

SHAKTI PRESS LIMITED

16th ANNUAL REPORT

2008-09

BOARD OF DIRECTORS

SHRI SURESH SHARMA	-	CHAIRMAN AND NON-EXECUTIVE DIRECTOR
SHRI RAGHAV K. SHARMA	-	MANAGING DIRECTOR
SHRI DEEPAK S. DHOTE	-	JOINT MANAGING DIRECTOR
SHRI NITIN S. DHOTE	-	WHOLE TIME DIRECTOR
SHRI KAILASHCHAND R. SHARMA	-	INDEPENDENT DIRECTOR
SHRI SUNDER VENKATRAMAN	-	INDEPENDENT DIRECTOR
SHRI SHREEDHAR PARANDE	-	INDEPENDENT DIRECTOR
SHRI ASHUTOSH POTNIS	-	INDEPENDENT DIRECTOR

AUDITORS

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

BANKERS

STATE BANK OF INDIA

REGD OFFICE

**SHAKTI HOUSE, WARDHA ROAD,
NAGPUR – 440 012**
Shakti_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 16th Annual General Meeting of the members of the Company will be held at U - 116, Hingana M.I.D.C. Industrial Area, Nagpur - 440 016 (Maharashtra) on Wednesday, the **30th September, 2009** at 2.00 P. M. to transact, with or without modification as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2009 and Profit & Loss Account for the year ended 31st March 2009, along with the Director's Reports and Auditor's Report thereon.
2. To appoint the Director in place of Shri Sunder Venkatraman who retires by rotation, and being eligible offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT M/s. L. B. Hajare & Co., Chartered Accountants, the retiring Statutory Auditors be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting on such remuneration and reimbursement of expenses as the Board of Directors may fix on the basis of recommendation made by Audit Committee in that behalf in consultation with the said Auditors, in connection with the Company's Audit."

SPECIAL BUSINESS:

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

RESOLVED THAT in terms of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any amendment to or enactment thereof) and also subject to the approval of statutory authorities, if any, as may be required and subject to such alterations and modifications, if any, that may be effected by the above authorities in that behalf Shri Raghav Sharma be and is hereby re-appointed as a Managing Director of the Company for a period of 5 years w. e. f. 1st July, 2009 upon the terms and conditions as to remuneration and otherwise as appended below and that the Board of Directors / Committee be and are hereby authorised to alter and vary such terms and conditions in accordance with the laws in force from time to time as may be agreed to by the Board of Directors / Committee of the Board.

RESOLVED FURTHER THAT where in any financial year during the currency of the term of office, the Company has no profits or its profits are inadequate it may pay to Shri Raghav Sharma remuneration by way of salary and perquisites as specified above except the commission, in accordance with Schedule XIII to the Companies Act, 1956.

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

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

6. AUTHORISATION FOR BORROWING POWERS: - ORDINARY RESOLUTION

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

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

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

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

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

**Place: NAGPUR
Dated: 03.09.2009**

**Raghav Sharma
MANAGING DIRECTOR**

1. **A MEMBER ENTITLED TO ATTEND AND TO VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE MEMBER OF THE COMPANY.**
2. **THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
3. The relative explanatory statements pursuant to Section 173 of the Companies Act, 1956 in respect of the businesses under item Nos. 4 to 7 set out above are annexed hereto.
4. The Register of Members and Share Transfer Books, etc of the Company will remain closed from 25th September 2009 to 30th September 2009 both days are inclusive.
5. Transfers or Transmission requests received during the period of Book Closure shall be considered after reopening of the books.
6. Pursuant to Section 205A of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, all unclaimed / unpaid dividend up to the financial year ended 1999-2000 has been transferred to the Investor Education and Protection Fund set up by the Central Government and no claim can be admitted in respect of this fund. Members are therefore requested to encash their dividend warrants immediately for subsequent financial years. Members are requested to write to the Company and / or Registrar and Share Transfer Agents, if any dividend warrant is due and pending to be paid so that fresh / revalidated warrants could be issued by the Company.
7. As a measure of economy, copies of annual report will not be distributed at the Annual General Meeting.
8. Members are requested to quote Folio Numbers in all correspondences. Members holding shares in identical order of names in more than one folio are requested to write to the Company to consolidate their holding in one folio.
9. Shareholders seeking to require information about accounts to be explained at the meeting are required to furnish the queries to the Company at least 10 (Ten) days in advance of the Annual General Meeting.
10. Pursuant to the directions of the SEBI the shares of the company are to be compulsorily traded in Demat mode w. e. f. 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.
11. The shares of the Company are listed with the Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001, The Stock Exchange - Ahmedabad, Kamdhenu Complex, Near Polytechnic, Panjara Pole, Ahmedabad-380 015, The Delhi Stock Exchange Association Ltd., DSE House, 3/1, Asaf Ali Road, New Delhi-110 002,.

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

Item No.4:

The tenure of Shri Raghav Sharma as Managing Director of the company expired on 30.06.2009. In view of his long association with the Company, the Board of Directors considers it desirable in the interest of the Company that the Company should continue to avail of the Benefits of his services. The Remuneration Committee at its meeting held on 11th January, 2009 recommended and approved the re-appointment of Shri Raghav Sharma as Managing Director of the Company with effect from 1st July, 2009 and accordingly referred the same for the approval of Board / Members of the Company and the Board of Director has confirmed his re-appointment at their meeting held on 31st January, 2009 subject to approval of members of the Company. The Board has re-appointed Shri Raghav Sharma, Managing Director of the company for a period of 5 years with effect from 1st July, 2009 subject to the approval of the shareholders in General Meeting.

The terms and conditions including remuneration as specified hereunder:

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

Item No.5:

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

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

Item No.6 & 7:

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

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

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

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

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

Brief Profile of Director Seeking / Appointment Re-appointment :

Shri Raghav Sharma

Shri Raghav Sharma is a Commerce Graduate & MBA. He is a promoter Director of the Company. He is Managing Director of the company and Look after the day to day affairs. He is having vast experience in business and management. He has a successful track record and having experience of more than 30 years in printing and stationary Industry. He is holding 348967 equity shares of the Company. He is having Directorship in various Companies like Shakti Offset Pvt Ltd & Sri Krsna Cardboards Pvt Ltd.

Shri Sunder Venkatraman

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

Shri Ashutosh Potnis

Shri Ashutosh Potnis is Graduate in Law, and has a successful track record of about 15 years in practice. He has experience in the field of Administration and Management. He has skill and experience in administration and gave valuable suggestion to the Company in various discussions. He does not hold any shares of the Company as on date of Director's Report. He is not holding Directorship in other Companies.

