

## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	
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

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### **AUDITORS**

**M/S L. B. HAJARE & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**NAGPUR**

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### **BANKERS**

**STATE BANK OF INDIA**

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### **REGD OFFICE**

**SHAKTI HOUSE, WARDHA ROAD,**  
**NAGPUR - 440 012**

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### **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.)

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### **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**

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## 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 **30<sup>th</sup> 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 31<sup>st</sup> 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. 1<sup>st</sup> 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 Mukund as Additional Director of the Company.**

RESOLVED THAT **Mr. Mr. Shreedhar Parande Mukund**, 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 28<sup>th</sup> September, 2008 to 30<sup>th</sup> 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. 2<sup>nd</sup> 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 1<sup>st</sup> 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 21<sup>st</sup> January, 2008 of Mr. Deepak S. Dhote as the Joint Managing Director of the company for a period of 5 years with effect from 1<sup>st</sup> 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 Mukund 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 Mukund 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 Mukund as the Directors of the Company.

Accordingly the Board of Directors vide their meeting held on 14<sup>th</sup> day of August, 2008 appointed Shri Sunder Venkatraman and Shri Shreedhar Parande Mukund 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 Mukund 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 Mukund are interested. The Board is hereby seek members approval for appointment of Mr Sunder Venkatraman and Shri Shreedhar Parande Mukund.

## **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 :

<b>Company</b>	<b>Designation</b>
Shree Baidyanath Ayurved Bhawan Pvt. Ltd.	Jt. Managing Director
Siddhayu Ayurvedic Research Foundation Pvt. Ltd.	Director
The Vidarbha Paper Mills 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 Mukund has served Banking and Financial Service Industry for 36 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.

## DIRECTOR'S REPORT

### TO THE MEMBERS OF SHAKTI PRESS LIMITED

Your Directors are pleased to present the Company's 15<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, 2008.

#### PERFORMANCE REVIEW:

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

#### 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)

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

**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 1<sup>st</sup> 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 28<sup>th</sup> April, 2008. By amendment in Clause 49 of the Listing Agreement vide SEBI Circular dated 8<sup>th</sup> April, 2008, Shri Sunder Venkatraman and Shri Shreedhar Parande Mukund appointed as an Additional Director (Independent – Non-executive) of the Company vide Board Meeting held on 14<sup>th</sup> 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**

**FORM 'A'**

**FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

<b>PARTICULARS</b>	<b>CURRENT YEAR 2007-2008</b>	<b>PREVIOUS YEAR 2006-2007</b>
<b>A. POWER AND FUEL CONSUMPTION :</b>		
<b>1. ELECTRICITY</b>		
a) Purchased Units(KWH).....	887116	702934
(Rs.)..... Total amount.....	Rs.5058000/	Rs.4052647/
 Rate / Unit (Rs./KWH).....	 Rs 5.75	 Rs. 5.76
 b) Own Generation		
Through Diesel Generator Units (KWH)..... Units per ltr. of diesel oil..... Cost/unit (Rs.).....	 N. A.   	 N. A.   
Through Steam Turbine/Generator Units..... Units per ltr. of fuel oil/gas..... Cost/ unit (Rs.).....	 N. A - - -	 N. A. - - -
<b>2. Coal for domestic use (B grade for boiler)</b> Qty. (M.T) Total Cost (Rs.) Average Rate (Rs.)	 N. A. - - -	 N. A. - - -
<b>3. Furnace Oil</b> Quantity (K. Litres)..... Total cost (Rs. in Lacs)..... Average Rate (Rs./K. Litres).....	 N. A. - - -	 N. A. - - -
<b>4. Others/Internal Generation.....</b> (Give Details) Total Cost Rate/unit	 N. A. - - -	 N. A. - - -
<b>B. CONSUMPTION PER UNIT OF PRODUCTION :</b>		
<b>PARTICULARS</b>	<b>CURRENT YEAR 2007-2008</b>	<b>PREVIOUS YEAR 2006-2007</b>
Electricity (units)		
Coal (B Grade)	N.A.	N.A.
Furnace Oil	N. A.	N.A.
Other (specify)	N.A.	N.A.
Own power		

The Board of Directors  
SHAKTI PRESS LTD  
NAGPUR

**CERTIFICATION BY  
CHIEF EXECUTIVE**

I hereby certify that for the financial year 2008 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 2007-08 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**

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on code of corporate Governance:

The vision and mission statement of the Company is to be a world class printing industry. Your corporation believes that Corporate Governance is a key element in improving the economic efficiency of a firm. Good Corporate Governance also helps to ensure that organization takes into account the interests of a wide range of constituencies, as well as communities. Your Company is abide by transparency and full accountability of Management on various issues pertaining to the Company's business thereby protecting the interest of the shareholders.

### 2. Board of Directors

Composition of Board of Directors : The Composition of Board of Directors of the Company is in conformity with Clause 49 of the Listing Agreement.

The Composition of Board of Directors of Shakti Press Limited as on 31<sup>st</sup> March, 2008 as under :

Sr No	Name of the Director	Category	Attendance		Other Directorship/Membership	
			Board Meeting	Last AGM	Other BoDs*	Committees
1.	Suresh Kumar Sharma	Non-Executive	1	Yes	07	05
2.	Raghav K. Sharma	Executive	5	Yes	NIL	NIL
3.	Deepak S. Dhote	Executive	5	Yes	NIL	01
5.	Kailaschand Sharma	Independent	4	Yes	NIL	03
6.	V Ramchandran	Independent	4	Yes	NIL	02
7.	Nitin Dhote (w.e.f.14.01.2007)	Executive	5	Yes	NIL	NIL

\* Directorship excludes the directorship of Shakti Press Limited, Foreign and Private Limited Companies.

The Board met five times on the following dates during the financial year 2007-2008 and maximum time gap did not exceed four months.

30<sup>th</sup> April, 2007                      31<sup>st</sup> July, 2007;                      4<sup>th</sup> September, 2007;  
28<sup>th</sup> October, 2007;                      21<sup>st</sup> January, 2008

### 3. Audit Committee :

The following Directors were the members of the Audit Committee for the year under review:

Sr No	Name of the Director	Category	Nos. of meeting Attended
1.	Shri S. K. Sharma	Non-Executive	02
2.	Kailaschand Sharma	Non-Executive (Independent)	03
3.	V Ramchandran	Non - Executive (Independent)	01

The term of reference of the Audit Committee which are in accordance with Clause 49 of the Listing Agreement, are as under:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other service.
- Reviewing with Management, the annual financial statements before submission to the Board, focusing primarily on :
  - Any change in accounting policies & practices,
  - Major accounting entries based on exercise of judgement by Management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with Accounting Standards.
  - Compliance with Stock Exchange and Legal requirements concerning financial statements.
  - Any related party transaction

- d) Reviewing with the Management, external & internal auditors, the adequacy of internal control systems and recommending improvements to the Management.
- e) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f) Discussing with internal auditors any significant findings and follow up there on.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussing with external auditors before the audit commences nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- i) Reviewing the Company's financial & risk management policies
- j) Initiating investigations into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders and creditors.

