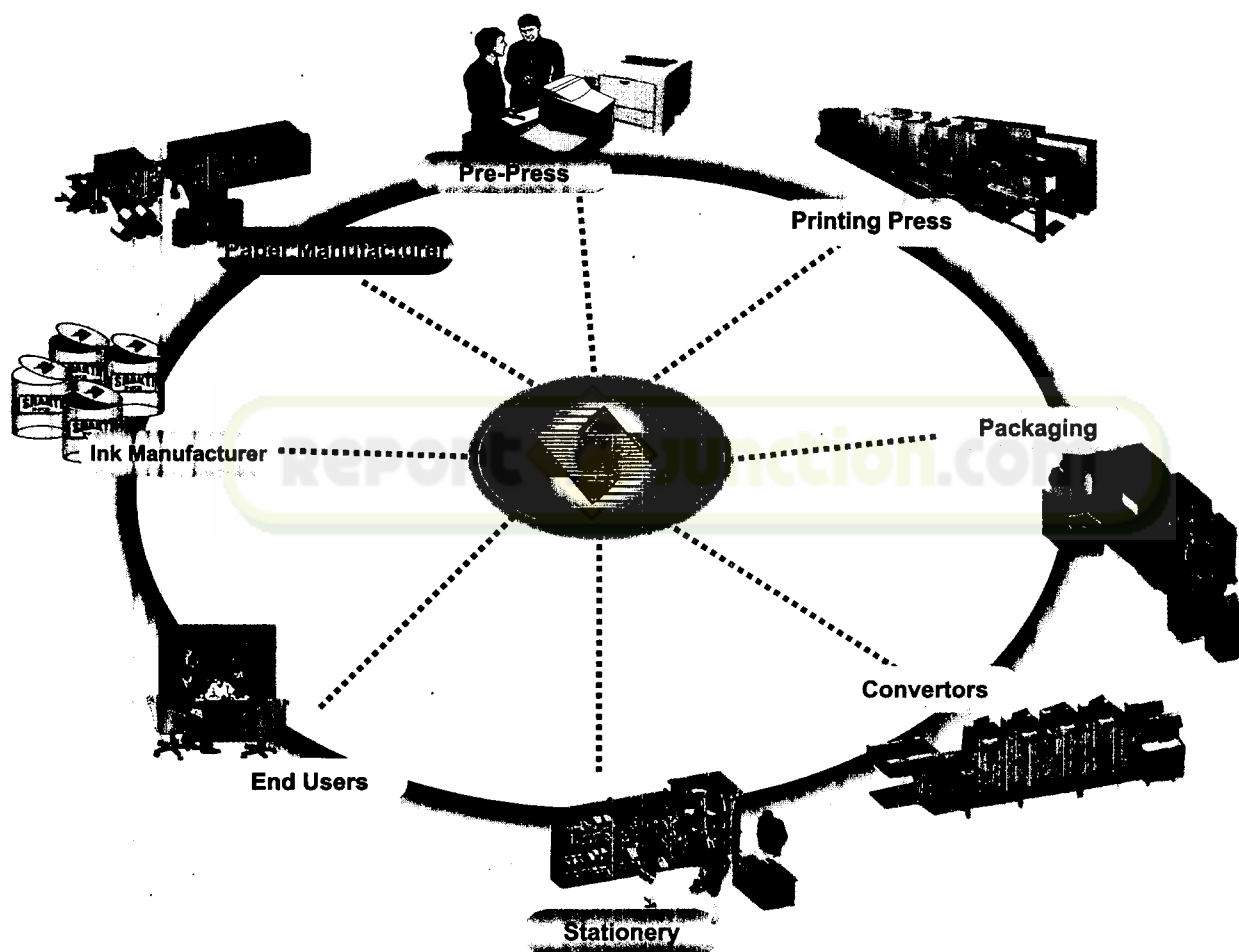




SHAKTI

PRESS LIMITED



15th ANNUAL REPORT

2008-2009

Creating World Class
Paper Printing & Packaging Solutions



COMPANY INFORMATION

BOARD OF DIRECTORS

Suresh Kumar Sharma	-	Chairman
Raghav K. Sharma	-	Managing Director
Deepak S. Dhote	-	Joint Managing Director
Nitin S Dhote	-	Whole Time Director
Kailashchand R. Sharma	-	Independent Director
V. Ramchandran	-	Independent Director upto 28.04.2008
Sunder Venkatraman	-	Independent Director w.e.f. 14.08.2008
Shridhar Parande	-	Independent Director w.e.f. 14.08.2008