DIRECTOR'S REPORT

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

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

Particulars	For the year ended 31 st March, 2009 (Rupees' 000)	Previous Year 31 st March, 2008 (Rupees' 000)
Gross Turnover	162156.763	123263.69
Gross Profit.....	34134.222	52545.46
Depreciation.....	128745.567	8955.60
Profit for the year.....	1263.397	1231.19
Balance of Profit and Loss Account brought Forward from last year	(22033.572)	(23264.77)
Provision for Dividend.....	-----	-----
Corporate tax on dividend.....	-----	-----
Transfer to General Reserve.....	-----	-----
Balance carried to Balance Sheet	(20770.175)	(22033.58)

DIVIDEND:

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

MANAGEMENT DISCUSSION & ANALYSIS:

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

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

Industry Structure & Development:

The Company is in the field of manufacturing of Paper Based Printed Packaging Material including Labels, Duplex Board, Mono Cartons Corrugated Boxes etc and stationary items. During the year under review the Company further consolidated its operations after completion of its expansion project. As on date the Company is having three manufacturing units.

- 1) At U-116, M. I. D. C. Industrial Area Hingna (Printing Unit)
- 2) At Khasara No. 49, Mondha (Stationary Unit)
- 3) At Plot No 49, Khasara No 69, Mondha (Packaging Unit)

PROSPECTS:

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

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

PERFORMANCE REVIEW & OUTLOOK:

PRINTING OPERATION:

The printing division of the Company having good operation during the year and successful in generating additional business from the existing customers. Your Directors are sure in the current year the Company will more business from the existing customers in addition to new customers.

STATIONARY DIVISION:

The Company was able to make a foray in the local retail market through the mega stationery stores opened in the heart of the city. Further the company has made sizeable exports to Gulf Countries in the first three months of the current year with the encouraging response it has received and with the stabilization of Exchange Rate the Company is expecting a sizeable turnover from this division.

PAKAGING OPERATION:

This division has received sizeable orders from the new customers it had identified last year. This would result in sizeable growth in the turnover in the current year.

CORPORATE AFFAIRS:

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

Trading & BSE Matters:

Your Director are glad to inform that, the trading in Equity Shares have been revoked by the Bombay Stock Exchange with effect from 27th February, 2009 which was suspended by the BSE. On the first day after revocation, the Share price had gone to Rs. 24.95. The average trading price since revocation is around Rs.8-10 per share. This will certainly encouraging for the shareholders to get liquidity of their investment in the Company.

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:

During the year under review, Shri V Ramchandran has resigned from the post of directorship of the company and accordingly resignation took on record from 28 April, 2008.

Shri Sunder Venkatraman, Director of the Company, retires by rotation at ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment. Accordingly, his re-appointment forms part of the notice of ensuing AGM. During the year under review, the Board of Directors has re-appointed Shri Raghav Sharma as a Managing Director of the Company with effect from 1st July, 2009 for a period of Five Years subject to approval of members at ensuing Annual General Meeting of the Company. Further, Shri Ashutosh Potnis has also been appointed as an Independent Director on the Board of the Company with effect form 3rd September, 2009 and eligible to hold office upto ensuing Annual General Meeting of the Company unless his appointment confirmed at the ensuing Annual General Meeting.

Except as above, there is no change in the Board of Directors of the Company

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, your directors state as under:-

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation;
- ii) that the directors have selected such accounting policies and applied them consistently and made 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.

AUDITOR'S REPORT:

The Auditor's Report is annexed herewith and the explanations to the remarks given by the Auditors in clause (a) to (d) are hereunder:

Due to recession the businesses of various debtors had been temporarily shut down and they gave us assurance for payment of dues to the Company. The Management has already taken reasonable steps by starting business again with the Debtors so that recovery of dues will make.

The physical verification of stocks done by the management and bankers from time to time. The Management has given verification & Valuation report to the Auditors accordingly. Pursuant to nature of business, there is always possibility of continuous demand of product by customer, as a result, company has to maintain sufficient amount of stock. Management physically verifies stock and makes valuation from time to time.

As bank had charged heavily and in view of the same the Company has applied for restructuring proposal to the bank, and said proposal is in progress of acceptance, company is in belief that, if said proposal accepted it may likely to waive penal interest and refund of interest already paid. It certainly effect profitability of the company which lead to increase in profit of the company.

During the year under review the State Bank of India had shifted the account of the Company to Stress Asset Management (SAM) and charging interest at lower rate and therefore the Company has made interest provision on lower side having regards to the same.

Since the account has been transferred to Stress Asset Management (SAM) by the State Bank of India (Banker), the account statements reflecting repayment & interest paid during the year are not reflect in accounts and hence it is subject to reconciliation which shall be done after the restructuring plan approved by the bank.

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: 03.09.2009**

**Raghav Sharma
MANAGING DIRECTOR**

**Deepak Dhoté
Jt. MANAGING DIRECTOR**

FORM 'A'

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS	CURRENT YEAR 2008-2009	PREVIOUS YEAR 2007-2008
A. POWER AND FUEL CONSUMPTION :		
1. ELECTRICITY		
a) Purchased Units(KWH).....	105292	887116
(Rs.).....	Rs 5422538/	Rs.5058000/
Rate / Unit (Rs./KWH).....	Rs.5.15	Rs. 5.75
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. --- --- ---
2. COAL FOR DOMESTIC USE (B grade for boiler)	N. A.	N. A.
Qty. (M.T)	---	---
Total Cost (Rs.)	---	---
Average Rate (Rs.)		
3. FURNACE OIL	N. A.	N. A.
Quantity (K. Litres).....	--	--
Total cost (Rs. in Lacs).....	--	--
Average Rate (Rs./K. Litres).....	--	--
4. OTHERS/INTERNAL GENERATION.....	N. A.	N. A.
(Give Details)	--	--
Total Cost	--	--
Rate/unit	--	--
B. CONSUMPTION PER UNIT OF PRODUCTION :		
PARTICULARS		
	CURRENT YEAR 2008-2009	PREVIOUS YEAR 2007-2008
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 2009 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 2008-09 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: To comply with the corporate Governance norms under Clause 49 of the Listing Agreement, the Company has appointed Shri Sunder Venkatraman and Shri Shreedhar Parande and Shri Ashutosh Potnis as an Independent Director with effect from 14th August, 2008 and 3rd September, 2009 respectively. The Composition of Board of Directors of the Company as on date is in conformity with Clause 49 of the Listing Agreement.

The Composition of Board of Directors of Shakti Press Limited as on 31st March, 2009 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	2	No	07	05
2.	Raghav K. Sharma	Executive	6	Yes	NIL	NIL
3.	Deepak S. Dhote	Executive	6	Yes	NIL	01
4.	Nitin Dhote	Executive	6	Yes	NIL	NIL
5.	Kailaschand Sharma	Independent	NIL	Yes	NIL	03
6.	Sunder Venkatraman	Independent	2	Yes	NIL	02
7.	Shreedhar Parande	Independent	1	Yes	NIL	02
8.	V Ramchandran (upto 28.04.2008)	Independent	1	N.A	NIL	02

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

The Board met Six times on the following dates during the financial year 2008-2009 and maximum time gap did not exceed four months.

