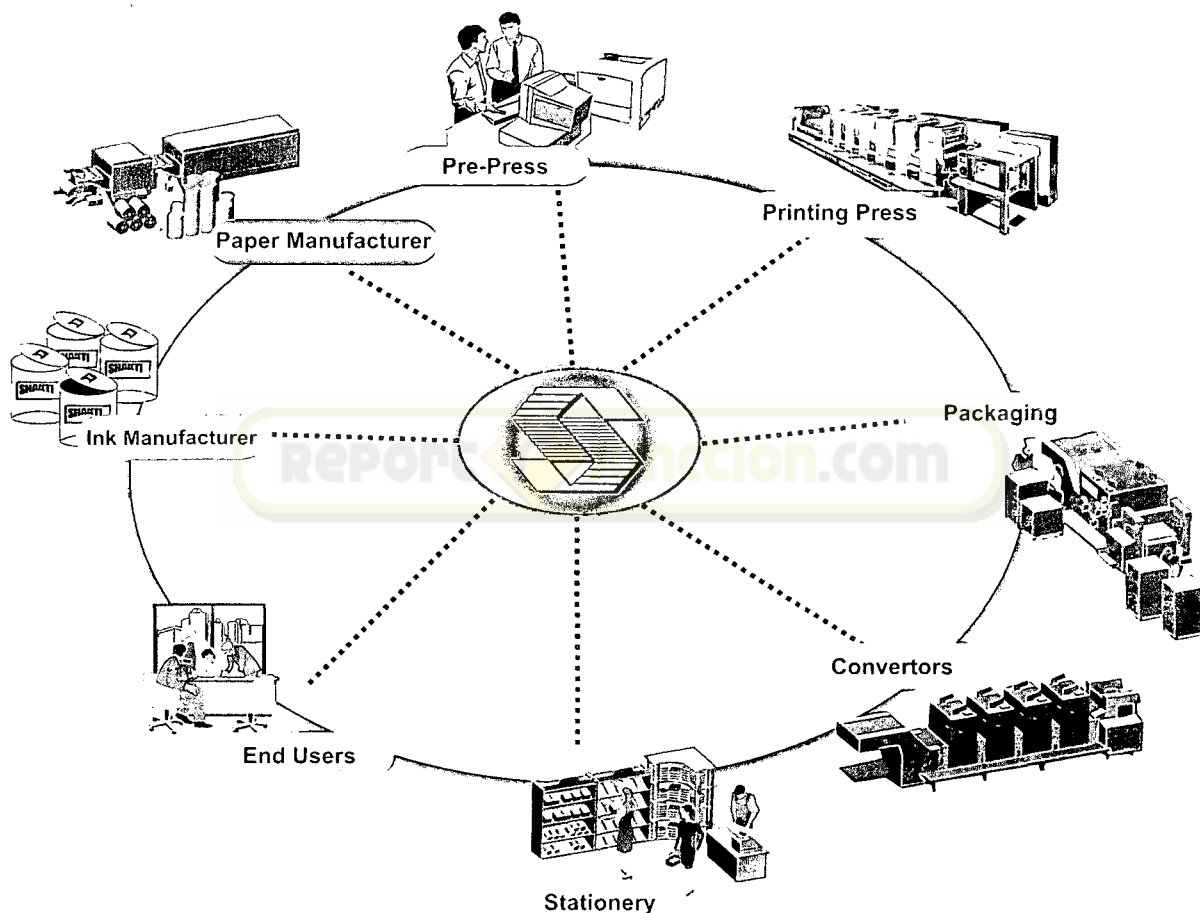


SHAKTI

PRESS LIMITED



14th ANNUAL REPORT 2006-2007

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)
V. RAMCHANDRAN	(Independent Director)
NITIN S DHOTE	(Whole Time 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 14th 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 29th September, 2007 at 2.00 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 31st March, 2007 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 Raghav K Sharma** who retires from office by rotation and being eligible offers himself for re-appointment.
3. 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

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

"RESOLVED THAT pursuant to 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 5 years w. e. f. 14th January, 2007, upon the terms and conditions as to remuneration and otherwise as set out in the Explanatory Statement and that the Board of Directors 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 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 Shri Raghav Sharma / Shri Deepak Dhote, Executive Directors 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."





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

"RESOLVED THAT the pursuant to Section 149 of the Companies Act, 1956 and all other applicable provisions under this Act or any other law for the time being in force the Company is hereby authorised to commence the following Clause 37 stipulated in the "Other Objects"(Object Clause) in the Memorandum of Association of the Company :

To acts as a general traders, brokers and commission agents and to conduct leasing business of movable and immovable property.

RESOLVED FURTHER THAT the Board of Directors is hereby authorised to all necessary acts and things in respect of commencement of the object."

