

SHAKTI PRESS LIMITED

17th ANNUAL REPORT

2009-10

BOARD OF DIRECTORS

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

REGD OFFICE

**SHAKTI HOUSE, WARDHA ROAD,
NAGPUR – 440 012**
Shakti_offset@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 17th 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 Thursday, 30th December, 2010 at 4.00 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 30th June, 2010 and Profit & Loss Account for the year ended 30th June, 2010, along with the Auditor's Report and Director's Report thereon.
2. To appoint the Director in place of Shri Shreedhar Parande retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint the Director in place of Shri Ashutosh Potnis retires 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 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:

5. 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 Nitin Dhote be and is hereby re-appointed as a Whole Time Director of the Company for a period of 3 years w. e. f. **14th January, 2010** 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 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.

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

“RESOLVED THAT the extension of Accounting / Financial year 2009 – 10 of the Company by three months and change of Accounting year of the Company from March 2010 to June 2010 and accounting period for the year 2009-10 be and is hereby ratified and confirmed for the period of April 01, 2009 to June 30, 2010 and subsequent accounting year shall be from July 01, 2010 to June 30, 2011 and so on.”

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

**Place: NAGPUR
Dated: 27.11.2010**

**Raghav Sharma
MANAGING DIRECTOR**

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

Item No.5:

The tenure of Shri Nitin Dhote as a Whole Time Director of the Company expired on 13th January 2010. In view of his long association with the Company, the Board of Directors considered 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 January, 2010 recommended and approved the re - appointment of Shri Nitin Dhote as a Whole Time Director of the Company with effect from 14th January, 2010 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 31st January, 2010 subject to approval of members of the Company. The Board has re-appointed Shri Nitin Dhote as a Whole Time Director of the Company for a period of 3 years with effect from 14th January, 2010 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 Nitin Dhote are as per Rules of the Company applicable from time to time.
- ii. Remuneration pay of Rs. 9,500/- 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.

None of the directors of the Company except Shri Nitin Dhote are interested in above said resolution.

Item No 06

The Board of Directors of the Company in their meeting held on 17th March 2010 resolved to change its Accounting / Financial year by extension of three months and the accounting year 2009-10 shall be for the period fifteenth months from 1st April 2009 to 30th June 2010 and subsequent accounting year shall be from 1st July 2010 to 30th June 2011 and so on. This has been in view of the fact that the stationary division of the Company under full operation during the quarter April to June and the Company fully engage in such period. In such period, it is very difficult for a Company engage in finalization of accounting. This has been done in view of the fact that the stationary division of the Company under full operation during the quarter April to June and the Company fully engage in such period. In such period, it is very difficult for a Company engage in finalization of accounting.

Members are therefore requested to ratify the extension of financial year 2009 - 10. None of the directors of the Company are interested in above said resolution.

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 Register of Members and Share Transfer Books, etc of the Company will remain closed from 25th December 2010 to 30th December 2010 both days are inclusive.
4. Transfers or Transmission requests received during the period of Book Closure shall be considered after reopening of the books.
5. As a measure of economy, copies of annual report will not be distributed at the Annual General Meeting.
6. 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.
7. 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.
8. 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 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.
9. The shares of the Company are listed with the Bombay Stock Exchange and the Delisting application is pending with the Delhi Stock Exchange Assoc. Ltd and Madras Stock Exchange Ltd.

Brief Profile of Director Seeking / Appointment Re-appointment :

Mr Shreedhar Parande:

Mr Shreedhar Mukund Parande has served Banking and Financial Service Industry for 38 years and he is having vast experience in the field of Finance and Banking. He had served as a Former Managing Director of State Bank of Hyderabad, then as a Deputy Managing Director of State Bank of India and subsequently as a Executive Director - SBI Capital Markets Ltd. He is holding ten equity shares of the Company.

Mr Ashutosh Potnis:

Mr Ashutosh Potnis is Graduate in Law, and has a successful track record of about 16 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 is holding ten equity shares of the Company.

Mr Nitin Dhote:

Mr Nitin Dhote has been appointed as a Whole Time Director of the Company. He is having vast experience in business and management. He has a successful track record and having experience in printing and stationary Industry. He is holding 12000 equity shares of the Company.

