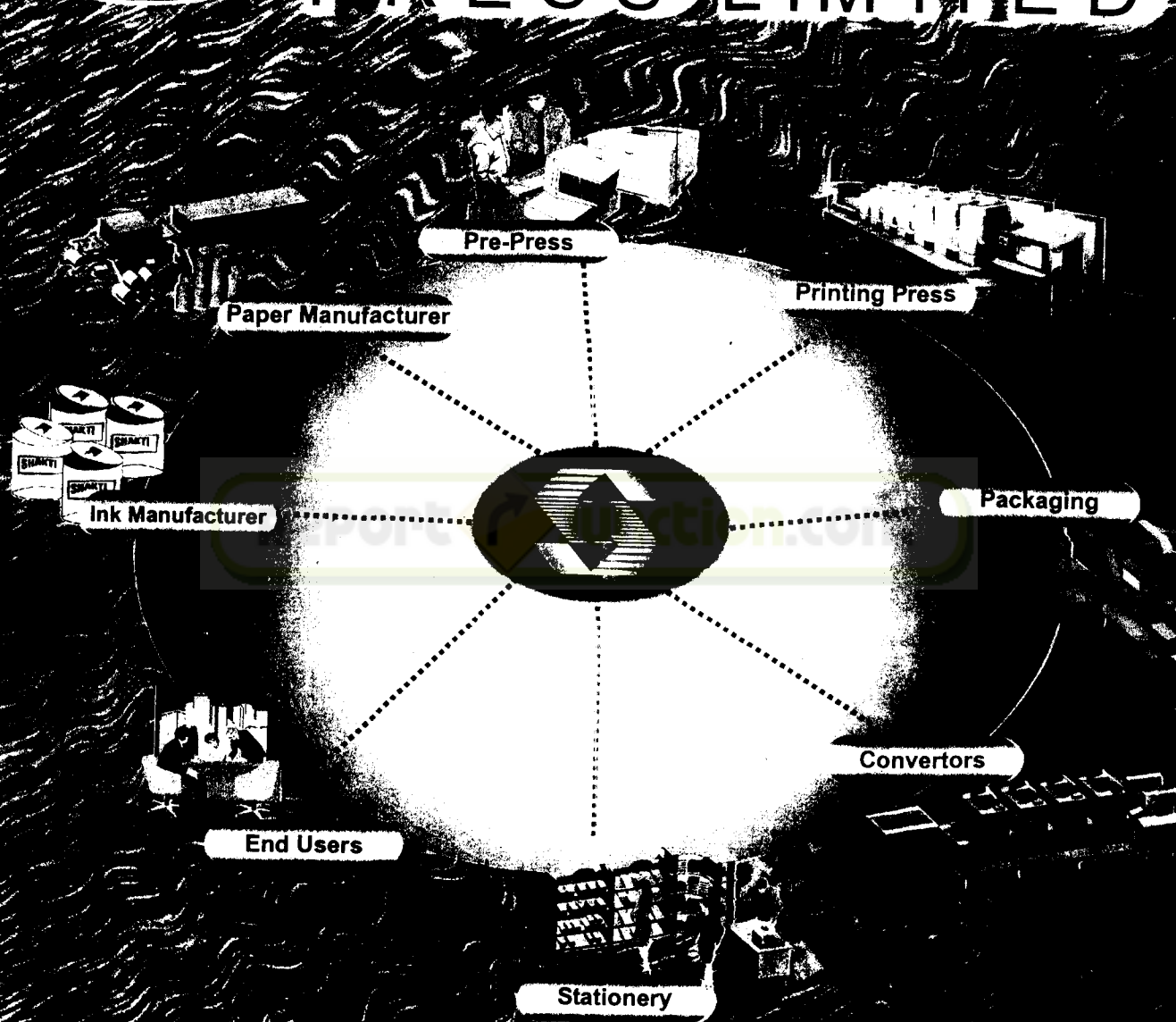


SHAKTI PRESS LIMITED



BOARD OF DIRECTORS

| | | |
|---------------------|---|---------------------------------------|
| Suresh Kumar Sharma | - | Chairman & Non - Exe Director |
| Raghav K. Sharma | - | Managing Director |
| Deepak S. Dhote | - | Jt. Managing Director |
| Sadanand B. Hajare | - | Non-Executive Director (Independent) |
| Unmesh G. Dhote | - | Executive Director |
| Kailaschand Sharma | - | Non-Excecutive Director (Independent) |

AUDITORS

M/S. L. B. HAJARE & COMPANY.
CHARTERED ACCOUNTANTS
NAGPUR - 440 012.