Dates of Board Meetings : 28th April, 2008, 30th July, 2008, 14th August, 2008, 30th August, 2008, 31st October, 2008 & 31st January, 2009

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.	Sunder Venkatraman	Non-Executive (Independent)	02
2.	Shreedhar Parande	Non-Executive (Independent)	02
3.	Kailashchand Sharma	Non-Executive (Independent)	04

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

- a) 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.
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other service.
- c) 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, and 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 28 April 2008, 30th July 2009, 25th October 2008, 24th January 2009

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.	Sunder Venkatraman	Non-Executive (Independent)	01
2.	Shreedhar Parande	Non-Executive (Independent)	01
3.	Kailashchand Sharma	Non-Executive (Independent)	01

The details of remuneration paid to the Directors during the year ended on 31st March, 2009 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. 1000/- Per Meeting	N.A.	N.A.
2.	Raghav K. Sharma	NIL	Rs. 25,000 P.M.	As per Rules.
3.	Deepak S. Dhote	NIL	Rs. 25,000 P.M.	As per Rules
4.	Nitin Dhote	NIL	Rs. 9,500 P.M.	As per Rules
5.	Kailaschand Sharma	Rs. 1000/- Per Meeting	N.A.	N.A.
6.	Sunder Venkatraman	Rs. 1000/- Per Meeting	N.A.	N.A.
7.	Shreedhar Parande	Rs. 1000/- Per Meeting	N.A.	N.A.
8	V Ramchandran (upto 28.04.2008)	Rs. 1000/- Per Meeting	N.A.	N.A.

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:**

During the year under review, no such application had been received for transfer or transmission of Shares. There were no complaints of shareholder pending and company was continuing to abide by the various statutory and financial obligations it was subject to that there was no default in this regard.

6. **General Body Meeting**

Sr.No.	Dates of Last three AGMs	Place
1.	30 th December, 2006	U -116, MIDC, Hingna, Nagpur - 440 006 (Maharashtra)
2.	29 th September, 2007	
3.	30 ^h September,2008	

Resolution through postal ballot

No special Resolution was required to passed through postal ballot last year in term of the provision 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
- (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	30.09.2009 Day Wednesday, Time: 2.00. P M
2.	Venue	Plot No. U-116, MIDC, Nagpur – 440 016
3.	Financial Year	April to March
4.	Book Closure	25 th September, 2009 to 30 th September 2009 (both days are inclusive).
5.	Dividend Payment	Not Applicable
6.	Listing (Stock Exchange)	Bombay, Delhi, Madras & Ahmedabad
7.	Stock Code	526841 (BSE)
8.	Market price Data	As below
9.	Registrar & Transfer Agents	LINK INTIME INDIA PRIVATE LTD C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078 Ph 2596 3838
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 – 440 012

The Share Trading of the Company has been revoked by the Bombay Stock Exchange with effect from 27th February, 2009 and therefore the data for the monthly high / low for the month of March, 2009 and two days of February, 2009 are as under:

MARKET PRICE DATA: BSE QUOTES HAVING NATIONWIDE ONLINE TRADING TERMINALS –

Month	Open Price	Close Price	High Price	Low Price	Average Price
Feb 2009	24.95	14.01	24.95	10.11	17.53
March 2009	11.27	5.02	12.80	4.20	8.5

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 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 LINK INTIME INDIA PRIVATE 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	2128	87.1060	303931	3039310	8.6340
5001 to 10000	93	3.8070	80520	805200	2.2870
10001 to 20000	66	2.7020	102312	1023120	2.9060
20001 to 30000	57	2.3330	142910	1429100	4.0600
30001 to 40000	10	0.4090	35210	352100	1.0000
40001 to 50000	10	0.4090	49100	491000	1.3950
50001 to 100000	22	0.9010	167266	1672660	4.7520
100001 & Above	57	2.3330	2638951	26389510	74.9660

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) LINK INTIME INDIA PRIVATE LTD who is acting as a Common Agency. Total 693335 Equity Shares have been dematerialised as on 31st March, 2009 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 dematerialised 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 31st March, 2009 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 except composition of Board of Directors which needed one Independent Director during the year. The Management has given explanation that they are searching for one Independent Director. We have verified that the Company has appointed Shri Sunder Venkatraman and Shri Shreedhar Parande as an Independent Directors during the year. As on date of reporting, the Company has sought consent and appointing Shri Ashutosh Potnis as an Independent Director and is an agenda item for the Board meeting to be held on 3rd September, 2009 as per explanation given by the Management.

We further state that in respect in respect of investor grievances received during the year ended 31st March, 2009, 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 Ramachandran
Practising Company Secretary

Place: Nagpur
Date: 03.09.2009

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 **31st March, 2009** and also the Profit and Loss Account and The Cash Flow Statement of the Company for the year 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. These 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:
 - a) No Provision for bad debts is made since the debtors are considered good and recoverable by the management. As the details of the age of outstanding debtors was not available, we have reasons to believe that substantial portion of them are beyond 3 years and barred by limitation.
 - b) The details of quantitative inventory not being fully maintained, more particularly in terms of raw material consumption, work in progress and finished goods output, it is not possible for us to ascertain the exact valuation hence we are relying on the valuation of the inventory provided by the management.
 - c) The bank credit facilities availed from SBI have become NPA (Non performing Asset) as per RBI Guidelines (Prudential Norms) and consequently the said bank has stopped charging interest from 01.07.08. As a result the company has provided for interest on estimation basis for last 3 quarters w.e.f. 01.07.08 on its credit facilities with SBI. Though the provision of Rs. 1,42,20,000/- should have been created as per prevailing bank rates, but the company has provided for only Rs. 92,20,000/-, as a result of which profit reduction of Rs. 50,00,000/- would have affected Profit and Loss Account.
 - d) The balance of SBI CC A/c appearing in the books of accounts of the company are not in accordance with the bank statements provided to us and are subject to reconciliation in process.
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 Statement referred to in this report are in agreement with the books of account;
- c) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report are in accordance with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 to the extent applicable to Small & Medium Sized Company as mentioned in the Companies (Accounting Standards) Rules, 2006.
- d) On the basis of written representations received none of the directors is disqualified as on 31st March, 2009 from being appointed as a Director as referred to section 274(1) (g) of the Companies Act, 1956; and
- e) 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 "subject to and to the extent as pointed in the Annexure to this Report and Note 1(h) of Schedule 15 to Notes to Accounts and Para 2 above and forming a part of Auditors Report", 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 31st March, 2009.
 - ii) in the case of Profit and 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: 03-09-2009