The Committee reviews the financial Statements before these are placed before the Board. During the period under review, four meetings of the committee were held on **31st July, 2007;**  
**4th September, 2007;**                      **28th October, 2007;**                      **21st January, 2008**

. The details of attendance of the Audit Committee are as under:

#### 4. Remuneration Committee

During the year under review the following Directors were members of the remuneration Committee:

Sr No	Name of the Director	Category	Nos. of meeting Attended
1.	Shri S. K. Sharma	Non-Executive	01
2.	Shri Kailaschand Sharma	Non-Executive (Independent)	01
3.	Shri V Ramchandran	Non-Executive (Independent)	01

The details of remuneration paid to the Directors during the year ended on 31<sup>st</sup> March, 2008 are as under:

Sr No	Name of the Director	Sitting fees (including Committee Meeting)	Salary, Allowances, etc.	Contributions to PF and Superannuation funds, etc
1.	Suresh Kumar Sharma	Rs. 12,000 p.a.	N.A.	N.A.
2.	Raghav K. Sharma	NIL	20,000 P.M.	As per Rules.
3.	Deepak S. Dhote	NIL	20,000 P.M.	As per Rules
6.	Kailaschand Sharma	Rs. 12,000 p.a.	N.A.	N.A.
7.	V Ramchandran	Rs. 10,000 p.a	N.A.	N.A.
8.	Nitin Dhote	NIL	9,500 P.M.	As per Rules

The remuneration paid to the Executive Directors are in accordance with the Sections 198, 309, 310, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and having duly considered and approved by the Remuneration Committee. The services rendering by the Executive Directors to the Shakti Press Limited justify the remuneration mentioned above having regards to their knowledge, experience, qualification, etc in the field of Printing & Stationary. The remuneration provides by the Company to the Executive Directors are in accordance with the rational & reasonable principles of Company Jurisprudence and they are deserved for the same having regards & interpretation of Schedule XIII to the Companies Act, 1956 because they (Executive Directors) are managing such company with Debt Liability (Risk) including their personal guarantees of the debt borrowed by the Company and holding such risk & manage a company shall deserve such person to be remunerated with handsome amount. Schedule XIII empowers to give remuneration according to slabs of effective authorised capital. The remuneration of Directors is exclusive of other facilities, perks, etc. The figures given are monetary in nature and not mentioned other perks of non-monetary nature.

Each individual Executive Director have special knowledge, 30 years and more experience, expertise, etc in the field of Printing Industry having regards to the history of Shakti Press Limited.

**5. Share Transfer and Investors Grievance Committee:**

The Company has Investors Grievance Committee, the members of the committee are :

Sr No	Name of the Director	Category	Nos. of meeting Attended
2.	Shri Deepak S. Dhote	Executive	12
3.	Shri Kailaschand Sharma	Non-Executive (Independent)	5
4.	Shri Nitin Dhote	Executive	12

Shri Kailaschand S. Sharma, Non-Executive Independent Director of the Company heading the Committee. No complaint is pending upto the date of this report. There are no complaints from the investor except grievance of suspension of trading. The matter with respect to suspension of trading has been already referred to the Board of Directors and it is in process of revocation.

**6. General Body Meeting**

Sr.No.	Dates of Last three AGMs	Place
1.	24 <sup>th</sup> December, 2005	U-116, MIDC, Hingna, Nagpur - 440 006 (Maharashtra)
2.	30 <sup>th</sup> December, 2006	
3.	29 <sup>th</sup> September, 2007	

**Resolution through postal ballot**

No special resolution was required to be passed through postal ballot last year, in terms of the provisions of the Companies Act, 1956 and relevant rules made hereunder.

**7. Disclosures:**

The details of materially significant related party transaction as disclosed in the enclosed financial statements. The transactions with related parties are in accordance with generally accepted business principles, market trends, rational judgments and by cash at prevalent market rates.

Details of non-compliance, penalties etc. imposed by the stock exchanges, SEBI etc. on any matter related to capital markets, during the last three years. **NIL**

**8. Means of Communication**

- (a) Half yearly report sent to each household: No
- (b) Quarterly Results: Which newspaper normally published in: The Indian Express in English and Lok Satta in Marathi.
- (c) Any website, where displayed: [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in)
- (d) Whether it also displays official news releases and the presentation to make to institutional investor or to analyst. : Indian Express (English) & Loksatta (Marathi)

**9. General shareholder Information**

Sr. No	Particulars	
1.	AGM : Date, Day & time	30.09.2008 Day : Tuesday, Time : 2.00. P M
2.	Venue	Plot No. U-116, MIDC, Nagpur - 440 016
3.	Financial Year	April to March
4.	Book Closure	28 <sup>th</sup> September, 2008 to 30 <sup>th</sup> September, 2008 (both days are inclusive).
5.	Dividend Payment	Not Applicable
6.	Listing (Stock Exchange)	BSE, Delhi, Ahmedabad, Madras
7.	Stock Code	526841
8.	Market price Data	No Trading at BSE due to suspension
9.	Registrar & Transfer Agents	M/s Intime Spectrum Share Registry Limited, Mumbai
10.	Outstanding of ADR/GDR	Not Applicable
11.	Plant Locations	U-116, MIDC, Hingna Road, Nagpur, and two units at Mondha Kanoli Bara Road, Nagpur.
12.	Address for Correspondence	Shakti House, Wardha Road, Nagpur - 440012 (M. S.)

## MARKET PRICE DATA : BSE QUOTES HAVING NATIONWIDE ONLINE TRADING TERMINALS -

Due to Suspension of Trading, the BSE Quotes are not available.

The Market price data - high / low during each month of the financial year in respect of trading of Company's share at Ahmedabad Stock Exchange, Madras Stock Exchange, Chennai and Delhi Stock Exchange Association, Delhi are not available, hence not provided.

### Share Transfer System:

The Shareholders Grievance Committee approves and monitors the transfer and transmission of shares and all allied matters. The Company has Registrar and Transfer Agent viz Intime Spectrum Registry Ltd, and acting as a Common Agency and has adequate infrastructure to process the share transfer. The Shares of the Company are traded in compulsory demat mode for all investors.

### Distribution of Shareholding:

Shareholding	Shareholders		Shares		
	Numbers	% of total nos.	Numbers	Amount	% of total capital
Upto 5000	2091	87.2700	296891	2968910	8.4340
5001 to 10000	91	3.7980	78410	784100	2.2270
10001 to 20000	58	2.4210	90459	904590	2.5700
20001 to 30000	56	2.3370	140410	1404100	3.9890
30001 to 40000	10	0.4170	35609	356090	1.0120
40001 to 50000	11	0.4590	53400	534000	1.5170
50001 to 100000	20	0.8350	152625	1526250	4.3360
100001 & Above	59	2.4620	2672396	26723960	75.9160

### Dematerialisation of Shares : ( NSDL & CDSL )

The Company's scrip is under electronic - demat mode and having connectivity with both the Depositories viz: National Security Depository Services Limited (NSDL) and Central Depository Services India Limited (CDSL) through Registrar and Transfer Agent (RTA) M/s Intime Spectrum Share Registry Limited who is acting as a Common Agency. Total **688735 Equity Shares** have been dematerialised as on 31<sup>st</sup> March, 2008 representing of the total issued (listed) 3520200 Equity Shares and Unlisted 300000 Non-Cumulative Preference Shares of the Company. The International Securities Identification Number (ISIN) of the Company is INE 794C01016.