BANKERS

STATE BANK OF INDIA
Hingana Industrial Estate (Nagpur) Branch,
MIDC Area, Plot No. X-43,
NAGPUR - 440 016

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REGISTERED OFFICE

'Shakti House' Wardha Road
NAGPUR - 440 012
Tel. : (0712) 2525518, 2523153
Fax : (0712) 2538972

SECRETARIAL DEPARTMENT

'Shakti House', Wardha Road,
NAGPUR - 440 012

WORKS

1. U-116, MIDC, Hingna, Nagpur.
2. Kh. No. 49, Tah. Hingna, Vill. Mondha
Kanoli Bara Road, Nagpur (M. S.)
3. Kh. No. 69, Village - Mondha, Tah. Hingna,
Kanoli Bara Road, Nagpur (M. S.)

NOTICE TO MEMBERS

Notice is hereby given that the **Eleventh** 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 **Friday the 31st December, 2004** at 11.00 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 at 30th June, 2004 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 appoint a director in place of **Shri Sadanand B. Hajare**, 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 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 Raghav Kumar Sharma** be and is hereby re-appointed as a Whole time Director of the Company for a further period of 5 years w. e. f. **1st July, 2004**, 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 and Shri Raghav Kumar Sharma.

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 Kumar Sharma 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 Deepak S. Dhote, / Shri Unmesh G. 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."

6. 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 aggregate value of Rs.447980000 (Rs. four crores forty seven lacs and ninety eight thousand) 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 : 27.11.2004**

**Raghav K. Sharma
MANAGING DIRECTOR**

NOTES :

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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 THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 27th December, 2004 to Friday the 31st December, 2004 both days inclusive.
3. Transfers received during the period of Book Closure shall be considered after reopening of the books and accordingly such transfers shall not be considered for dividend declared, if any.
4. All requests received from Members for change of address will be entertained only when shareholders' signatures on the letter intimating change of address tally with the specimen signatures recorded with the Company. While notifying change in address please ensure that the address is complete and the pin code number is clearly mentioned. Incorrect incomplete address may lead to non-delivery of documents /communications sent to you from the Company.
5. Members are requested to quote Folio Numbers, client ID No. and DP ID No. in all correspondence. 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.
6. 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.

7. 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, 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**. Although, members may continue to hold the shares of the company in physical form at their option but for trading the same on the Stock Exchanges conversion into demat mode is compulsory. Shareholders having physical holdings hereby requested from the Company to dematerlise their holdings for the convenience of the company's share transactions.
8. 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 2004.
9. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.
10. Members and also Proxies should bring attendance slips sent herewith duly filled in, for attending the meeting.

By order of the Board
For SHAKTI PRESS LIMITED

Place : NAGPUR
Dated : 27.11.2004

Raghav K. Sharma
MANAGING DIRECTOR



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

The present tenure of office of Shri Raghav Kumar Sharma as a Managing Director of the Company expired on 30th June, 2004. Having regards to his vast experience in managing the company and expertise in printing field, his services have been beneficial to the company since last couple of years. The Board of Directors consider it desirable in the interest of the Company that the Company should continue to avail of the benefits of his services. Accordingly, at the meeting of the Board of Directors held on 2nd May, 2004 re-appointed Shri Raghav Kumar Sharma as Managing Director of the Company for a further period of 5 years with effect from 1st July, 2004 subject to the approval of the share holders in General Meeting and be paid and provided the following remuneration on the terms and conditions set out herein

Salary : Rs. 10,000/- per month

Perquisites : The monetary value of all the perquisites together shall not exceed Rs. 10,000/- p.m.

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 Raghav Kumar Sharma, 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 Raghav Kumar Sharma has vast business experience in printing industry and has been actively engaged and contributes substantially in management of the business activities and operations of the Company.

The Directors recommend the resolution for adoption by the members.

None of the Directors except Shri Raghav Kumar Sharma is interested in the resolution.

Item No. 7:

The Company has undertaken expansion project at village Mondha and in order to part finance this project as well as to meet the Company's long term working capital requirement it is proposed to issue further equity capital and preference share capital of the Company. The terms and conditions to issue such a 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 required 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.

For SHAKTI PRESS LIMITED

**RAGHAV SHARMA
MANAGING DIRECTOR**

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of the company are pleased to present the Eleventh Annual Report together with the Audited Statement of Accounts of the Company for the year ended 30th June, 2004.

