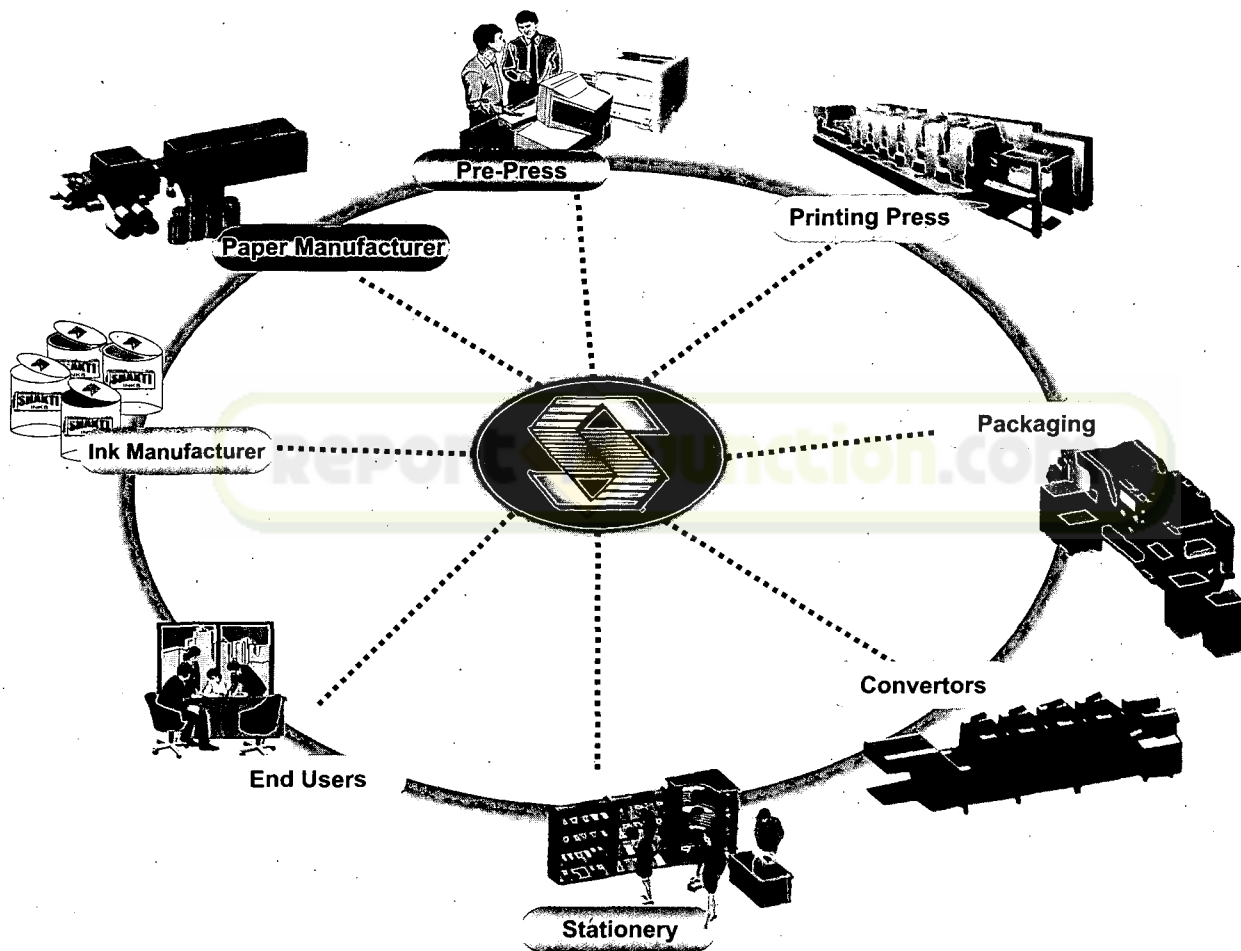


# SHAKTI

## PRESS LIMITED



## 16th ANNUAL REPORT

### 2008-2009

Creating World Class  
Paper Printing & Packaging Solutions



**SHAKTI PRESS LIMITED**

**16<sup>th</sup> ANNUAL REPORT**

**2008-09**



SHAKTI PRESS LTD.

## BOARD OF DIRECTORS

SHRI SURESH SHARMA	-	CHAIRMAN AND NON-EXECUTIVE DIRECTOR
SHRI RAGHAV K. SHARMA	-	MANAGING DIRECTOR
SHRI DEEPAK S. DHOTE	-	JOINT MANAGING DIRECTOR
SHRI NITIN S. DHOTE	-	WHOLE TIME DIRECTOR
SHRI KAILASHCHAND R. 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

## REGD OFFICE

SHAKTI HOUSE, WARDHA ROAD,  
NAGPUR - 440 012  
shakti\_press@dataone.in  
spl\_ngp@sancharnet.in

## 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

LINK INTIME INDIA PRIVATE LTD  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai - 400 078 Ph 022 25963838



## NOTICE TO MEMBERS

**NOTICE IS HEREBY GIVEN THAT** the 16th 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 Wednesday, the 30<sup>th</sup> September, 2009 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 on 31<sup>st</sup> March 2009 and Profit & Loss Account for the year ended 31<sup>st</sup> March 2009, along with the Auditor's Report and Director's Reports thereon.
2. To appoint the Director in place of Shri Sunder Venkatraman who retires 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 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."