Further Shareholders having physical holdings hereby requested from the Company to dematerialise their holdings for convenience of the company's share transactions.

## **Certificate on Compliance of Corporate Governance**

We have examined the compliance of conditions of corporate Governance by Shakti Press Limited, for the year ended 31<sup>st</sup> March, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial Statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

We further state that in respect in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2008, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as the future viability of the Company nor the efficiency nor the effectiveness with which the management has conducted the affairs of the Company.

**V Ramchandran**  
**Practising Company Secretary**



**AUDITORS' REPORT**

To The Members of  
**SHAKTI PRESS LIMITED**  
NAGPUR.

1. We have audited the attached Balance Sheet of **Shakti Press Limited** for the /year ended **31<sup>st</sup> March, 2008** and also the Profit and Loss Account and The Cash Flow Statement of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion, and report that:
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in the paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in the paragraph 3 above, we report that:
  - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) The Balance Sheet and Profit and Loss Account and Cash flow referred to in this report are in agreement with the books of account;
  - c) In our opinion, subject to item (viii)(a) of Annexure to this report and Note No. 1(b) & (c) of Schedule 15 which does not show the basis for valuation of brand and other assets & its necessity respectively, the Balance Sheet & Profit and Loss Account and the Cash Flow Statement complies with the mandatory Accounting Standards referred to in Sub-Section 3C of Section 211 of the Companies Act, 1956.
  - d) On the basis of written representations received none of the directors is disqualified as on 31<sup>st</sup> March, 2008 from being appointed as a director as referred to section 274(1) (g) of the Companies Act, 1956; and
  - e) Subject to (e) above, in our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India.
    - i) in the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2008.
    - ii) in the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.
    - iii) in case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

**For L. B. HAJARE & CO.  
CHARTERED ACCOUNTANTS**

Place: Nagpur  
Date : 30.08.2008

**LB. HAJARE  
(PROPRIETOR)  
M.N.39940**

**ANNEXURE TO AUDITOR'S REPORT**  
**Re: SHAKTI PRESS LIMITED**  
**(Referred to in Paragraph No.3 of the Auditor's Report of even date)**

- (i) a) In our opinion and according to the information and explanation given to us. Company is maintaining proper record showing full particulars including quantitative details and situation of fixed Assets.  
b) Fixed assets have been physically verified by the management at reasonable intervals Any material discrepancies noticed have been properly dealt with.  
c) In our opinion and according to the information and explanation given to us no substantial part of fixed assets has been disposed off during the year.
- (ii) a) In our opinion and according to the information and explanation given to us physical verification of inventory has been conducted at reasonable intervals by the management  
b) In our opinion and according to the information and explanation given to us procedure of physical verification followed by the management is reasonable and adequate in relation to size of the company and the nature of its business.  
c) In our opinion and according to the information and explanation given to us company is maintaining proper record of inventory and no material discrepancy was noticed on physical verification of inventory, except that the company is carrying high level of inventory.
- (iii) (a) The Company had taken loan from other Companies covered in register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 5,90,43,307/- and the year end balance of loan taken from such parties was Rs. 5,71,82,654/-  
(b) The Company has not given loan to other Companies / firms or other parties listed in the register maintained under section 301 of the companies Act, 1956.  
(c) In our opinion and according to the information and explanations given to us, there are inadequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. Further company is carrying very high cash balance not justifying business requirement and prudence and any satisfactory explanation except assurance of its custody, from the management not received. Further the balances of outstanding Debtors and Creditors are unconfirmed but considered good by the management. During the course of our audit except for our remarks on cash balance and Debtors & Creditors, high level of inventory as above, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (iv) (a) According to the information and explanations given to us, we are of the opinion that all the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion, transaction exceeding the value of Rs.5 Lacs have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of Section 58 A and 58 AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under in respect of deposits. As per the information and explanations given to us no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this respect.
- (vi) In our opinion, the company lacks an internal audit system commensurate with the size and nature of its business.
- (vii) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any products of the company.
- (viii) (a) Except on few occasions the Company is generally not regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.03.2008 for a period of more than six months from the date they became payable. In respect of Sales tax, the company has availed the sales tax exemption under Package scheme of Incentives issued by the government of Maharashtra State . However no such Certificate of Entitlement is made available, which according to the Company is still pending with the state Government for certain statutory requirements . The management is confident that it will get exemption of Sales tax retrospectively from the date of

application. The Company has further not furnished any details of quantification of such sales tax liability pending grant of Certificate of Entitlement for exemption.. No liability in this respect is disclosed by the company in its financial statements.

(c) According to the information and explanation given to us, there is no disputed amount payable in respect of statutory dues.

- (ix) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (x) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank etc.
- (xi) We are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiii) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xv) Based on information and explanation given to us by the Management, in our opinion, the Term Loans have been applied for the purpose for which they were raised.
- (xvi) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xvii) However Share Application Money Account pending allotment continues to remain carried forward since last several years. The Company has applied to the appropriate authorities for there approval for allotment which is yet to be received.
- (xviii) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures.
- (xix) There was no public issue during the year.
- (xx) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For L.B. HAJARE & CO.,  
CHARTERED ACCOUNTANTS,**

**Place : Nagpur  
Date : 30.08.2008**

**L.B. HAJARE  
(PROPRIETOR)  
M.No. 39940**

**SHAKTI PRESS LIMITED**  
BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2008

(Rupees 000)

	Sch.	31 <sup>ST</sup> March, 2008	31 <sup>ST</sup> March, 2007
<b>A) SOURCES OF FUNDS</b>			
<b>1 Share holder's Funds</b>			
(a) Share Capital	1	76,274.00	76,274.00
(b) Reserves & Surplus	2	<u>239670.58</u>	<u>64672.00</u>
		<b>315944.58</b>	<b>140,946.00</b>
<b>2 Loan Funds :</b>			
(a) Secured Loans	3	162087.44	159372.94
(b) Unsecured Loans	4	<u>83219.54</u>	<u>71445.30</u>
		<b>245306.98</b>	<b>230818.24</b>
TOTAL		<u><b>561251.56</b></u>	<u><b>371764.24</b></u>
<b>B) APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets :</b>			
(a) Gross Block	5	459209.99	277,417.75
(b) Less :Depreciation		<u>95839.48</u>	<u>86,883.88</u>
(c ) Net Block		<b>363370.51</b>	
<b>2 Investments</b>			
<b>3 Current Assets, Loans &amp; Advances</b>			
(a) Inventories	7	63167.55	62,185.95
(b) Sundry Debtors		73974.28	66,043.35
(c ) Cash and Bank Balances		27025.20	26393.96
(d) Deposits		12123.23	8354.88
(e) Loans and Advances		<u>46191.18</u>	<u>48296.42</u>
		<b>222481.44</b>	<b>211274.57</b>
<b>Less: Current Liabilities &amp; Provisions</b>			
(a) Liabilities	8	41403.80	52790.93
(b) Provisions		<u>1260.92</u>	<u>1242.56</u>
		<b>4566.91</b>	<b>4864.69</b>
Net Current Assets		<u><b>175249.81</b></u>	<u><b>157241.08</b></u>
Balance in P & L Account		<b>22033.57</b>	<b>23264.77</b>
<b>4 Miscellaneous Expenditure</b>			
(To the extent not written off )	9	<b>459.44</b>	<b>586.30</b>
TOTAL		<u><b>561251.56</b></u>	<u><b>371764.24</b></u>
NOTES FORMING PART OF THE ACCOUNTS	15		