FINANCIAL RESULTS :

| Particulars | Year ended 30.06.2004 (Rupees' 000) | Year ended 30.06.2003 (Rupees' 000) |
|---|---|---|
| Gross Turnover | 1,93,827.07 | 1,82,946.99 |
| Gross Profit | 40,773.22 | 41,646.04 |
| Depreciation | 17,581.06 | 14,151.66 |
| Provision for Taxation | --- | --- |
| Profit for the year | (17,148.37) | 7,262.97 |
| Balance of Profit and Loss Account brought forward from last year | 31044.22 | 24,031.47 |
| Provision for dividend | -- | -- |
| Corporate tax on dividend | -- | -- |
| Transfer to General Reserve | -- | 250.00 |
| Balance carried to Balance Sheet | 13,896.05 | 31,044.44 |

PERFORMANCE :

During the year under review, total turnover of the Company was Rs. 1938 Lacs only as against Rs.1829.46 Lacs only in the previous year and the Company has incurred the net loss of Rs. 171.48 Lacs as against the net profit of Rs. 72.63 Lacs in the previous year. The loss is due to heavy depreciation and interest payment to Bankers.

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 has received some good orders from reputed business houses. The Board of Directors are hopeful of completing such orders during the year and earn goodwill amongst such top business houses.

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 was in the process of consolidating 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 therefore reporting of segmentwise performance is not applicable to the Company.

Opportunities & Threats :

In the background of enquirees received from the International buyers and the negotiations going on the Directors are hopeful of getting substantial export orders for its stationary unit.

The Directors does not foresee any threats to the Industry, on the contrary, paper being biodegradable they foresee bright future for the paper based packing material.

Outlook :

The world is running very fast and this is the new era of colour world. With change from black & white to the colour world, printing of multi colour labels, packaging material, banners, etc. have good future. Directors are expecting orders for the same.

PROSPECTS :

Being the first year of its operation after completion of massive expansion program, the Company is exploring opportunity to export its stationary product. In this connection the Company is continuously trying to enter the overseas market for its Stationary products. The Company is negotiating with the foreign business houses for export of its product. In domestic market product of the Company has received very encouraging response.

INDUSTRIAL RELATIONS :

During the year under review the overall industrial relations of the Company were cordial.

DIRECTORS :

Shri Raghav K. Sharma and Shri Sadanand B. Hajare, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment. There being no change in position of other Directors of the Company.

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 are 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 :

With reference to the comments made by the Auditors in their report, the Directors wish to state that the relevant notes forming part of the Company's accounts are self-explanatory and hence do not require any further explanation.

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.

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 as Annexure B.

ACKNOWLEDGEMENTS :

The Directors wish to thank to the Company's Banker, Customers, and the Shareholders for all their co-operation and help extended to the Company. The Directors also wish to place on record their sincere appreciation for the devoted services rendered by the employees at all levels of the Company and look forward to their continued co-operation.



**On Behalf of the Board of Directors,
For SHAKTI PRESS LTD.,**

**PLACE : NAGPUR
DATED: 27.11.2004**

**Raghav Sharma
MANAGING DIRECTOR**

**Deepak Dhote
Jt. MANAGING DIRECTOR**

Annexure 'A' to the Directors' Report

Additional information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY :

| | | | |
|----|---|-----|--|
| a) | Measures taken | : - | N. A. |
| b) | Additional Investment and proposals, if any, being implemented for reduction of consumption of energy. | : - | N. A. |
| c) | Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods. | : - | N. A. |
| d) | Total energy consumption and energy production in Prescribed Form'A'. | : - | As per Form No. 'A' attached Consumption per unit of |

B. TECHNOLOGY ABSORPTION :**Research and development :**

| | | | |
|----|---|-----|-------|
| 1. | Specific areas in which R & D carried out by the Company. | : - | N. A. |
| 2. | Benefits derived as a result of above R & D. | : - | N. A. |
| 3. | Future plan of action | : - | N. A. |
| 4. | Expenditure on Research & Development | : - | NIL |
| 5. | Technology absorption adaptation and innovation : | | |
| a) | Efforts, in brief, made towards Technology absorption, adaptation and innovation. | : - | N. A. |
| b) | Benefits derived as a result of above efforts. | : - | N. A. |
| c) | Information regarding technology imported during the last five years. | : - | N. A. |