**L.B. 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, the 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) On inspection of the records maintained we are of the opinion that the records in respect of inventory (Raw Material), Work in Progress and Finished Goods are not maintained fully in accordance with the normally accepted practices. We are relying on value of closing stocks as certified and provided by the management.
- (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. 8,34,17,335/- and the year end balance of loan taken from such parties was Rs. 7,28,73,149/-.
- (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, internal control procedures are inadequate commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets, sale of goods, debtor, creditors and cash. Further company is carrying very high cash balance not justifying business requirement and prudence, and any satisfactory explanation, except for assurance of its custody, from the management not received. Further there is no adequate theft / loss insurance cover for this high cash balance. Further still 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 and Creditors, high level of inventory as above, we have observed continuing failure to correct major weaknesses in the 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 irregular 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 31.03.2009 for a period of more than six months from the date they became payable. In respect of Sales tax, the company has availed Sales Tax Exemption under Package scheme of Incentives issued by the government of Maharashtra State.
(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, subject to our observation in Para no. 2 (a).
- (x) In our opinion, and according to the information and explanations given to us, the company has defaulted in repayment of dues to a financial institution, bank and its account with SBI has been classified as NPA.
- (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 their 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: 03-09-2009

**L.B. HAJARE
(PROPRIETOR)**

M.N.39940

M/S. SHAKTI PRESS LTD
BALANCE SHEET AS ON 31ST MARCH'2009

	<u>PARTICULARS</u>	<u>SCH.</u> <u>NO.</u>	<u>31.03.09</u>	<u>31.03.08</u>
	<u>Sources of Funds</u>			
I	<u>Share Holders Funds</u>			
	(a) Share Capital	1	76274000.00	76274000.00
	(b) Reserves & Surplus	2	239670576.71	239670576.71
II	<u>Loan Funds</u>			
	(a) Secured Loans	3	155492692.24	162087444.76
	(b) Unsecured Loans	4	94261586.95	83219536.19
	TOTAL RS.		565698855.90	561251557.66
	<u>Application of Funds</u>			
1	<u>Fixed Assets</u>	5		
	(a) Gross Block		459325160.75	459209987.75
	(-) Depreciation		108545818.66	95839480.66
	(c)Net Block		350779342.09	363370507.09
2	<u>Investments</u>	6	138225.00	138225.00
3	<u>Current Assets Loans & Advances</u>	7		
	(a) Inventories		100001114.28	63167554.00
	(b) Sundry Debtors		95271307.71	73974279.08
	(c) Cash & Bank Balances		14863887.25	27025201.80
	(d) Deposits		13390052.37	12123226.31
	(e) Loans & Advances		54128123.34	46191176.37
			277654484.95	222481437.56
	<u>Less Current Liabilities & Provisions</u>	8		
	(a) Sundry Creditors		71260646.42	41403796.52
	(b) Provisions & Other Liabilities		10323046.00	1260922.00
	(c)Other Liabilities		2392259.00	4566906.07
			83975951.42	47231624.59
	Net Current Assets		193678533.53	175249812.97
	Balance in P&L A/c.		(20770175.15)	(22033572.47)
4	<u>Miscellaneous Expenditure to the Extent Not W/O</u>	9	332580.13	459440.13
	TOTAL RS.		565698855.90	561251557.66

FOR SHAKTI PRESS LTD.,

AS PER OUR REPORT OF EVEN DATE
FOR L.B.HAJARE & CO.
CHARTERED ACCOUNTANT

RAGHAV SHARMA
MANGING DIRECTOR

DEEPAK DHOTE
Jt. MANAGING DIRECTOR

DIRECTORS

NAGPUR
DATED: 03.09.2009

L.B. HAJARE
(PROPRIETOR)

M/S. SHAKTI PRESS LTD**PROFIT & LOSS ACCOUNT AS ON 31ST MARCH 2009**

<u>PARTICULARS</u>	<u>SCH.</u> <u>NO.</u>	<u>31.03.09</u>	<u>31.03.08</u>
<u>INCOME</u>	10		
Income From Operations (Sales & Job Work Receipts)		160972922.15	123257940.11
Other Income		1183840.79	5747.80
TOTAL RS.		162156762.94	123263687.91
<u>EXPENDITURE</u>			
Cost of Sales	11	100901023.06	71718232.30
Staff Expenses	12	2879605.00	2828271.00
Operating Expenses	13	15651306.58	11508903.40
Administrative & Selling Expenses	14	8987262.92	7390738.34
Interest		19599601.06	19630752.98
Depreciation	15	12874567.00	8955596.00
TOTAL RS.		160893365.62	122032494.02
Profit/Loss Before Taxation	(+)	1263397.32	1231193.89
Provision for Taxation			
Profit/Loss for the Year	(+)	1263397.32	1231193.89
Balance of P&L A/c. B/F	(-)	(22033572.47)	(23264766.36)
Amount Available for Appropriation	(-)	(20770175.15)	(22033572.47)
<u>APPROPRIATIONS :</u>			
Transfer to General Reserve			
Balance of Loss /CO to Balance Sheet	(-)	(20770175.15)	(22033572.47)

FOR SHAKTI PRESS LTD.,**RAGHAV SHARMA
MANGING DIRECTOR****DEEPAK DHOTE
Jt. MANAGING DIRECTOR****DIRECTORS
NAGPUR
DATED: 03.09.2009****AS PER OUR REPORT OF EVEN DATE
FOR L.B.HAJARE & CO.
CHARTERED ACCOUNTANT****L.B. HAJARE
(PROPRIETOR)**