### **SPECIAL BUSINESS:**

4. 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 Raghav Sharma be and is hereby re-appointed as a Managing Director of the Company for a period of 5 years w. e. f. 1<sup>st</sup> July, 2009 upon the terms and conditions as to remuneration and otherwise as appended below 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** 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 Raghav Sharma remuneration by way of salary and perquisites as specified above except the commission, in accordance with Schedule XIII to the Companies Act, 1956.

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

**RESOLVED THAT** Shri Ashutosh Potnis, be and is hereby appointed as an Director (Independent) of the Company who was appointed as Additional Director (Independent) in meeting of board of directors held on 3<sup>rd</sup> September 2009.



## 6. AUTHORISATION FOR BORROWING POWERS: - ORDINARY RESOLUTION

**"RESOLVED THAT** in pursuant of the provision of section 293(1)(d) of the Companies Act, 1956, and other applicable provisions, if any; of the Companies Act, 1956 and Memorandum and Articles of Association of the Company; the consent of the Company in terms of the aforesaid section of the Act be and hereby accorded to the Board of Directors of the Company (the Board) for borrowing from time to time for the purpose of the Company business any sum or sums of the money as it deem proper, notwithstanding that the monies already borrowed by the Company, if any (apart from the temporary loans obtains from the Company's Bankers in the ordinary course of the business) may exceed the aggregate for the time being of paid-up capital of the Company and its free reserve, if any, that is to say, reserve not set apart for any specific purpose reserve, provided that the total amount of the monies so borrowed by the Board, together with the money already borrowed (apart from the temporary loans obtains from the Company's Bankers in the ordinary course of the business), shall not exceed Rs. 50 Crores (Rupees Fifty Crores only) outstanding at any one time and that for the implementation of this resolution the Board may act through any Director thereof or any other person duly authorised by the Board in that behalf."

## 7. AUTHORISATION FOR CREATION OF CHARGES/ MORTGAGES/ HYPOTHECATIONS IN FAVOUR OF BANKS, ETC. AS SECURITY AGAINST LOAN / FINANCIAL ASSISTANCE: ORDINARY RESOLUTION

**RESOLVED THAT** the consent of the Company be and is hereby accorded in terms of the provisions of section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company, to the creation by the Board of Directors of the Company of such mortgages, charges, hypothecations as the board may direct movables and immovable properties of the Company and assets of all kinds, both present and future, in the form of first and / or second and / or subservient mortgage / charge and / or floating charge and in such manner as the Board may Direct, to or in favour of all or any of the banks and any other investing agencies, trustees for the holders of debentures / bonds / other instruments which may be issued to and subscribed by all or any of the Banks/any other investing agencies or any other persons / bodies corporate by way of private placement or otherwise availed by the company of an amount not exceed Rs. 50 Crores (Rupees Fifty Crores) at any time together with the interest thereon at respective agreed rates, compound interest, additional interest, liquidated damages, committed charges, premia on pre-payment, or on redemption, cost, charges, expenses and all other money payable by the company to the aforesaid parties or any of them under the loan agreements / arrangements entered into / to be entered into by the Company in respect of the said loan or any other form of financial assistance.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to finalize with Banks or other /or others, the documents for creating / hypothecation and accepting / making any alterations, changes, variations to or in the terms and conditions to do all acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this resolution."

By order of the Board  
For SHAKTI PRESS LIMITED

Place: NAGPUR  
Dated: 03.09.2009

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 relative explanatory statements pursuant to Section 173 of the Companies Act, 1956 in respect of the businesses under item Nos. 4 to 7 set out above are annexed hereto.
4. The Register of Members and Share Transfer Books, etc of the Company will remain closed from 25<sup>th</sup> September 2009 to 30<sup>th</sup> September 2009 both days are inclusive.
5. Transfers or Transmission requests received during the period of Book Closure shall be considered after reopening of the books.
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 1999-2000 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. 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.
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. 2<sup>nd</sup> 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.
11. The shares of the Company are listed with the Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001, 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-110 002.





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

### Item No.4:

The tenure of Shri Raghav Sharma as Managing Director of the company expired on 30.06.2009. 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 its meeting held on 11<sup>th</sup> January, 2009 recommended and approved the re-appointment of Shri Raghav Sharma as Managing Director of the Company with effect from 1<sup>st</sup> July, 2009 and accordingly referred the same for the approval of Board / Members of the Company and the Board of Director has confirmed his re-appointment at their meeting held on 31<sup>st</sup> January, 2009 subject to approval of members of the Company. The Board has re-appointed Shri Raghav Sharma, Managing Director of the company for a period of 5 years with effect from 1<sup>st</sup> July, 2009 subject to the approval of the shareholders in General Meeting.