As per our report of even date attached,  
For L.B. HAJARE & CO.,  
CHARTERED ACCOUNTANTS

SURESH K. SHARMA

CHAIRMAN

RAGHAV K. SHARMA

MANAGING  
DIRECTOR

L.B. HAJARE  
PROPRIETOR  
M.No.39940

DEEPAK S. DHOTE

JT. MANAGING  
DIRECTOR

Nagpur,  
Dated: 30.08.2008

**SHAKTI PRESS LIMITED**  
**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2008**

(Rupees 000)

	Sch.	31 <sup>ST</sup> March, 2008	31 <sup>ST</sup> March, 2007
<b>A) SOURCES OF FUNDS</b>			
<b>1 Share holder's Funds</b>			
(a) Share Capital	1	76,274.00	76,274.00
(b) Reserves & Surplus	2	<u>239670.58</u>	<u>64672.00</u>
		<b>315944.58</b>	<b>140,946.00</b>
<b>2 Loan Funds :</b>			
(a) Secured Loans	3	162087.44	159372.94
(b) Unsecured Loans	4	<u>83219.54</u>	<u>71445.30</u>
		<b>245306.98</b>	<b>230818.24</b>
TOTAL		<u><b>561251.56</b></u>	<u><b>371764.24</b></u>
<b>B) APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets :</b>	5		
(a) Gross Block		459209.99	277,417.75
(b) Less :Depreciation		95839.48	86,883.88
(c ) Net Block		<u>363370.51</u>	<u>                    </u>
<b>2 Investments</b>	6	138.225	
<b>3 Current Assets, Loans &amp; Advances</b>	7		
(a) Inventories		63167.55	62,185.95
(b) Sundry Debtors		73974.28	66,043.35
(c ) Cash and Bank Balances		27025.20	26393.96
(d) Deposits		12123.23	8354.88
(e) Loans and Advances		<u>46191.18</u>	<u>48296.42</u>
		<b>222481.44</b>	<b>211274.57</b>
<b>Less: Current Liabilities &amp; Provisions</b>	8		
(a) Liabilities		41403.80	52790.93
(b) Provisions		1260.92	1242.56
		<u>4566.91</u>	<u>4864.69</u>
Net Current Assets		<b>175249.81</b>	<b>157241.08</b>
Balance in P & L Account		<b>22033.57</b>	<b>23264.77</b>
<b>4 Miscellaneous Expenditure</b>	9	459.44	586.30
(To the extent not written off )			
TOTAL		<u><b>561251.56</b></u>	<u><b>371764.24</b></u>
NOTES FORMING PART OF THE ACCOUNTS	15		

As per our report of even date attached,  
For L.B. HAJARE & CO.,  
CHARTERED ACCOUNTANTS

SURESH K. SHARMA

CHAIRMAN

RAGHAV K. SHARMA

MANAGING  
DIRECTOR

L.B. HAJARE  
PROPRIETOR  
M.No.39940

DEEPAK S. DHOTE

JT. MANAGING  
DIRECTOR

Nagpur,  
Dated: 30.08.2008

# SHAKTI PRESS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2008

(Rupees 000)			
	Sch.	31 <sup>st</sup> March, 2008	31 <sup>st</sup> March, 2007
<b>INCOME</b>			
Sale of Products and other Income	10	123263.69	95425.89
<b>EXPENDITURE</b>			
Cost of Sales	11	71718.23	70764.44
Staff Expenses	12	2828.27	1947.13
Operating Expenses	13	11508.90	10817.98
Administrative & Selling Expenses	14	7390.74	6748.46
Depreciation		8955.60	6696.21
Interest		19630.75	20413.56
Total Expenditure		122032.49	117387.79
Profit /(Loss) before taxation		1231.19	(21,961.91)
Provision for Taxation		0.00	0.00
Profit /(Loss) after taxation		1231.19	(21,961.91)
Profit / (Loss) brought forward		(23264.77)	(1302.85)
Balance available for appropriation		(22033.57)	(23264.77)
<b>APPROPRIATION</b>			
Transfer to General Reserve		0.00	0.00
Balance carried to Balance Sheet		(22033.57)	(23,264.77)
<b>NOTES FORMING PART OF THE ACCOUNTS</b>			
	15		

As per our report of even date attached,  
For L.B. HAJARE & CO.,  
CHARTERED ACCOUNTANTS

SURESH K. SHARMA

CHAIRMAN

RAGHAV K. SHARMA

MANAGING  
DIRECTOR

L.B. HAJARE  
PROPRIETOR  
M.NO.39940  
Nagpur,  
Dated: 30.08.2008

DEEPAK S. DHOTE

JT. MANAGING  
DIRECTOR

# SHAKTI PRESS LIMITED

Schedules annexed to and forming part of the Balance Sheet &  
Profit & Loss Account for the year ended 31<sup>st</sup> March, 2008

(Rupees 000)

	<b>31<sup>st</sup> March, 2008</b>	<b>31<sup>st</sup> March, 2007</b>
<b><u>SCHEDULE 1</u></b>		
<b>SHARE CAPITAL</b>		
AUTHORISED		
3,00,000 Non-cumulative redeemable preference Shares of Rs 100/- each (Previous year NIL )	<b>30000.00</b>	30000.00
80,00,000 Equity Shares of Rs 10/- each	<b>80000.00</b>	80000.00
(Previous year 80,00,000 Equity Shares of Rs 10/- each)	<b>110000.00</b>	110000.00
ISSUED :		
8% Non - Cumulative Redeemable Preference Shares	<b>30000.00</b>	30000.00
35,20,200 Equity Shares of Rs.10/- each Fully Paid	<b>35202.00</b>	35202.00
Share Application Money	<b>11072.00</b>	11072.00
TOTAL	<b>76274.00</b>	76274.00
<b><u>SCHEDULE 2</u></b>		
<b>RESERVES AND SURPLUS</b>		
Special Capital Incentive from SICOM	<b>2900.00</b>	2900.00
General Reserve:	<b>61772.00</b>	61772.00
Revaluation Reserve	<b>174998.58</b>	0.00
TOTAL	<b>239670.58</b>	64672.00
<b><u>SCHEDULE 3</u></b>		
<b>SECURED LOANS</b>		
From SBI, Hingana Indl Estate Br, Nagpur		
From ICICI Bank against Vehicle	<b>747.15</b>	1319.68
TOTAL	<b>162087.44</b>	159372.93

## NOTES :

- 1 The term Loan is secured by hypothecation and first charge on all Fixed Assets, now existing And belonging to and in possession and guaranteed by directors.
- 2 Secured by hypothecation of stocks of raw materials, finished products, book debts, other receivables and guaranteed by directors.