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 15th Annual General Meeting of the members of the Company will be held at U-116, M.I.D.C. Industrial Area, Nagpur - 440 016 (Maharashtra) on Tuesday, the **30th September, 2008** 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, 2008 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 Kailaschand Sharma who retires from office by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Suresh Sharma who retires from office by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Deepak Dhote who retires from office by rotation and being eligible offers himself for re-appointment.
5. 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

6. 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 Deepak Dhote be and is hereby re-appointed as a Whole time Director of the Company for a period of 5 years w. e. f. 1st November, 2007, upon the terms and conditions as to remuneration appended to explanatory statement 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 Deepak 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, Managing Director be and is 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."

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

**(A) Appointment of Mr. Sunder Venkatraman as Additional Director of the Company.**

RESOLVED THAT Mr. Sunder Venkatraman, be and is hereby appointed as Director of the Company and his appointment is confirmed.

(B) Appointment of Mr. Shreedhar Parande as Additional Director of the Company.

RESOLVED THAT Mr. Mr. Shreedhar Parande, be and is hereby appointed as Director of the Company and his appointment is confirmed.

By order of the Board
For SHAKTI PRESS LIMITED

Place: NAGPUR
Dated: 01.09.2008

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.
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 6 to 7 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 28th September, 2008 to 30th September, 2008 (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 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. 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. 6:

The tenure of Mr. Deepak Dhote as Joint Managing Director of the Company expired on 30.10.2007. 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 1st November, 2007 recommended the payment of the following terms and conditions in respect of appointment of Shri Deepak Dhote to the Board and Board of Directors in turn has considered and re-appointed Shri Deepak Dhote by agreement with effect from 01.11.2007 and accordingly, confirmation of re-appointment at the meeting of the Board of Directors held on 21st January, 2008 of Mr. Deepak S. Dhote as the Joint Managing Director of the company for a period of 5 years with effect from 1st November, 2007 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 Deepak Dhote are as per Rules of the Company applicable from time to time.
- ii. Remuneration pay of Rs. 25,000 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 Deepak Dhote, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to the Joint Managing Director by way of salary or other benefits in accordance with the Schedule XIII to the Companies Act, 1956.

The members therefore requested to confirm the re-appointment of Shri Deepak Dhote as a Joint Managing 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.

No other Directors are interested except Shri Deepak Dhote and Shri Nitin Dhote.

Item No. 7:

SEBI vide its Circular dated 08.04.2008 amended the Clause 49 of the Listing Agreement and mandate all Listed Companies to balance the composition of Board if Chairman of the Company is from Promoter's Group - Half of the Board is required to be Independent. As the said Clause is applicable to the Company and to comply with said Clause 49 - Corporate Governance Requirements, the Company has convinced Shri Sunder Venkatraman and Shri Shreedhar Parande for being appointed as the Additional Directors (Independent - Non-executive) of the Company. The Company has received notice from Shri Sunder Venkatraman and Shri Shreedhar Parande that they are not disqualified pursuant to provisions of Section 274(1)(g) of the Companies Act, 1956 from being appointed as Additional Directors. The notices under Section 257 of the Companies Act, 1956 have received by the Company for candidature of appointment of Shri Sunder Venkatraman and Shri Shreedhar Parande as the Directors of the Company.

Accordingly the Board of Directors vide their meeting held on 14th day of August, 2008 appointed Shri Sunder Venkatraman and Shri Shreedhar Parande as an Additional Directors (Independent - Non Executive).

As per the provisions of the Companies Act, 1956 and Articles of Association of the Company, the said additional Directors can hold office upto the conclusion of ensuing Annual General Meeting unless otherwise



appointed at the Annual General Meeting. Accordingly the period of office of Shri Sunder Venkatraman and Shri Shreedhar Parande are upto the conclusion of this ensuing Annual General Meeting of the Company and therefore their appointments are required to be confirmed at the ensuing Annual General Meeting of the Company.

No other Directors except Shri Sunder Venkatraman and Shri Shreedhar Parande are interested. The Board is hereby seek members approval for appointment of Mr Sunder Venkatraman and Shri Shreedhar Parande.