M/S. SHAKTI PRESS LTD
SCHEDULES FORMING THE PART OF BALANCE SHEET AS ON 31ST MARCH, 2009

<u>S.NO.</u>	<u>PARTICULARS</u>	<u>31.03.09</u>	<u>31.03.08</u>
<u>SCHEDULE 1 :</u>			
<u>Share Capital</u>			
<u>Authorised:</u>			
1	8000000 Equity Shares of Rs.10/-each	8000000.00	8000000.00
2	300000 Preference Shares of Rs.100/-each	3000000.00	3000000.00
		11000000.00	11000000.00
<u>Issued Subscribed & Paid up :-</u>			
1	3520200 Equity Shares of 10/- Fully paid up	35202000.00	35202000.00
2	Non Cumulative Redemable Preference Share 8%	30000000.00	30000000.00
3	Share Application Money	11072000.00	11072000.00
		76274000.00	76274000.00
<u>SCHEDULE 2 :</u>			
<u>Reserves & Surplus</u>			
1	General Reserve	61772000.00	61772000.00
2	Special Capital Incentive from SICOM Ltd.	2900000.00	2900000.00
3	Revaluation Reserve	174998576.71	174998576.71
		239670576.71	239670576.71
<u>SCHEDULE 3 : Secured Loans</u>			
1	From SBI, Hingna Indl.Estate Branch, Nagpur		
	(a) Term Loan (Rupee) A/c.	82978134.19	75480595.19
	(b) Term Loan (FCNR) A/c.	(8060469.00)	12942073.00
	(c) Cash Credit A/c.	63132921.05	52933770.66
	(d) SBI Corporate Loan A/c.	0.00	0.00
	(e) SBI WCTL	9575881.00	10322434.00
	(f) SBI FITL	7307723.00	8146614.00
	(g) Loan against FDR (SBI)	0.00	1514806.00
2	From ICICI Bank against Vehicles	0.00	747151.91
	(a) ICICI Bank Vehicle Loan (Bolero)	174040.00	0.00
	(b) ICICI Bank Vehicle Loan (Skoda)	362493.00	0.00
	(c) ICICI Bank Vehicle Loan (Tata Indica)	21969.00	0.00
		155492692.24	162087444.76
<u>SCHEDULE 4 : Unsecured Loans</u>			
1	Intercorporate Deposits from Bodies Corporate		
	Abad Bapuna, Nagpur	0.00	1500005.00
	Albeli Leasing & Finance Pvt Ltd	44616.00	42091.00
	Centurian HDFC Bank O/D A/c	0.00	11524816.00
	Centurian HDFC Bank O/D A/c 095	4936311.54	0.00
	Centurian HDFC Bank O/D A/c 113	5131934.36	0.00
	Centurian HDFC Bank O/D A/c 130	224312.05	0.00
	Indus Ind Bank Ltd.C/C A/c	0.00	346930.19
	Kalpna Sharma, Nagpur	7755259.00	7359188.00
	Mahalaxmi Commercial Services Pvt Ltd Nagpur	2635580.00	1525509.00
	Markdat Advertising Pvt Ltd Nagpur	854767.00	815898.00
	New Mount Trading & Investment Ltd	11095880.00	12665131.00
	Nova Marketing Pvt Ltd, Nagpur	8573807.00	6772747.00
	Prasidh Commercial Services Pvt Ltd, Nagpur	12395954.00	4402179.00
	Raghav Sharma, Nagpur	0.00	139793.00
	Shailja Sharma, Nagpur	1137091.00	1137091.00
	Shantanu R.Sharma, Nagpur	1300000.00	1300000.00
	Shonavi Creations, Nagpur	3175000.00	3175000.00
	Siddhayu Aurvedic Reserch Pvt Ltd, Nagpur	14979470.00	19936643.00
	Sureshkumar Sharma, Nagpur	9570598.00	9081815.00
	Update Marketing Pvt Ltd, Nagpur	10451007.00	1494700.00

	94261586.95	83219536.19
SCHEDULE 6 : Investments		
1 National Savings Certificate	3000.00	3000.00
2 Shares of Berar Housing Finance Ltd.(2000 Shares)	24000.00	24000.00
3 Shares of Samta Sahakari Bank Ltd.(50 Shares)	5000.00	5000.00
4 Shares of Enbee Plantations Ltd.	5000.00	5000.00
5 Shares of Kedia Distillers Ltd.(500 Shares)	85125.00	85125.00
6 Shares of Madhya Desh Paper Ltd.	16100.00	16100.00
	138225.00	138225.00
SCHEDULE 7 : Current Assets Loans & Advances		
(a) Inventories		
i) Raw Material (Including Consumables)	46903667.19	21769151.00
ii) Work in Process	24125081.12	23454849.00
iii) Finished Goods	28972365.97	17943554.00
	100001114.28	63167554.00
(b) Sundry Debtors : As per List Attached		
	95271307.71	73974279.08
(c) Cash & Bank Balances		
i) Cash in Hand & Current A/c.Including unpaid Div.A/c.		
1.Cash-in-Hand & Bank Balance		
Bank of Maharashtra C/A No. 600106399	4875.00	0.00
Canara Bank Nagpur A/c No 11742	0.00	4885.57
Cash in Bank Shakti Digi Press	0.00	81348.18
Cash in Hand (Factory)	10212465.91	19410085.00
Cash in Hand (Mondha)	0.00	179300.23
Central Bank of India,Dhantoli	0.00	4958.30
IDBI Bank C/A A/c 51012010000922	144139.23	0.00
Indus Ind Bank Ltd.C/A A/c	54189.72	0.00
Pradeep Baitule	0.00	-31623.90
Pradeep Savikar	0.00	2550.50
SBI Corporate Loan A/c	0.00	12081.00
State Bank of India C/A No. 300878794	(59863.61)	0.00
U.W.B. Ltd Bhopal A/c No. 304	0.00	1718.51
U.W.B. Ltd Fort Mumbai A/c 4207	0.00	5268.40
U.W.B. Ltd Godhani Branch A/c No. 93/94	0.00	915.00
U.W.B. Ltd Godhani Gawallior A/c No. 141	0.00	3445.92
U.W.B. Ltd Godhani Sitabuldi A/C 90/117	0.00	9004.73
U.W.B. Ltd Hyderabad	0.00	163.00
U.W.B. Ltd Karol Bagh Delhi	0.00	8180.79
U.W.B. Ltd Nagpur A/c No. 815	0.00	52068.75
U.W.B. Ltd Nagpur Dividend 001-01	135999.00	135999.00
U.W.B. Ltd Sitabuldi 93/413	0.00	20000.00
	10491805.25	19900348.98
ii) FDR of Margin Money with Bank		
FDR A/c	0.00	0.00
Margin Money on LC/BG)	0.00	533675.82
SBI TDR A/c	0.00	3981602.00
SBI TDR A/c (Nitin Dhote)	0.00	1051964.00
TDR SBI A/c	0.00	500000.00
U.W.B.Ltd,Sitabuldi FDR A/c No. 922	4372082.00	1051611.00
	0.00	6000.00
	4372082.00	7124852.82
	14863887.25	27025201.80