**SHAKTI PRESS LIMITED**

Schedules annexed to and forming part of the Balance Sheet &  
Profit & Loss Account for the year ended 31<sup>st</sup> March, 2008

(Rupees 000)

	31 <sup>st</sup> March, 2008	31 <sup>st</sup> March, 2007
<b>SCHEDULE 4</b>		
<b>UNSECURED LOANS</b>		
Inter Corporate Deposits from bodies corporate.	<b>83219.54</b>	71445.31
	<b>83219.54</b>	71445.31
<b>SCHEDULE 6</b>		
<b>INVESTMENTS - LONG TERM</b>		
(a) IN GOVERNMENT SECURITIES : (At Cost)		
(I) National Savings Certificate (Face value		
Rs 3000 ) ( unquoted )	<b>3.00</b>	3.00
(b) TRADE INVESTMENTS : (At Cost )		
(I) 1500 equity shares of Rs 10/- each of		
Berar Housing Finance Ltd., fully paid up		
(Face value Rs 24000) (unquoted )	<b>24.00</b>	24.00
(ii) 50 equity shares of Rs 100 each of		
Samata Sahakari Bank Ltd, fully paid up		
( Face value Rs 5000) (unquoted)	<b>5.00</b>	5.00
(iii) 2000 equity shares of Rs 10/- each of		
Madhya Desh Papers Ltd, fully paid up		
(Face value Rs 20000) (Quoted at Rs 5.90)	<b>16.10</b>	16.10
(iv) 500 equity shares of Rs 10/- each of		
Kedia Distilleries Ltd, fully paid up		
(face value Rs 5000) (Quoted at Rs 8.25)	<b>85.13</b>	85.13
(v) 500 equity shares of Rs 10 each of		
Enbee Plantations Ltd, fully paid up		
(Face value Rs 5000) (Unquoted )	<b>5.00</b>	5.00
<b>TOTAL</b>	<b>138.23</b>	<b>138.23</b>

**NOTES:**

1 Aggregate value of Quoted Investments :		
(ii) Face value	<b>25.00</b>	25.00
2 Aggregate Face Value of the Unquoted Investments	<b>37.00</b>	37.00
3 National Savings Certificate of the Face Value of Rs.3000/- are pledged with Government/ Semi-Government Authorities as security deposits.		



## SHAKTI PRESS LIMITED

Schedules annexed to and forming part of the Balance Sheet &  
Profit & Loss Account for the year ended 31<sup>st</sup> March, 2008

(Rupees 000)

	31 <sup>st</sup> March, 2008	31 <sup>st</sup> March, 2007
<b>SCHEDULE - 7</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>		
<b>(a) INVENTORIES :</b>		
Raw Material including (Stores, Spares parts & other consumable) (As per inventory taken, valued & as certified by Management )	21769.15	26932.02
Stock-in-Trade:		
Work-in-Process (At cost or net realisable value which ever is lower )	23454.85	20,520.12
Finished Goods (At cost or net realisable value whichever is lower )	17943.55	14,733.81
	63167.55	62,185.95
<b>(b) SUNDRY DEBTORS :</b>	73974.28	66,043.35
 <b>(c) CASH AND BANK BALANCES</b>		
Cash in hand	19900.35	18,713.72
With Scheduled Banks :		
In Current Accounts	7124.85	7,680.24
In Margin Money Accounts )	-	-
	27025.20	26,393.96
 <b>(d) LOANS AND ADVANCES :</b>		
Advances recoverable in cash or in kind or for		
Advances to Parties	44354.82	46968.44
Advances to Staff	1836.36	1327.98
Prepaid Excise Duty	46191.18	48296.42
Deposits	12123.23	8354.88
<b>TOTAL</b>	222481.44	211274.56

# SHAKTI PRESS LIMITED

Schedules annexed to and forming part of the Balance Sheet &  
Profit & Loss Account for the year ended 31<sup>st</sup> March, 2008

(Rupees 000)

	<b>31<sup>st</sup> March, 2008</b>	<b>31<sup>st</sup> March, 2007</b>
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## **SCHEDULE 8**

### **CURRENT LIABILITIES AND PROVISIONS**

(a) CURRENT LIABILITIES :		
Sundry Creditors*	<b>41403.80</b>	47926.25
Other Liabilities	<b>4566.91</b>	4864.68
	<b>45970.71</b>	52,790.93
(b) PROVISIONS :		
Total	<b>1260.92</b>	1242.56
	<b>47231.62</b>	54033.49

\*The Company has no information as to whether any of its suppliers constitutes small-scale industrial undertaking and therefore the amount to such suppliers has not been identified.

## **SCHEDULE 10**

### **SALE OF PRODUCTS AND OTHER INCOME**

Sale	<b>121944.17</b>	94953.38
Job work receipts	<b>771.28</b>	-
Packing & Forwarding Charges Recovered	<b>542.50</b>	467.296
Excise Duty Recovered		
	<b>123257.94</b>	95420.68

### **Other Income :**

DEFB	-	-
Dividend Received	<b>3.38</b>	3.30
Remission	<b>2.37</b>	1.90
Interest on Income Tax Refund	-	-
	<b>5.75</b>	5.20
<b>TOTAL</b>	<b>123263.69</b>	95425.88

# SHAKTI PRESS LIMITED

Schedules annexed to and forming part of the Balance Sheet &  
Profit & Loss Account for the year ended 31<sup>st</sup> March, 2008

(Rupees 000)

	<b>31<sup>st</sup> March, 2008</b>	<b>31<sup>st</sup> March, 2007</b>
<b><u>SCHEDULE 11</u></b>		
<b>COST OF SALES</b>		
Opening Stock	<b>62185.95</b>	61785.49
Add : Purchases	<b>72699.84</b>	71164.91
	<b>13488.58</b>	132950.39
Less : Closing Stock (At cost )	<b>63167.55</b>	62185.95
	<b>71718.23</b>	<b>70764.44</b>
<b><u>SCHEDULE 12</u></b>		
<b>STAFF EXPENSES</b>		
Wages to Workers	<b>1837.57</b>	1303.45
Workers welfare Expenses	<b>350.15</b>	361.94
Contribution to ESI	<b>120.37</b>	771.21
Contribution to PF	<b>512.72</b>	188.97
Contribution to Labour Welfare Fund	<b>2.47</b>	2.67
	<b>2828.27</b>	<b>1947.13</b>
<b><u>SCHEDULE 13</u></b>		
<b>OPERATING EXPENSES</b>		
Power and Electricity Charges	<b>5098.68</b>	4052.64
Office / Factory Expenses	<b>966.15</b>	853.10
Repairs and Maintenance to Plant & Machinery	<b>985.18</b>	1809.75
Repairs and Maintenance to Elect Installations	<b>260.98</b>	164.18
Repairs and Maintenance to Factory Bldg	<b>332.81</b>	328.54
Outside Job Charges	<b>1185.00</b>	986.35
Process Expenses	<b>369.97</b>	368.11
Transportation & Cartage	<b>1334.08</b>	1538.56
Water Charges	<b>42.03</b>	22.91
Octri Expenses	<b>266.29</b>	212.82
Repair & Maintenance to Generator	<b>3.30</b>	6.75
Security Service Charges	<b>664.45</b>	474.22
	<b>11508.90</b>	<b>10817.97</b>