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

**Place : NAGPUR
Dated : 04.09.2007**

**Raghav K. Sharma
MANAGING DIRECTOR**

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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.**
 2. **THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
 3. 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.
 4. The Register of Members, Record of Depositories, Share Transfer Books, etc of the Company will remain closed from **27th September, 2007 to 29th September, 2007** both days are inclusive.
 5. Members holding shares in physical form are requested to notify any change of address, bank mandates, if any to the Registrar & Transfer Agent.
 6. 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, 1999 has been transferred to the Investor Education and Protection Fund set up by the Central Government 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.
 7. As a measure of economy, copies of annual report will not be distributed at the Annual General Meeting.
 8. Transfers or inter depository transfers received during the period of Book Closure shall be considered after reopening of the books.
 9. 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.
 10. 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.
 11. 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 Share into Demat mode by opening Demat Account with nearest Depository Participants who are acting as agents to the Depositories viz., NSDL & CDSL.

12. 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.

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

Item No. 5:

Shri Nitin Dhote is appointed as a Whole Time Director of the Company by Board of Directors of the Company at their meeting held on 14th January, 2007 subject to the approval of Shareholders of the Company at next general meeting. Having regards to his experience in the printing industry, his services are beneficial to the Company. The Board of Directors considered his appointment desirable in the interest of the Company.

The Remuneration Committee at its meeting held on 1st September, 2007 recommended the payment of the following terms and conditions in respect of appointment of Shri Nitin Dhote to the Board and Board of Directors in turn approved the same at its meeting held on 1st September, 2007.

Salary : Rs. 9,500/- per month

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 Managing Director by way of salary or other benefits in accordance with the **Schedule XIII** to the Companies Act, 1956.

Shri Nitin Dhote has experience in printing industry and has been actively engaged and contributes substantially in the Printing Industries.

The members therefore requested to approve the 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.

None of the Directors except Shri Deepak Dhote and Shri Nitin Dhote is interested in the resolution.

Item No. 6

Having regards to the existing circumstances and position in market, the Board of Directors of the Company considered that the Company should venture into new activities in future and looking to the same, the Directors of the Company would like to propose the commencement of object mentioned in Other Objects in Memorandum of Association of the Company.

In terms of the provisions of Section 149 of the Companies Act, 1956 the Company has to pass the Special Resolution before commencement of other objects and complied with the formalities thereof.

None of the Directors are interested in the Resolution.



The Board of Directors
SHAKTI PRESS LTD
NAGPUR

**CERTIFICATION BY
CHIEF EXECUTIVE**

I hereby certify that for the financial year 2007 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 2006 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.

RAGHAV SHARMA



**DIRECTOR'S REPORT**

**TO THE MEMBERS
OF SHAKTI PRESS LIMITED**

Your Directors are pleased to present the Company's 14th Annual Report on the business and operation of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2007.

PERFORMANCE REVIEW :

Particulars	For the year ended 31 st March, 2007 (Rupees' 000)	Previous Year 30 th June, 2006 (Rupees' 000)
Gross Turnover	95425.89	169,633.46
Gross Profit.....	24661.44	57,709.49
Depreciation.....	6,696.21	8,899.72
Provision for Taxation.....	-----	-----
Profit for the year.....	(21961.91)	115.28
Balance of Profit and Loss Account brought forward from last year	(1302.85)	(1,418.14)
Provision for Dividend.....	---	---
Corporate tax on dividend.....	---	---
Transfer to General Reserve.....	---	---
Balance carried to Balance Sheet	(23264.77)	(1,302.85)

DIVIDEND :

During the year the Company has incurred loss and, therefore your Directors are unable to declare any dividend for the year under review.

MANAGEMENT DISCUSSION & ANALYSIS :

The Company during the year under review was in the process of consolidation after having completed the massive expansion in previous years. However, the projected targets could not be achieved for the reasons :

1. The targets were for a period 12 months, whereas the accounts prepared are for 9 months consequent to the change in the accounting year.
2. During the period under review there were fluctuations in the exchange rates and due to the strengthening of the Rupee Exports became a losing proposition. Due to this your Company had no other option but to practically stop the Exports. The Company has now decided to concentrate on the Domestic Markets and necessary steps are being taken in this direction.
3. Due to incessant Rains during the period of July-September, 2006 there was flooding in the plate making Department at U-116 MIDC & Entire Mondha Unit II. This flooding damaged the machines & Stocks. Insurance claims for the damages has been submitted to the insurance company. It took quite a long time to set right the damaged machines which ultimately resulted in reduction in Turnover

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. During the year under review the Company further consolidated its operations after completion of its expansion project. 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)

As the Company is classified as printing industry & as such reporting of segment wise performances is not applicable to the company.