M/S SHAKTI PRESS LTD, NAGPUR
SCHEDULES FORMING THE PART OF BALANCE SHEET AS ON 31.03.09

<u>Sr..NO.</u>	<u>PARTICULARS</u>	<u>31.03.09</u>	<u>31.03.08</u>
	<u>(d) Deposits</u>		
	Earnest Money Deposit	505472.00	591872.00
	Excise Duty	5605600.61	5617625.00
	FDR (IDBI Bank Ltd)Sitabuldi Branch Nagpur	357523.00	0.00
	Industrial Service Station	0.00	25000.00
	Interest Receivable	3803282.98	3803282.98
	MSEB, Nagpur	468546.00	439376.00
	Retention Money Deposit	220651.70	486726.00
	Sales Tax Paid against Appeals	45000.00	90000.00
	Security Deposit (MSEB Mondha II)	62860.00	68475.00
	Security Deposit (MSEB Mondha Project)	26631.00	31387.00
	Security Deposit (MSSC LTD Akola)	141496.71	148446.71
	Security Deposit (Telephone Tata)	7000.00	7000.00
	Security Deposit (Water Department)	11178.00	11178.00
	Security Deposit A/c	78024.00	78024.00
	Security Deposit Telephone (Mondha Project)	0.00	7769.00
	Service Tax	121466.00	0.00
	TDS A/c IT	654245.13	408431.13
	TDS A/c WC	257133.49	257133.49
	Telco Sumo booking	0.00	20000.00
	Telecom Department	31500.00	31500.00
	Vat Collected A/c	992441.75	0.00
		13390052.37	12123226.31
	<u>(e) Loans & Advances :</u>		
	(1) Advances to Parties	51496390.75	44354815.39
	(2) Staff	2631732.59	1836360.98
		54128123.34	46191176.37
	<u>(b) Provision & Other Liabilities</u>		
	<u>Provisions</u>		
	Audit Fees Payable	0.00	180000.00
	Bank Interest Payable	9220000.00	0.00
	ESIC a/c Contractor Payable	7450.00	38792.00
	FBT Payable	363428.00	188807.00
	Managerial Remuneration Payable	184558.00	184558.00
	Power & Electricity Payable	383990.00	504610.00
	Salary Payable	59150.00	63058.00
	Wages Payable	101317.00	97331.00
	Water charges Payable	3153.00	3766.00
		10323046.00	1260922.00
	<u>(c) Other Liabilities</u>		
	Cst Payable	12405.00	12405.00
	Retention Deposit	0.00	10409.75
	Security Deposit Building	0.00	124217.00
	TDS Payable	2243855.00	2179284.00
	Unpaid Dividend 00-01	135999.00	135999.00
	Vat Payable	0.00	2104591.32
		2392259.00	4566906.07

M/S. SHAKTI PRESS LTD., NAGPUR
SCHEDULES FORMING PART OF PROFIT & LOSS A/C. ON 31.03.09

Sr.NO.	PARTICULARS	31.03.09	31.03.08
	<u>Schedule No.10 :- Income from Operations :</u>		
	<u>Sales & Job Work Receipts :-</u>		
i)	Gross Sales	173024094.77	121944168.11
	a. Domestic	159294984.67	
	b. Export	13729110.10	
ii)	Job Work Receipts		771275.00
	Packing & Forwarding Charges		
iii)	Recovered	582789.00	542497.00
		173606883.77	123257940.11
	Less :- Excise duty	9112726.39	0.00
	Less :- Vat	3521235.23	0.00
		12633961.62	0.00
	Net Sale	160972922.15	123257940.11
	<u>Other Income</u>		
i)	Dividend Received	3750.00	3375.00
ii)	Remission	0.00	2372.80
iii)	Other Income	1180090.79	0.00
		1183840.79	5747.80
	TOTAL RS.	174790724.56	123263687.91
	<u>Schedule No.11 : Cost of Sales</u>		
	Opening Stocks	63167554.00	62185947.00
	Add. Purchases of :		
1	Paper	130596861.08	70972459.61
2	Ink	228151.00	5960.00
3	Process Material	3582152.82	1719763.31
4	Coating Material	24714.00	46428.00
5	Packing Material	3196054.00	1063122.00
6	Chemicals	53133.25	65701.84
7	Oils & Lubricants	962549.00	794686.50
8	Gum & Adhesives	3134066.10	1411191.27
9	Calender Tin Patti	594385.89	450013.80
10	Pigments & Ink Chemicals	4752574.50	4169302.45
11	Book Binding Cloth & Thread	217522.00	115391.00
12	Light Diesel Oil	851114.00	0.00
13	M/c.Cleaning Material	218800.00	182855.00
		148412077.64	80996874.78
	Less: Excise & VAT	10677494.30	8297035.48
		137734583.34	72699839.30
		200902137.34	134885786.30
	B/F	200902137.34	134885786.30
	Less Closing Stocks		
1	Paper	40447192.38	19144213.63
2	Pigments & Ink Chemicals	2035631.17	1063485.97
3	Chemicals	44150.04	73010.75
4	Process Material	1559911.84	874738.13
5	Oils & Lubricants	203812.00	56510.84
6	Binding Cloth & Thread	129603.43	152773.50
7	Gums & Adhesives	1177064.42	228975.09
8	Packing Material	1167480.37	139604.19
9	Coating Material	11143.65	7125.00
10	Other Consumables	127677.89	28713.90
11	Finished Goods & WIP	53097447.09	41398403.00

	100001114.28	63167554.00
TOTAL RS.	100901023.06	71718232.30

Schedule 12 : Staff Expenses

i) Wages to Workers	1821531.00	1837571.00
ii) Workers Welfare Expenses	429666.00	350153.00
iii) Contribution to ESI	348679.00	120377.00
iv) Contribution to PF	277335.00	512716.00
v) Contribution to Labour Welfare Fund	2394.00	2474.00
vi) Professional Tax	0.00	4980.00
TOTAL RS.	2879605.00	2828271.00

Schedule 13: Operating Expenses

1 Factory Expenses	1792590.00	966145.00
2 Octroi Expenses	333369.00	266292.00
3 Outside Job Charges	1987949.50	1184999.50
4 Power & Electricity Charges	5422841.00	5098680.00
5 Process Expenses	318717.00	369969.70
6 Elect. Installations	363123.88	260975.15
7 Factory Bldg.	277453.00	332806.00
8 Generator	146386.35	3304.00
9 Machinaries	2165118.64	985180.65
10 Security Service Charges	688074.00	664447.00
11 Transportation & Cartage	2100732.21	1334076.40
12 Water Charges	54952.00	42028.00
TOTAL RS.	15651306.58	11508903.40