## SHAKTI PRESS LIMITED

Schedules annexed to and forming part of the Balance Sheet &  
Profit & Loss Account for the year ended 31<sup>st</sup> March, 2008 (Rupees 000)

	31 <sup>st</sup> March, 2008	31 <sup>st</sup> March, 2007
<b>SCHEDULE 14</b>		
<b>SELLING &amp; ADMN EXPENSES</b>		
1 Salaries to Office Staff	694.82	377.88
2 Printing & Stationery	71.42	70.23
3 Postage & Telegrams	118.85	122.85
4 Telephone Expenses	328.18	286.16
5 Bank Commission & Charges	493.60	202.02
6 Insurance Expenses	542.09	601.04
7 Advertisement Charges	89.74	27.43
8 Donations	21.38	0.25
9 Sales Promotion Expenses	194.73	299.95
10 Rent Rates & Taxes	242.37	316.00
11 Legal Expenses	186.98	291.47
12 Conveyance Charges	524.35	394.60
13 Travelling Expenses	615.72	492.89
14 Office Expenses	91.31	794.06
15 Membership Subscription	45.33	35.17
16 Newspaper & Periodicals	5.62	6.23
17 Consultancy Charges	384.00	236.42
18 Listing Fees	12.80	-
19 Payment to Auditors	90.00	90.00
20 Accounting Charges & Supervision Charges	212.30	149.14
21 Tender Fees	3.81	2.60
22 Computer Expenses	177.48	218.34
23 Repairs & Maintenance to Vehicles	269.57	292.91
24 Repairs & Maintenance to Office Equipment	12.87	18.55
25 Pooja & Functions Expenses	42.27	91.25
26 Licence Fees	6.00	.56
27 Registration Fees	0.00	0.00
28 Inspection Fees	10.60	20.60
29 Filing Fees	26.31	4.68
30 Reimb.of Medical Exp.(Directors)	15.36	93.42
31 Professional Charges	65.96	158.03
32 Remuneration to Directors	688.00	549.50
33 Excise Duty	0.00	10.00
34 Technical Supervision	76.00	148.00
35 Supervision Charges	0.00	65.00
36 Retainership Charges	10.00	60.00
37 Commission & Brokerage	37.20	60.00
38 Preliminary Exp. W/o	126.86	126.86
39 Secy. Dept. Expenses	65.17	58.54
40 Sponsorship Expenses	130.31	275.91
41 Service Tax	84.26	50.64
42 Export Expenses	250.12	192.11
43 Fringe Benefit Tax	188.78	171.74
44 Loss on Sale of Vehicles	-	-
<b>TOTAL</b>	<b>7390.74</b>	<b>6748.46</b>

## SHAKTI PRESS LIMITED

### STATEMENT OF DEPRECIATION FOR THE YEAR ENDED ON 31.03.2008 (Rs in 000)

S.No.	NAME OF THE ASSET	GROSS BLOCK		Disposals	Gross Block As on 31.03.08	DEPRECIATION		NET BLOCK AS ON 31.03.2008
		Gross Block As on 01.04.07	Additions 01.04.07 TO 31.03.08			UP TO LAST YEAR	FOR THE YEAR	
1	LAND LEASE HOLD (MIDC)	204.57			204.57			65448.00
2	LAND FREEHOLD (MONDHA)	1763.20			1763.20			131162.00
3	FACTORY BUILDINGS	65064.10	72.58		6513.67	11531.15	1087.03	57615.27
4	ELECTRICAL INSTALLATIONS	6032.31	208.78		6241.09	2135.79	226.19	3838.03
5	PLANT & MACHINERY	196258.20	5590.98		201849.18	70001.37	7275.08	118276.55
6	FURNITURE & FIXTURES	1176.56	921.32		2097.88	541.58	40.42	1515.89
7	VEHICLES	6918.86			6918.86	2674.00	326.89	3917.97
8	BRANDS				0.00			40500.00
	<b>TOTAL</b>	<b>277417.75</b>	<b>6793.66</b>		<b>284211.41</b>	<b>86883.88</b>	<b>8955.60</b>	<b>363370.51</b>

## SHAKTI PRESS LIMITED

### Cash Flow Statement as per AS - 3

For the year ending 31.03.2008

PARTICULARS	AMOUNT	AMOUNT	AMOUNT
	F.Y. 2007-08	F.Y. 2006-07	AMOUNT
<b>A. Cash Flow from Operating Activities</b>			
Net Profit Before Tax (excluding extra ordinary profit & losses)	1,231,194.00	(21,961,909.00)	
Adjustment for Non Cash items:			
Add			
Depreciation for the year	8,955,596.00	6,696,215.00	
Preliminary Expenses W/off	126,860.00	126,860.00	
Loss on Sale of Investment/Fixed Assets	-	-	
Fringe Benefit Tax	188,777.00	171,749.00	
Interest Expense	19,630,753.00	20,413,565.00	
Loss on Sale of Fixed Asset	-	-	
Provision for Audit Fees	90,000.00	90,000.00	
Less			
Gain on sale of Investment	-	-	
Interest Income	5,748.00	5,200.00	
Gain on sale of Fixed Assets	-	-	
<b>Operating Profit before working capital changes</b>			
Add			
Decrease in accounts receivable/ Debtors	-	8,207,718.00	
Decrease in Prepaid expenses	-	-	
Decrease in Advances	-	2,082,398.00	
Increase in accounts payable/ Creditors	-	3,827,000.00	
Increase in accrued liability	-	4,431,275.00	
Increase in Provisions	-	-	
Less			
Increase in accounts receivable/ Debtors	7,930,926.00	-	

Increase in Prepaid expenses	-	-	
Increase in Advances/ Deposits / Inventory	7,874,699.00	3,302,090.00	
Decrease in accounts payable/ Creditors	6,522,452.00	-	
Decrease in accrued liability / other liability	297,779.00	-	
Decrease in Provisions	260,416.00	2,651,578.00	
<b>Cash Generated from Operations</b>			
Less Income Tax Paid	-	-	
<b>Net Cash from Operating Activities</b>			
Add Profit from Extra Ordinary Item	-	-	
Less Loss from Extra Ordinary Item	-	-	
<b>(a) Total Cash Available from Operating Activities</b>	<b>7,331,160.00</b>	<b>18,126,003.00</b>	
<b>B. Cash Flow from Investing Activities</b>			
Add Sale of Fixed Assets, Investments	-	-	
Loans & Advances received back	-	-	
Interest & Dividend received	5,748.00	5,200.00	
Less Purchase of Fixed Assets	1,563,659.00	253,766.00	
Loans & Advances Given			
<b>(b) Net Cash Available from Investing Activities</b>	<b>(1,557,911.00)</b>	<b>(248,566.00)</b>	
<b>(C) Cash Flows From Financing Activities</b>			
Add Proceeds from Issuance of Share Capital,			
Loans, Public Deposit Taken	14,488,743.00	4,630,528.00	
Less Repayment of Pref. Capital/ Debentures/Loans/ Public Deposit	-	-	
Interest Paid, Dividends Paid	19,630,753.00	20,413,565.00	

<b>(c) Net Cash from Financing Activities</b>				
Net Increase(+)/ Decrease (-) in Cash (& Cash equivalents)				
Cash (& Cash Equivalents) at the beginning of the Period				
Cash (& Cash Equivalents) at the end of the Period				

(5,142,010.00)

(15,783,037.00)

(a + b + c)

631,239.00

2,094,400.00

26,393,963.00

24,299,570.00

27,025,202.00

26,393,970.00



## **Schedule - 15**

### **Notes on Accounts**

#### **1. Significant Accounting Policies :-**

##### **a) General :-**

The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting & are in accordance with Mandatory Accounting Standards.