DIRECTOR'S REPORT

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

Your Directors are pleased to present the Company's 17th Annual Report on the business and operation of the Company together with the Audited Statement of Accounts for the Period & Accounting year ended 30th June, 2010.

Particulars	For the year ended 30th June, 2010 (Rupees' 000)	Previous Year 31st March, 2009 (Rupees' 000)
Gross Turnover	245346.839	162156.763
Profit / Loss before depreciation.....	(63464.217)	14137.964
Depreciation.....	16079.708	128745.567
Profit before tax for the year.....	(79543.925)	1263.397
Balance of Profit and Loss Account brought Forward from last year	(20770.175)	(22033.572)
Provision for Dividend.....	-----	-----
Corporate tax on dividend.....	-----	-----
Transfer to General Reserve.....	-----	-----
Balance carried to Balance Sheet	(100314.100)	(20770.175)

DIVIDEND:

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

MANAGEMENT DISCUSSION & ANALYSIS:

Your Directors are please to inform you that total income of Rs.24.53 Crores for the year ended 2009-10 as against Rs.16.21 Crores for the year ended 2008-09. The turnover is in addition of three months due to extension of accounting year 2009-10 of the Company. The Company during the year under review has performed reasonably well. During the year under review, the turnover from export has been gradually decreased from Rs.1.37 Crores in

the year ended 2008-09 to Rs. 1.20 Crores in the year ended 2009-10 representing a fall of 12.41%.

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. The Boards of Directors are trying their best to improve the performance of 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. 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 Division which is giving encouraging results. There is steady growth in the turnover of the Printing Unit which the management are confident to continue in the current year.

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 confident in the current year the Company will acquire more business from the existing customers in addition to new customers. However, the effect of global recession may have an adverse impact on the performance.

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. The Company was also able to stabilise the Stationary Division after recession by diversifying into other stationary related items like copier paper, diaries and note pads, printed published books.

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 apart from adding more business from existing customers.

Further the Company's management is making best efforts to increase the margin by adopting the cost cutting methods in operations of the Company. Your Directors have been successful in improving the positions of the Company and are hopeful for better future.

CORPORATE AFFAIRS:

Financial Year:

The Board of Directors of the Company in their meeting held on 17th March 2010 resolved that, the accounting year 2009 -10 extended by 3 months and change of Accounting year of the Company from March 2010 to June 2010. Further accounting period for the year 2009 -10 shall be for the period of April 01, 2009 to June 30, 2010 and subsequent accounting year shall be from July 01, 2010 to June 30, 2011 and so on. This has been done in view of the fact that the stationary division of the Company under full operation during the quarter April to June and the Company fully engage in such period. In such period, it is very difficult exercise for a Company's Staff to engage in finalization of accounting.

Financial Facilities:

The Company is having financial facilities with the State Bank of India and the same is under SAM (Stress Asset Management). Due to recession and downward trend in the market, the performance of the Company was adversely affected. The Management of the Company are trying their best to improve the position of the Company and requested the Banker for further facilities and the same is under consideration with the State Bank of India. Further the restructuring proposal is also under consideration with State Bank of India and your Directors are hopeful for the same by which the Company will be benefited.

Cost Management:

In the era of competition and recession, the management has successful in adopting Cost Cutting measures in the Company and are able to achieve the marginal success during the year under review. However, the Costing have indispensable area of concern in the Company in relation to the nature of operation. The Cost Cutting Operation have been started during the financial year under supervision of Shri Deepak Dhote, Joint Managing Director of the Company.

Listing of Shares:

The Equity shares of the Company listed on Bombay Stock Exchange Ltd, Delhi Stock Exchange Assoc. Ltd and Madras Stock Exchange Ltd. The Board of Directors of the Company has resolved in their meeting held on 31st January 2010 to Voluntary delist Company's scrip from the Delhi Stock Exchange Association Ltd and the Madras Stock Exchange Ltd as there is no trading of Company's shares at the said Exchanges. The Delisting application is pending with both Delhi & Madras Stock Exchange and all necessary documents for delisting have already been submitted.

Corporate Compliances:

During the year under review , the Company has duly filed all necessary Papers, documents, forms, etc with various authorities under the provisions of Companies Act, 1956, Rules, Listing Agreement, SEBI Laws, etc.