The terms and conditions including remuneration as specified hereunder:

- i. Terms and Conditions governing the employment of Shri Raghav Sharma are as per Rules of the Company applicable from time to time.
- ii. Remuneration pays of Rs. 25,000/- per month with authority to Board to alter / revise from time to time.
- iii. Perquisites and Benefits as per the as per Rules of the Company prevailing from time to time."

### Item No.5:

Shri Ashutosh Potnis was appointed on the Board as an Additional Director by Board of Directors at its meeting held on 03.09.2009 and eligible to hold office upto the ensuing Annual General Meeting of the Company unless appointed at the AGM. Having regards to his experience of more than 15 years in the field of Law, the Board of Directors recommended his appointment as an Independent Director on the Board of the Company. The Company has received notice from Shri Ashutosh Potnis, under section 257 of the Companies Act 1956.

Members are requested to confirm the appointment of Shri Ashutosh Potnis, as an Independent Director of the Company. None of the Directors of the Company, except Shri Ashutosh Potnis, are interested in the said resolution.

### Item No.6 & 7:

As per the provisions of Section 293(1) (d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting, borrow monies in excess of the aggregate of the paid-up capital of the Company and its free reserves.

The increasing business operations and future growth plans of the Company would necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves but not exceeding Rs. 50 Crores (Rupees Fifty Crores ).

The borrowings of the Company are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and/ or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s).



The mortgage and/or charge by the Company of its movable and/or immovable properties of the Company in favour of the lenders/agent(s)/trustees, with a power to take over the management of the business and concern of the Company in certain events of default by the Company, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 293(1) (a) of the Companies Act, 1956. Hence it is necessary to obtain approval for the same from the Shareholders.

Save as above, none of the Directors of the Company is, in any way, concerned or are interested in the said resolution.

**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 348967 equity shares of the Company. He is having Directorship in various Companies like Shakti Offset Pvt Ltd & Sri Krsna Cardboards Pvt Ltd.

**Shri Sunder Venkatraman**

He is Post Graduate in Management and has twenty years of experience in finance and accounts. He has lead various restructuring assignments and successfully carved out a niche for himself in extending helping hand to the companies who go through the restructuring modules. He has lead various restructuring assignments and successfully carved out a niche for himself in extending helping hand to the companies for their restructuring modules. He is holding 20 Equity Shares of the Company.

**Shri Ashutosh Potnis**

Shri Ashutosh Potnis is Graduate in Law, and has a successful track record of about 15 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 does not hold any shares of the Company as on date of Director's Report. He is not holding Directorship in other Companies.





### DIRECTOR'S REPORT

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

Your Directors are pleased to present the Company's 16<sup>th</sup> Annual Report on the business and operation of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2009.

Particulars	For the year ended 31 <sup>st</sup> March, 2009 (Rupees' 000)	Previous Year 31 <sup>st</sup> March, 2008 (Rupees' 000)
<b>Gross Turnover .....</b>	162156.763	123263.69
<b>Gross Profit.....</b>	34134. 222	52545.46
<b>Depreciation.....</b>	128745.567	8955.60
<b>Profit for the year.....</b>	1263.397	1231.19
<b>Balance of Profit and Loss Account brought Forward from last year .....</b>	(22033.572)	(23264.77)
<b>Provision for Dividend.....</b>	-----	-----
<b>Corporate tax on dividend.....</b>	-----	-----
<b>Transfer to General Reserve.....</b>	-----	-----
<b>Balance carried to Balance Sheet .....</b>	(20770.175)	(22033.58)

#### **DIVIDEND:**

In view of conservation of resources and set off previous years accumulated losses, your Directors are unable to declare any dividend for the year under review.

#### **MANAGEMENT DISCUSSION & ANALYSIS:**

The Company during the year under review has performed reasonably well. The stringent cost cutting and economy measures taken by the management have yielded favourable results; the Company has been able to earn profit during the year under review. In spite of the fluctuations in the exchange ratio the Company has been in a position to achieve export turnover of Rs. 1.37 Crores. Further the Directors are happy to inform that the Company has received a very encouraging response to its export in the first Quarter and are hopeful of achieving a sizeable of Exports in the current year.



Further the Company is also receiving encouraging response for its products in the domestic market, especially for the Packaging Unit due to which the Directors are hopeful of achieving decent turnover from this unit in the current year.

### **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)

### **PROSPECTS:**

As reported in last Report the Company is concentrating on the existing customers in Printing Divisions which is giving encouraging results. There is steady growth in the turnover of the Printing Unit which we are sure will continue in the current year.

As reported in the last report the Super store has received an overwhelming response thereby increasing the share of the Companies products in local Markets. The stationery unit has received sizeable orders for its products from Gulf and hope to continue this trend in the current year thereby increasing the turnover substantially.

### **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 sure in the current year the Company will more business from the existing customers in addition to new customers.

#### **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. Further the company has made sizeable exports to Gulf Countries in the first three months of the current year with the encouraging response it has received and with the stabilization of Exchange Rate the Company is expecting a sizeable turnover from this division.

#### **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.

### **CORPORATE AFFAIRS:**

**Finance:** In view of the Increase in the Market Value of Land, etc the assets of the company were revalued during the year. The Brands of the Company have also been valued from Professionals. These have been incorporated in the Accounts.