##### **b) Fixed Assets :-**

Fixed assets are stated at cost including taxes, freight and other incidental expenses incurred in relation to acquisition and installation of the same. CENVAT credit available under Central Excise Act, 1944 and Custom Act, 1962 if any, are excluded from the value of the fixed assets. The assets have been revalued during the year end as per Valuers Report dated 25.03.2008. Further the Company has valued brand image of its products viz Note Books / Stationery at Rs. 4.05 Crores from a professional firm and has Accounted for the same at the year end.

##### **c) Depreciation :-**

Depreciation on fixed assets have been provided on the Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 as amended on single shift basis as the plants have operated on single shift only. The Assets have been revalued during the year end as per Valuers report dated 25.03.2008. No depreciation is charged on revaluation difference on values of assets revalued.

#### **Income Tax According to the Accounting standard 22**

As there is no taxable profit therefore the provision for Income Tax has not been made.

##### **d) Investments :-**

Investments are stated at cost.

##### **e) Sales :-**

Sales are recognised, net of returns, on despatch of goods to customers and are reflected in the accounts at gross realizable value i.e. inclusive of freight and packing and forwarding charges recovered but exclusive of Excise Duty, Education Cess and Sales Tax / MVAT.

##### **f) Employees Retirement Benefits :-**

Company's contribution to Provident Fund is charged to Profit and Loss Account. Provision for gratuity liability and for value of unutilized leave due to employees is not made on the basis of accrual valuation but is accounted for on actual payment basis.

g) **Inventories :-**

Raw materials, stores, spare parts, loose tools and equipment are valued at cost. Finished products and stock-in-process are valued at lower of cost or market / net realisable value.

h) **Miscellaneous / Deferred Revenue / Preliminary Expenses**

Preliminary and Share issue expenses are being amortized over a period of ten years.

2. Contingent liability not provided for in respect of :

	31.03.2008	(Rupees '000) 31.03.2007
a) Bank Guarantees issued against Bond Issue to Central Excise department for Removal of goods without payment of Excise Duty.	844.50	2057.40
b) Against Machinery Imported under the EPCG Licence, Wherein duty has been paid at Concessional Rates.	18450.00	18450.00
c) Sales Tax demands pending in appeal	455.77	429.20

3. Depreciation has been charged on Straight Line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

4. **Related Party Statement as per accounting standard 18.**

(A) **Related Party and their relationship**

**Associates**

The Vidarbha Paper Mills limited, Kanhan  
Shree Baidyanath Ayurved Bhavan Pvt. Ltd., Nagpur  
Shree Baidyanath Ayurved Bhavan Pvt. Ltd., Seoni  
Shree Baidyanath Ayurved Bhavan Pvt. Ltd., Jhansi  
Shakti Offset Pvt. Ltd., Nagpur  
Sri Krsna Cardboards Pvt. Ltd., Nagpur  
Super Offset Pvt. Ltd., Nagpur  
Shivart, Nagpur  
Shakti Offset Works, Nagpur  
Sankalp Marketing & Management Services, Nagpur  
Swati Enterprises , Nagpur  
Siddhayu Ayurvedic Research Foundation Pvt. Ltd., Bahadura  
Siddhayu Ayurvedic Research Foundation Pvt. Ltd., Wadsa  
Siddhayu Ayurvedic Research Foundation Pvt. Ltd., Nagpur  
Albeli Leasing & Finance Pvt. Ltd. Nagpur  
Mark Data Advertiseing Pvt. Ltd., Nagpur  
Mahalaxmi Commercial Services Pvt. Ltd., Nagpur  
Nova Marketing Pvt. Ltd, Nagpur  
Prasidh Commercial Services Pvt. Ltd., Nagpur  
Update Marketing Pvt. Ltd., Nagpur  
Shri Suresh Kumar Sharma, Nagpur  
Mrs Kalpana Sharma, Nagpur  
Jayakwadi Pulp & paper Mill Ltd, Kanhan, Distt. Nagpur

(B) **Transaction with Related Parties (In Rs)**

Purchase of Goods	89,96,653.50
Sale Goods	2,00,67,828.00
Amount Paid on their behalf	15,26,082.00
Loan Given	
Loan Taken	30,00,000.00
Amount Paid on our behalf	3,750.00
Amount Received on our behalf	3,66,846.00
Payment received against Bills	1,64,33,645.27
Payment made against Bills	87,92,950.00

Interest paid	12,27,215.00	
Directors Remuneration	6,88,000.00	
<b>5. Earning Per Share as per Accounting Standard 20</b>	<b>31.03.2008</b>	31.03.2007
(a) Weighted average number of equity shares of Rs.10/- each.		
i) Number of shares at the beginning of the year	3520200	3520200
Number of shares at the end of the year	3520200	3520200
<b>Weighted average number of equity shares outstanding during the year</b>		<b>35,20,200</b>
b) Net Profit/(Loss) after tax available for equity share Holders (in Rupees in 000)		1,15,280
(c) Basic and diluted earning per share (in Rupees)		0.032

(Rupees '000)

<b>6. Interest includes :-</b>	<b>31.03.2008</b>	31.03.2007
Interest on C/C. A/c. (including commission)	672.19	4657.02
Interest on Term Loan	10091.82	8314.28
Others	2866.74	7442.26
	19630.75	20413.56
<b>7. Payment to Auditors include :-</b>	<b>31.03.2008</b>	31.03.2007
For Audit fees (Statutory) :	<b>50.00</b>	50.00
For Tax Audit Fees :	<b>20.00</b>	20.00
For Other matters (Certification & Taxation) :	20.00	20.00
	90.00	90.00

8. The company deals in only one related segment of business i.e. printing, packaging & stationery with manufacturing facilities at three places. Hence segment wise reporting is not necessary as specified in accounting standard 17

9. Previous year's figures have been re-grouped wherever necessary.

10. Current / previous year's figures have been taken in rupees thousands.

11. Transactions in Foreign Currencies are recognised at rates existing at the time of transaction. Year end balances of receivables were NIL.

#### **12. Research & Development**

There is no expenditure on research & development.

13. Impairment is recognised to the extent that the recoverable amount of the assets is less than its carrying amount & is charged to Profit & Loss A/c. as prescribed by the ICAI in AS-28.