Schedule 14 : Selling & Administrative Expenses

Accounting Charges &			
1	Supervision Charges	224570.00	212295.00
2	Advertisement Charges	37364.00	89744.00
3	Bank Commission & Charges	1167480.59	493603.94
4	Commission & Brokerage	13500.00	37204.00
5	Computer Expenses	151673.00	177476.00
6	Consultancy Charges	314865.00	384000.00
7	Conveyance Charges	707796.07	524348.37
8	Donations	3278.00	21377.00
9	Excise Duty	6000.00	0.00
10	Export Expenses	698201.00	250115.00
11	Filing Fees	35322.00	26310.00
12	Fringe Benefit Tax	174591.00	188777.00
13	Inspection Fees	23300.00	10600.00
14	Insurance Expenses	441465.00	542085.00
15	Legal Expenses	402302.00	186979.00
16	Licence Fees	6000.00	6000.00
17	Listing Fees	170000.00	12800.00
18	Membership Subscription	38446.80	45328.40
19	Newspaper & Periodicals	4336.50	5620.50
20	Office Expenses	64812.00	91309.00
21	Pooja & Functions Expenses	47963.00	42273.00
22	Postage & Telegrams	138592.46	118851.98
23	Preliminary Exp. W/o	126860.00	126860.00
24	Printing & Stationery	73905.00	71419.44
25	Professional Charges	175877.00	65956.00
	Reimb.of Medical		
26	Exp.(Directors)	368618.00	153588.00
27	Remission a/c	5411.49	0.00
28	Remuneration to Directors	684000.00	688000.00
29	Remuneration to Auditors	90000.00	90000.00
30	Rent Rates & Taxes	195172.00	242374.00
	Repairs & Maintenance to Office		
31	Equipment	18310.00	12873.50
	Repairs & Maintenance to		
32	Vehicles	444769.00	269573.00
33	Retainership Charges	198000.00	10000.00
34	Salaries to Office Staff	784663.00	694823.00
35	Loss of Sale Assets of Vehicle	119271.00	0.00
36	Sales Promotion Expenses	98971.76	194731.87
37	Sales Tax Expenses	65000.00	0.00
38	Secy. Deptt.Expenses	30419.80	65169.80
39	Service Tax	4762.00	84256.00
40	Sponsorship Expenses	0.00	130305.51
41	Technical Supervision	0.00	76000.00
42	Telephone Expenses	355180.00	328180.00
43	Tender Fees	7600.00	3813.00
44	Travelling Expenses	268614.45	615718.03
	TOTAL RS.	<u>8987262.92</u>	<u>7390738.34</u>

Schedule 15 :- Depreciation :

		12874567.00	8955596.00
	TOTAL RS.	<u>12874567.00</u>	<u>8955596.00</u>

SHAKTI PRESS LIMITED, NAGPUR
STATEMENT OF DEPRECIATION FOR THE YEAR ENDED ON 31.03.2009

SR	NAME OF THE ASSETS	Rate of %	GROSS BLOCK			DEPRECIATION			TOTAL	NET BLOCK As on 31.03.2009	
			Gross Block AS on 01.04.08	Addition 01.04.08 31.03.09	Disposals	Gross Block AS on 31.03.09	Gross Block As Per Revaluation	Up to Last Year			For The Year
	LAND										
1	1. MIDC LEASE HOLD	0	204572.90			204572.90	6544800.00			6544800.00	
2	2. MONDHA	0	1763197.00			1763197.00	131162000.00			131162000.00	
3	FACTORY BUILDING										
	(a) MIDC	3.34	12614721.04	69873.00		12684594.04	19639463.00	4519321.50	423666.00	4942987.50	14696475.50
	(b) Mondha	3.34	52521923.60			52521923.60	50663854.00	8098856.00	1754232.00	9853088.00	40810766.00
4	ELECTRICAL INSTALLATION										
	(a) MIDC	6.33	3146032.60			3146032.60	2200000.00	1560570.00	149437.00	1710007.00	489993.00
	(b) Mondha		3095042.00			3095042.00	4000000.00	801399.00	147014.00	948413.00	3051587.00
5	PLANT & MACHINERY (Including Office Equipment)	7.42	201849178.15	427600.00		202276778.15	195980600.00	77276445.66	9648990.00	86925435.66	109055164.34
6	FURNITURE & FIXTURES	6.33	2097883.75	80200.00		2178083.75	2178083.75	581998.50	137873.00	719871.50	1458212.25
7	VEHICLES	9.50	6918860.00		462500.00	6456360.00	6456360.00	2832661	613355.00	3446016.00	3010344.00
8	BRANDS		0.00			0.00	40500000.00	0.00	0.00	0.00	40500000.00
	TOTAL		284211411.04	577673.00	462500.00	284326584.04	459325160.75	95671251.66	12874567.00	108545818.66	350779342.09

Cash Flow Statement as per AS - 3

For the year ending 31.03.2009

Particulars	Amount	Amount	Amount
	F.Y. 2008-09		F.Y. 2007-08
<u>A. Cash Flow from Operating Activities</u>	1,263,397.32		1,231,194.00
Net Profit / (Loss) Before Tax (Excluding extra ordinary items)			
Adjustment for Non Cash Items:			
Add:			
Depreciation for the year	12,874,567.00		8,955,596.00
Pre. Expenses W/off	126,860.00		126,860.00
Loss on Sale of Investment/ Fixed Assets	-		-
Fringe Benefit Tax	174,591.00		188,777.00
Interest Expense	19,599,601.06		19,630,753.00
Provision for Audit	90,000.00		90,000.00
Less:			
Gain on sale of investments/Fixed Assets			
Interest Income/ Other Income	1,183,840.79		5,748.00
Operating Profit before working capital changes			
Add:			
Decrease in Accounts receivable			-
Decrease in Prepaid Exp.			-
Decrease in Advances			-
Increase in accounts payable	29,856,849.90		-
Increase in accrued Liability			-
Increase in Provisions	8,797,533.00		-
Less:			
Increase in Accounts receivable	59,397,414.97		7,930,926.00
Increase in Prepaid Exp.			-
Increase in Advances	7,936,946.97		7,874,699.00
Decrease in accounts payable			6,522,452.00
Decrease in accrued Liability	2,174,647.07		297,779.00
Decrease in Provisions			260,416.00
Cash Generated from Operating Activities			
Less: Income Tax Paid			-
Net Cash from Operating Activities			
Add: Profit from Extra Ordinary Item			-
Less: Loss from Extra Ordinary Item	119,271.00		-
(a) Total Cash from Operating Activities		2,209,820.48	7,331,160.00
<u>B. Cash Flow from Investing Activities</u>			
Add:			
Sale of Fixed Assets, Investments	175,000.00		-
Loans & Advances received Back			-
Interest & Dividend received	1,183,840.79		5,748.00
Less:			
Purchase of Fixed Assets	577,673.00		1,563,659.00
Loans & Advances Given			
(b) Net Cash from investing Activities		781,167.79	(1,557,911.00)

C. Cash Flow from Financing Activities

Add:

Proceeds from Issuance of Share Capital
Loans & Advances Taken

11,042,050.76

14,488,743.00

Less:

Repayment of Pref.Capital/ Debentures/ Loans P. Deposits
Interest & Dividend Paid

6,594,752.52

19,599,601.06

19,630,753.00

(c) Net Cash from investing Activities

(c) Net Cash from Financing Activities

(15,152,302.82)

(5,142,010.00)

Net Increase (+)/ Decrease(-) in cash & Cash Equivalent

(12,161,314.55)

631,239.00

Cash & Cash Equivalent at the beginning of the period

27,025,201.80

26,393,963.00

Cash & Cash Equivalent at the end of the period

14,863,887.25

27,025,202.00

**For L. B. Hajare & Co.
Chartered Accountants**

**(L. B. Hajare)
Proprietor
M. NO. 39940**

RAGHAV SHARMA

MANAGING DIRECTOR

DEEPAK DHOTE

JT. MANAGING DIRECTOR

**Nagpur
Dated:03.09.2009**

DIRECTOR

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 and are in accordance with Mandatory Accounting Standards.

b) Fixed Assets :-

Fixed assets are stated at cost excluding taxes and excise duty but include 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.