PROSPECTS :

With the imposing of Ban on use of Plastic as Packaging material world wide due to environmental reasons, the paper based packaging industry has a bright future. Your company is taking necessary steps in this direction and is in negotiation with some big buyers for supply of packaging material.

For stationery Division, the Company shall be concentrating on the Local Markets and the end users. The company has taken its first step in this direction by opening a stationery Super Stores in the Heart of the City.

As far as the Printing division are concerned, we are concentrating on our existing customers and trying to increase our share. With this we are hopeful of increasing the turnover of the company to optimum level.

PERFORMANCE REVIEW & OUTLOOK :**PRINTING OPERATION :**

With the imposing of Ban on the use of Plastic Material for packaging, the Printing industry has a good future. Your Company has decided to concentrate on the existing customers and also to identify new customers who can generate sizeable printing orders to the Company.

STATIONARY DIVISION :

Due to Downward Trend in Exchange rate of US Dollar there was reduction in exports. The Company has therefore, decided to concentrate on Local Market to set off the reduction in Sales due to Low Exports. The Company has opened a mega Stationery Stores in the heart of City so as to reach the consumers. The Store is getting encouraging response.

PAKAGING OPERATION :

Due to price cutting by the competitors we were unable to achieve the expected results. In order to overcome this problem the company has identified new Parties to whom the supplies have already started and are hopeful of achieving substantial growth in the sales of this division in the current year.

CORPORATE AFFAIRS :**Finance :**

The Bankers State Bank of India, Hingna Industrial Estate, have on 17th March, 2007 implemented the restructuring proposal sanctioned in November, 2006. Due to implementation of this restructuring proposal the repayment installments of the Term Loan have been substantially reduced which would ultimately help the Company to improve its cash flow position in the year to come.

During the year under review the relations with the Bankers have been very cordial and the Board of Directors would like to place on record their Special Thanks to the Bank for the co-operation extended to the Company during the year.

Trading & BSE Matters :

During the year, the Company has been submitted timely information and compliances to Bombay Stock Exchange and other Stock Exchanges. The Company is continuously making representation to the Bombay Stock Exchange for revocation of trading of Company's scrip and is hopeful to get it at the earliest in the interest of shareholders and liquidity of their investment.



**Voluntary Delisting of Ordinary (Equity) Shares :**

The Company's Equity Shares are one of the scrips which the Securities and Exchange Board of India (SEBI) has specified for Settlement only in the dematerialised form by all Investors since 2nd January, 2002. With extensive networking of Bombay Stock Exchange Limited, Mumbai (BSE) and extension of BSE terminals to other cities as well, investors have access to online dealings in the Company's Securities across the country, even if these are not listed on local stock exchanges.

Since the past 3-4 years, there has been nil or negligible trading in equity shares of the Company on the Exchanges at Ahmedabad, Delhi and Madras from where Delisting is proposed as no particular benefit is derived by investors of the Company by continuing listing on these Exchanges.

The Company has applied to the Stock Exchange of Ahmedabad, Delhi and Madras for delisting of its securities which has been approved by the Shareholders at 13th Annual General Meeting. But due to non-revocation of trading of scrip at BSE (Online Terminal), the application could not be proceeded with. As one of the condition for delisting was to revocation of trading for exit opportunity to the shareholders of the regions covered under the Stock Exchange of Ahmedabad, Delhi and Madras.

The proposed voluntary Delisting will not adversely affect the investors as the Company's equity shares would continue to be listed and traded on BSE. In view of the same, the members of the Company at 13th Annual General Meeting has already approved the Proposal of Voluntary Delisting from Delhi, Madras & Ahmedabad Stock Exchange. There would be no change in the capital structure and shareholding pattern of the company on account of the proposed voluntary delisting. The Proposed Delisting is subject to revocation of trading of scrip by the Bombay Stock Exchange Limited, Mumbai.

Human Resources:

In line with the defined organisational transformation strategy and policies in respect of HR, your company continued its efforts to align the processes, practices and systems with the organisational objectives. 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 Raghav Sharma, Director of the Company, retire by rotation and being eligible, offer himself for re-appointment. Shri Unmesh Dhote has been disassociated with the Company and in turn disqualified from the Office of Director of the Company in terms of Section 283 of the Companies Act, 1956. During year under review, Shri Nitin S Dhote has been inducted on the Board as a Whole time Director of the Company with effect from 14th January, 2007.

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 judgements 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, 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.

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.

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation for their continued support and co-operation by Bankers, Government Authorities, and other stakeholders. Your Directors also acknowledge the support extended by the Company's Unions and all the employees for their dedicated service. 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 LTD.,

PLACE : NAGPUR
DATED: 04.09.2007

Raghav Sharma
MANAGING DIRECTOR

Deepak Dhote
Jt. MANAGING DIRECTOR