Brief Profile of Directors seeking appointment / re-appointment

Mr Suresh Kumar Sharma :

Shri Suresh Kumar Sharma is a Promoter – Director 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
Golden Legend Leasing and Finance Ltd.	Director
Alintosch Pharmaceuticals Ltd	Director
Mahalaxmi Commercial Services Ltd	Director
Markdata Power & Energy Limited	Director

He is also holding positions as a Director of other Private Limited Companies of Baidyanath Group. He is having vast experience in field of Ayurved and Pharma more than three decades.

Mr. Sunder Venkat Raman

Mr Sunder Venkat Raman 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 for their restructuring modules.

Mr. S. M. Parande

Mr. Shreedhar Parande has served Banking and Financial Service Industry for 36 years and he is having vast experience in the field of Finance and Banking. He was Managing Director of State Bank of Hyderabad, Deputy Managing Director of State Bank of India and Executive Director - SBI Capital Markets Ltd.



**DIRECTOR'S REPORT****TO THE MEMBERS
OF SHAKTI PRESS LIMITED**

Your Directors are pleased to present the Company's 15th Annual Report on the business and operation of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2008.

PERFORMANCE REVIEW:

Particulars	For the year ended 31 st March, 2008 (Rupees' 000)	Previous Year 31 st March, 2007 (Rupees' 000)
Gross Turnover	123263.69	95425.89
Gross Profit.....	52545.46	24661.44
Depreciation.....	8955.60	6,696.21
Provision for Taxation.....	—	—
Profit for the year.....	1231.19	(21961.91)
Balance of Profit and Loss Account brought forward from last year	(23264.77)	(1302.85)
Provision for Dividend.....	—	—
Corporate tax on dividend.....	—	—
Transfer to General Reserve.....	—	—
Balance carried to Balance Sheet	(22033.58)	(23264.77)

DIVIDEND

In view of the meagre profit for the year, 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 marginal 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.90 Lakhs Further the Directors are happy to inform that, the Company has received a very encouraging response to its export in the first Quarter and is hopeful of achieving a sizeable of Exports during period under review.





Further the Company is also receiving encouraging response for its products in the domestic market, specially for the Packaging Unit due to which the Directors are hopeful of achieving decent turnover from this unit during Financial Year under review.

The Company is classified as Printing Industry and as such reporting of segment wise performance is not applicable to the Company.

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 our concentrating on the existing customers in Printing Divisions 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 Already reported the Packing unit is receiving encouraging response and with the sizeable orders received from Ballarpur Industries Limited, etc for Packaging material, we are sure to clock a decent turnover in this unit during the Current Financial 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 operations further consolidated during the year under review, your Company has succeeded in generating additional business from the existing customers. Your Director are sure during the current year to generate more business from the existing customers in addition to adding 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 Financial Year under review. The Brands of the Company have also been valued from Professionals and the same have incorporated in the Book of Accounts of the Company. During the year under review the relations with the Bankers have been very cordial.

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.

Human Resources :

In line with the defined organizational transformation strategy and policies in respect of HR, your company continued its efforts to align the processes, practices and systems with the organizational 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 Kailaschand Sharma, Shri Suresh Sharma and Shri Deepak Dhote, Directors of the Company, retire by rotation and being eligible, offer himself for re-appointment. Shri Deepak Dhote has been reappointed on the Board as a Joint Managing Director of the Company with effect from 1st November, 2007 for a period of Five Years.

Shri V Ramachandran, Director of the Company, ceased to act as director of the Company with effect from 28th April, 2008. By amendment in Clause 49 of the Listing Agreement vide SEBI Circular dated 8th April, 2008, Shri Sunder Venkatraman and Shri Shreedhar Parande appointed as an Additional Director (Independent - Non-executive) of the Company vide Board Meeting held on 14th August, 2008 and entitled to hold office upto the conclusion of ensuing Annual General Meeting of the Company unless confirmed by the meeting. Their Appointments are being put before the ensuing AGM for consideration and confirmation by the members present at the AGM.

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 judgments 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, Statutory 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 LIMITED

PLACE: NAGPUR
DATED: 01.09.2008

Raghav Sharma Deepak Dhote
MANAGING DIRECTOR Jt. MANAGING DIRECTOR