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. Depreciation is charged on revaluation difference on value of assets revalued and is debited to Revaluation Reserve Account.

d) Income Tax According to the Accounting standard 22 :-

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

e) Investments :-

Investments are stated at cost. Investments made in shares of Smata Sahakari Bank Ltd., Enbee Plantation Ltd. are doubtful as the concerns are in liquidation / winding up. The investments are at purchase cost but their current market price is lower than the mentioned figure.

f) Sales :-

Sales are recognised, net of returns, on dispatch 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.

g) 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.

h) 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.

i) Miscellaneous / Deferred Revenue / Preliminary Expenses :-

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

j) Loans :-

Debit balance of Rs. 80,60,469/- in SBI FCNR Term Loan is in fact excess payment to be adjusted against Rupee Term Loan account of Rs. 8,29,78,134.19/-. Both accounts are reconciled as per bank accounts and are pending set-off against each other in view of SBI stand of companies account as per NPA w.e.f. 01.07.08.

k) Listing :-

The equity shares companies were relisted w.e.f. 27.02.09.

2. **Contingent liability not provided for in respect of :**

	(Rupees'000)	
	31.3.2009	31.3.2008
[1] Bank Guarantees issued against		
a) Bond Issue to Central Excise department for Removal of goods without payment of Excise Duty.	183.00	844.50
b) Against Machinery Imported under the EPCG Licence, wherein duty has been paid at Concessional Rates.	18450.00	18450.00
[2] Sales Tax demands pending in appeal (F.Y. 1994-95 Rs. 60,958/- & Rs. 19,648/- for BST & CST resp.) (F.Y. 1997-98 Rs. 3, 34,789/- for BST)	415.40	455.77
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

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
Shri Shantanu Sharma

(B) Transaction with Related Parties (In Rs)

Purchase of Goods	84979902.00
Sale Goods	19806573.00
Amount Paid on their behalf	1697727.00
Loan Given	11340000.00
Loan Taken	21440000.00
Amount Paid on our behalf	50856053.00
Amount Received on our behalf	6144794.00
Payment received against Bills	12187621.00
Payment made against Bills	38785315.00
Interest Paid	6240477.00
Interest Received	2618897.00
Directors Remuneration	684000.00

5. Earning Per Share as per Accounting Standard 20

	31.3.2009	31.03.2008
(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
Weighted average number of equity shares outstanding during the year	35, 20,200	
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)

6. Interest includes :-	31.03.2009	31.03.2008
Interest payment on C/C. A/c. (including commission)	1767.04	672.19
Interest payment on Term Loan	3697.25	10091.82
Others	4915.31	2866.74
7. Payment to Auditors include :-	31.03.2009	31.03.2008
For Audit fees (Statutory) :	50.00	50.00
For Tax Audit Fees :	20.00	20.00
For Other matters (Certification and Taxation) :	20.00	20.00
Total :	90.00	90.00

8. The company deals in only one related segment of business i.e. printing, packaging & stationary 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 recognized 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 recognized 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.

	31.03.2009	31.03.2008
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	---	---

(Rupees '000)

	31.03.2009		31.03.2008	
	Qty.	Amt.	Qty.	Amt.
iv) Sales		161779.61		122486.67
Job Work Receipts	-	-	-	771.28
v) Stocks				
PAPER: (in Reams)				
Opening Stock	42545	19144.21	51523	23185.43
Closing Stock	88895	40447.19	42545	19144.21
INK : (in Kgs)				
Opening Stock	---	---	---	---
Closing Stock	---	---	---	---
COATING MATERIAL (in Ltrs)				
Opening Stock	134	7.13	520	28670
Closing Stock	202	11.14	15	8.00
WORK IN PROCESS:				
Opening Stock		23454.85		15477.87
Closing Stock		24125.08		23454.85
FINISHED GOODS				
Opening Stock		17943.55		20520.12
Closing Stock		28972.37		17943.55
OTHERS				
Opening Stock	---	---	---	---
Closing Stock	---	---	---	---
B) <u>Raw material consumed</u>				
Paper (Reams)		109293.91 240206		166698 501368
Ink (Kgs)				
Coating Material (Ltrs.)		20.70 376		757 40.10
Others				

	31.03.2009		31.03.2008	
Amount %	Amount	%	Amount	%
C) i) Value of Consumption of Imported raw materials	---	---	---	---
ii) Value of Consumption of Indigenous raw materials	109293.91		70764.45	
iii) Value of Consumption of Imported Components and spare parts	--	---	---	---
iv) Value of Consumption of Indigenous components and spare parts	---	---	---	---
	109293.91		70764.45	

(Rupees '000)

	31.03.2009	31.03.2008
14) FOB Value of Exports (Deemed Export)*.	---	
15) The Company is supporting supplier to Exporter Under EPCG Scheme)		
Direct Export	9750.82	3766.14
Deemed Export	3978.28	5107.88
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 30th June, 2006 (Not required since no commission is paid)

AS PER OUR REPORT OF EVEN DATE ATTACHED

**FOR L. B. HAJARE & CO.
CHARTERED ACCOUNTANTS
L.B. HAJARE
PROPRIETOR**

**Raghav Sharma
MANAGING DIRECTOR**

**Deepak Dhote
JT MANAGING DIRECTOR**

**M.N.39940
PLACE ; NAGPUR
Date : 03-09-2009**

DIRECTOR

Auditor's Certificate

We have examined the above Cash Flow Statement of Shakti Press Limited for the year ended 31st March, 2009. 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

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

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 _____ Equity shares.

I hereby record my presence at the SIXTEENTH ANNUAL GENERAL MEETING of the Company, at U-116, M.I.D.C. Hingna Industrial Area, Nagpur to be held on 30th September, 2009 and at any adjournment thereof.

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.
-

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 SIXTEENTH ANNUAL GENERAL MEETING of the Company, to
be held on 30th September, 2009 and at any adjournment thereof.

Signed : _____

Place : _____

Dated : _____

Affix 15 Paise Revenue Stamp

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