14. Additional information pursuant to Part-II of Schedule-VI of the Companies Act, 1956.

A) Particulars of capacity, Production, Stock & Turnover.

	<b>31.03.2008</b>	31.03.2007
Class of Goods -		(Million Impression)
Printing of Packaging & other material.		
i) Licensed capacity (per annum)	—	—
ii) Installed capacity (per annum)		
(as certified by management)	321.00	321.00
iii) Production	—	—

	<b>31.03.2008</b>		<b>(Rupees '000) 31.03.2007</b>	
	<b>Qty.</b>	<b>Amt.</b>	<b>Qty.</b>	<b>Amt.</b>
iv) Sales	—	122486.67		95420.68
Job Work Receipts	—	771.28		—
v) Stocks				
<b>PAPER : (in Reams)</b>				
Opening Stock	47876	23185.43	47876	20825.87
Closing Stock	42545	19144.21	51523	23185.43
<b>INK : (In Kgs)</b>				
Opening Stock	-	-	-	-
Closing Stock	—	—	-	-
<b>COATING MATERIAL (in Ltrs)</b>				
Opening Stock	15	800	520	28670.00
Closing Stock	134	7125	15	800
<b>WORK IN PROCESS( in ltrs)</b>				
Opening Stock	—	15477.87	—	32233.42
Closing Stock		23454.85		15477.87
<b>FINISHED GOODS</b>				
Opening Stock	—	20520.12		6306.77
Closing Stock	—	17943.55		20520.12
<b>OTHERS</b>				
Opening Stock	—	—	—	—
Closing Stock	—	—	—	—
B) <u>Raw material consumed</u>				
Paper (Reams)	166698	75013.68	148976	66320.64
Ink (Kgs)			500	129758
Coating Material (Ltrs.)	757	40.10	565	31250
Others				
C) i) Value of Consumption of Imported raw materials		<b>31.03.2008</b>		<b>31.03.2007</b>
ii) Value of Consumption of Indigenous raw materials		<b>Amount %</b>		<b>Amount %</b>
iii) Value of Consumption of Imported Components and spare parts		— —	—	—
iv) Value of Consumption of Indigenous components and spare parts		71718.23		70764.45
		— —	—	—
		— —	—	—
				<hr/>
				70764.45 <hr/>

	<b>31.03.2008</b>	( Rupees '000)	
		31.03.2007	
14) FOB Value of Exports (Deemed Export)*.	—		
15) The Company is supporting supplier to Exporter under EPCG Scheme)			
Direct Export	3766.14	6753.48	
Deemed Export	5107.88	13042.02	
16) Expenditure in foreign currency on			
i) Technical know-how	—		—
ii) Others		—	—
17) Value of imports calculated on CIF basis.			
i) Raw material.	—	—	
ii) Components & spare parts.	—		—
Amount remitted during the year in foreign Currencies on account of dividends	—	—	

Computation of net profit in accordance with Section 349 of the Companies Act, 1956 for the year ended 30<sup>th</sup> June, 2006 (Not required since no commission is paid)

**AS PER OUR REPORT OF EVEN DATE SURESH K. SHARMA CHAIRMAN**  
**ATTACHED**

**RAGHAV K. SHARMA MANAGING DIRECTOR**

**FOR L. B. HAJARE & CO.**  
**CHARTERED ACCOUNTANTS DEEPAK DHOTE JT.MANAGING DIRECTOR**

**L.B. HAJARE**  
**PROPRIETOR**  
**M.N.39940**

**PLACE : NAGPUR**  
**DATE : 30.08.2008**

**M/s L . B. Hajare & Co.**  
**CHARTERED ACCOUNTANTS**

**Auditor's Certificate**

We have examined the above Cash Flow Statement of Shakti Press Limited for the year ended 31<sup>st</sup> March, 2008 The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and the Balance Sheet of the Company covered by our Report of the Company.

**For M/s L. B. Hajare & Co.**  
**CHARTERED ACCOUNTANTS**

**L.B. HAJARE**  
**(PROPRIETOR)**  
**M.N.39940**

**Nagpur**

**SHAKTI PRESS LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details :**

Registration No. **L22219MH1993PLC071882** | State Code **1 1**  
 Balance Sheet  
 Date **3 1** **0 3** **2 0 0 8**  
                                 Date                                  Month                                  Year

**II. Capital raised during the year (Amount in Rs. Thousand)**

Public Issue							Total Assets								
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue							Private Issue								
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities							Total Assets								
5	6	1	2	5	1		5	6	1	2	5	1			
Sources of Funds Paid up Capital							Reserves & Surplus								
7	6	2	7	4			2	3	9	6	7	0			
Secured Loans							Unsecured Loans								
1	6	2	0	8	7		8	3	2	1	9				
Application of Funds Net Fixed Assets							Investments								
3	6	3	3	7	0		1	3	8						
Net Current Assets							Misc Expenditure								
1	7	5	2	4	9		4	5	9						
Accumulated Losses															
2	2	0	3	3			-	-	-	-	-	-			

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover							Total Expenditure								
1	2	3	2	6	3		1	2	2	0	3	2			
Profit/Loss before tax							Profit/Loss After tax								
1	2	3	1				1	2	3	1					
Earning Per Share in Rs.							Dividend Rate								
-	-	-	-	-	-		-	-							

**IV. Generic Names of Three Products/Services of Company (as per monetary terms)**

Item Code NO. **- - - - -**

Product Description **P R I N T E D P A C K I N G**  
**M A T E R I A L**

**SURESH K. SHARMA**                                  **CHAIRMAN**

**RAGHAV K. SHARMA**                               **MANAGING DIRECTOR**

**DEEPAK S DHOTE**                                  **JT MANAGING DIRECTOR**

Place : Nagpur  
 Dated : 30.08.2008

# SHAKTI PRESS LIMITED

Regd Office: 'Shakti House', Wardha Road, Nagpur - 440012

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## ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)

Folio No./ Client Id \_\_\_\_\_

I certify that I am a registered Shareholder/beneficiary of the Company and hold \_\_\_\_\_ shares.

I hereby record my presence at the FIFTEENTH ANNUAL GENERAL MEETING of the Company, at U-116, M.I.D.C. Hingna, Nagpur to be held on 30<sup>th</sup> September, 2008 and at any adjournment thereof.

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Name of the Member/proxy in Block Letter

Member's/Proxy's signature

### NOTES:

1. A member/proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance duly signed.
  2. If you intend to appoint a proxy, please complete the proxy form given below and deposit it at the Company's Registered Office at least 48 hours before the meeting.
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# SHAKTI PRESS LIMITED

Regd. Office: Shakti House, Wardha Road Nagpur-12

## PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of Shakti Press Ltd., hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ to act as my/our Proxy to attend and vote for me/us and on my/our behalf at the FIFTEENTH ANNUAL GENERAL MEETING of the Company, to be held on 30<sup>th</sup> September, 2008 and at any adjournment thereof.

Signed : \_\_\_\_\_

Place : \_\_\_\_\_

Dated : \_\_\_\_\_

Affix 15 Paise Revenue Stamp
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NOTE : This proxy form duly completed must be received at the Company's Registered Office at least 48 hours before the commencement of meeting.